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Living under Institutional Duality - The CSR Communication in a Multinational Corporation

*A study of the Chinese and Swedish subsidiaries in the
AstraZeneca Group*

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Abstract

- Title:** Living under Institutional Duality—The CSR Communication in a Multinational Company
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- Key words:** MNC, Subsidiary, CSR, Stakeholder communication, AstraZeneca
- Purpose:** The purpose of this thesis is to investigate how the institutional and cultural context that a MNC is embedded in can explain why subsidiaries within a MNC act different or similar to the Parent Company regarding how they communicate CSR.
- Methodology:** The methodology applied in this study is based on a qualitative, deductive approach.
- Theoretical perspective:** The theoretical perspective is combined with institutional theories and culture theories. This framework provides an institutional and culture perspective for explaining how and why MNC subsidiaries differ from their parent company in CSR communication.
- Empiricism:** The empirical chapter consists of a presentation of the case company and the results from the study of the documents for the Parent Company and subsidiaries respectively. The findings are presented in three perspectives: CSR responsibilities, CSR practices and stakeholders.
- Conclusions:** The differences in national cultures and firm history can explain why MNCs subsidiaries differ in how they communicate CSR. Depending on the strength of culture and the length and power of history, the subsidiaries adapt and adjust their behaviour and strategies in different degrees to the Parent Company and the local contexts respectively.


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Cecilia Gustafsson



Jianren Cai

Abbreviations

MNC = Multinational Corporation

MNE = Multinational Enterprises

CSR = Corporate Social Responsibility

AZ = AstraZeneca

UK = United Kingdom

SE = Sweden

CN = China

Host Country = The Subsidiary's context

Home Country = The Parent Company's context

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1. Introduction

1.1 Background

The continuously growing globalization has created benefits for Multinational Corporations (MNCs), which has made it possible for them to grow rapidly in both power and size the last century. They are now being seen as one of the world's most dominant and powerful institutions (Waddock, 2008). MNCs consist of differentiated subsidiaries involved in multiple activities, acting both within and between several host countries, likely with different preconditions. Bartlett & Ghoshal (1989) define the MNC as “a company that manages a portfolio of national entities (commonly known as ‘subsidiaries’) since its strategic posture and organizational capability which allows the company to be sensitive and responsive to national differences” (Barlett & Ghoshal, 1989, p.10).

MNCs operate in a complex field, due to the fact that they are facing the challenge of interaction with both the home country and different host country governments. The host countries are potentially shaped by varieties of ideologies and national regulations (Blumentritt & Nigh, 2002). Given this complexity, it is not surprising that the growing expansion of MNCs has made international business ethics to one of the highest ranked issues on the global agenda. It has led to increased attention on corporate social responsibility (CSR) in both thinking and application of businesses (Carroll, 2004).

Currently, the focus on doing the right thing in a social aspect and to operate in a responsible way to maintain a good reputation is a key focus in most corporations. The term CSR is being repeatedly used within businesses activities and communication. But what is actually meant by CSR? Scholars within CSR share multiple meanings of how to define corporate social responsibility. One of the early concrete concepts of CSR defined by Davis (1960), states that “social responsibility refers to businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest” (Davis, 1960, p. 70).

Further, Friedman (1970), the Nobel Prize recipient, argues that there is only one social responsibility of business, namely to maximize the profit for the shareholders. Friedman (1970) is against CSR and says that CSR is a strategy and mere window dressing (Friedman, 1970). On the contrary, most of the scholars nowadays treat the corporations' social responsibility beyond profit making. The most famous stakeholder theory scholar, Freeman (1984) argues, the business should not only benefit the shareholders but also stakeholders who are groups that has a stake in or claim on the firm. Given that MNCs vary across nations, they meet the challenge of having to satisfy both the stakeholder within the host country to gain external legitimacy, and the CSR requirements of the Parent Company to gain internal legitimacy (Yang & Rivers, 2009). Even though studies highlight and agree on similar stakeholder groups (with some variety between different researchers) to focus on within CSR, many studies supports that the key stakeholders and the importance of stakeholders perceived by corporations, varies across nations. Welford

(2005) investigated CSR policy differences in 15 large companies in North America, Europe and Asia and found that in Asia, CSR policies had a weaker relation to internal stakeholders (employees) compared with other countries.

Nowadays, the quality and the strength of the relationship between the companies and its stakeholder are the crucial factors of the business success. The increased attentions of CSR has made the stakeholder engagement to comply with global trends, building reputation and gaining social acceptance, in order to maintain relations with the stakeholders (Darskuvienė & Bendoraitienė, 2014). The focus of CSR is constantly changing together with the stakeholders' expectations. Of that reasons it is important to adapt and change their ways of communicating CSR to both meet and influence those expectations (Morsing & Schultz, 2006). Therefore it is crucial for the companies to find ways of communicating CSR to the stakeholders in order to reach success (Dawkins, 2004). One of the most associated communication channels for CSR is the annual report. At the same time, given today's internet exposure, other reporting media including corporate websites, press releases and social media have gained increased attention as ways for companies to communicate CSR activities to their stakeholders (Adams, Hills & Robert, 1998). The social media with its features of being a two-way form of communication where users can interact and exchange information has grown as a tool for corporations. Thus, it enables corporations to communicate with the community directly by having a public conversation with stakeholders (Mamic & Almaraz, 2013).

1.2 Problem discussion

As mentioned earlier, MNCs with its features of acting globally, could be seen as one of the world's most dominant and powerful institutions (Waddock, 2008). Therefore, it is reasonable to assume that the power and influence they exerts on their subsidiaries will make them homogenous and in line with the Parent Company. Hence, researchers of MNCs have shown that this does not seem to be the case.

MNCs are characterized by having a network of differentiated subsidiaries involved in multiple activities that act under the influence of multiple, and sometimes conflicting, institutional forces in the different political, socioeconomic and cultural contexts (Tang et al, 2015). Therefore, CSR practices and how CSR is communicated, are affected by these influencing forces where the subsidiary operates (Tang et al, 2015; O'Connor & Shumate, 2010). According to Baughn et al (2007) are corporations less likely to value CSR in countries where the government is corrupted. Consequently, the political freedom and the emphasis of CSR in a country have a positive correlation.

Apart from the economic and political influences, Gao (2009) argues that an increasing number of evidence shows that CSR is perceived differently in different cultures, and it also can have different meanings and characteristics. According to Tang et al (2015), institutional factors are influential to the CSR communication since corporations' CSR practices and communication are

shaped by institutional norms. Jukic & Xu (2012) found that CSR activities differ between MNCs' subsidiaries in different countries for two reasons. Firstly, because of the maturity of local CSR development, based on the strength of the government enforcement of CSR, social security in the country and the degree of economic development. Secondly, the extent of the company's localization in the host country, including: strength of industry features and company characteristics as stakeholder pressure and subsidiary strategy. The findings indicate that a company with high extent of localization would have a higher focus on external areas for CSR influences while companies with a higher level of maturity of CSR development will put large focus on internal factors, as well as on external ones. In contrast, they found that if the level of CSR development is low in a country, the external focus would be more emphasized than the internal one (Jukic & Xu, 2012).

This background leads us to the understanding that the MNC is facing the challenge of interacting with diverse national systems, cultures and institutional forces that shapes their subsidiaries. In turn, as previous studies have shown, this could potentially lead to different outcomes of CSR in the host countries. Researchers within this field, has mostly focused on national differences such as economic, politic and culture between subsidiaries. Besides, these researches have neither explored the phenomena of the Parent Company's influence nor focused on the combination of the cultural and institutional factors as an explanation of behaviour (Jukic & Xu, 2012; Tang et al, 2015, Yang & Rivers, 2009) As a result, we have found a gap in the previous studies where we wish to explore the larger influences of the dynamic of institutional and cultural factors that the MNC and its subsidiaries are embedded in.

A further exploration of this phenomenon will therefore be conducted by applying the following research questions:

1.3 Research question

- How do MNC subsidiaries differ from their Parent Company in their CSR communication?
- Can the institutional and cultural theories explain why the subsidiary adjusts to the Parent Company and why it follows its local context?

1.4 Purpose

The purpose of this thesis is to investigate how the institutional and cultural context that a MNC is embedded in can explain why subsidiaries within a MNC act different or similar to the Parent Company regarding how they communicate CSR.

1.5 Scope of the study

The scope of this study is to analyse and investigate the CSR communication of two subsidiaries and its Parent Company within the Multinational Corporation, AstraZeneca PLC. We chose the Swedish and Chinese subsidiaries as our research objectives. The reason for selecting these countries as scope of the study is that they are represented by highly distinct national systems,

including economic, political and cultural differences (Tang et al, 2015). Furthermore, since the cultures of the two countries are seen as very distinctive (Hofstede, 1984/2015) these countries are seen as appropriate to study. As prior studies concern the general national system, this thesis will instead focus on the cultural and institutional factors as reasons to explain the CSR communication of MNC subsidiaries.

2. Methodology

This chapter will describe the research approach and the methodological choice that has been made. Thereafter follows a description of the case study and analysing method. The chapter ends with considerations of the research quality and the theory's role in the thesis.

2.1 Research approach

This study aims to explore the phenomenon of how MNC subsidiaries adjust themselves to the Parent Company and to the national context they are embedded in respectively. In order to understand this phenomenon, our starting point was to conduct an extensive literature review within the research field. From the existing literature we then formed a theoretical framework, to capture the understanding of this study's purpose (Bryman & Bell, 2013). Therefore, this study has a deductive approach since it is characterized by an approach which takes the starting point in theories. The theories are then used to test the empirical data, and to explain the phenomenon (Johannessen & Tufte, 2003; Cho & Lee, 2014). Of that reason, we argue that this theoretical approach is suitable since we aim to explore the phenomena of a specific case.

Since this study has a deductive approach, the next step, after the relevant theory was collected and expectations based on the theory were formulated, was to make a decision of how to gather the empirical data, which would then be explained by the theory. The authors found that the best way to gather the empirical data was to investigate the companies' written documents; including corporate websites, press releases, and additional conduct interviews with the subsidiaries (see section, 2.3.1). The advantages that could be gained by primarily focusing on the documents, was that it would assess how companies communicate CSR in reality. The disadvantages are that the researchers, by relying on the public documents, could meet the challenge of not having access to all the information needed (Bryman & Bell, 2013). Since the authors' aim was to gain understanding of how the CSR is communicated, a focus on published information was found to be most adequate.

Further, this study has a qualitative approach, since it focuses on the understanding of the research problem and emphasis on words rather than numbers (Bryman & Bell, 2013). In most economic research the qualitative method is used together with an inductive approach to generate theory rather than test the theory. Thus, Bryman & Bell (2013) argues, the role the theory has in the research should not be seen as unwavering, a deductive research with a qualitative character could still be supported (Bryman & Bell, p. 41). Further, Waqqas & Bahadur (2010) argues that, when investigating the CSR conditions in MNCs, the qualitative method is the preferred one.

2.2 Case study Design

2.2.1 Case Study

According to Yin (2003) researchers should use a case study approach when: (a) the focus of the study is to answer questions as how and why. (b) you want to cover contextual conditions because you think they are relevant to the phenomenon under study. (c) the boundaries are not

clear between the context and the phenomenon (Yin, 2003 cited by; Baxter & Jack, 2008, p. 545).

According to Yin (2003), since the thesis research aim is to answer *how* does MNCs' subsidiaries differ from their Parent Company in their CSR communication and *why* does subsidiaries acting different or similar to the Parent Company, we found the case study as a good choice to enable the research and answer these questions. Further, an investigation of the communication of CSR in a MNC and its subsidiaries in different countries could not be made without considering the various contexts they operate in (Yin, 2003, cited by; Baxter & Jack, 2008, p. 545). Therefore, a case study would be the appropriate method to get a deep understanding of the phenomena and by taking into account the various cultural and institutional contexts the MNC and its subsidiaries are embedded in. Blatter & Haverland (2012) argue that a case study could be either a single or a few cases, and in order to capture the understanding of the phenomena should the amount not be too many. According to these arguments, we thought a case study of three companies, two subsidiaries and its Parent Company was suitable.

Researchers commonly design different steps to follow when conducting a case study. Based on a combination of Blatter and Haverland's (2012) and Yin's (2004) creations, the authors have made a five-step case study design to follow. First, the researchers have to determine and define the goal of the research and research questions (Blatter, Haverland 2012). Under this step, researches are required to specify the purpose of the study and narrow the research scope by forming research questions (Section 1.3 and 1.4). Second, a suitable case should be chosen and case design and analysis should be determined (Blatter, Haverland 2012, Yin 1994) (Section 2.2.3). The third step is the collection of data (Section 2.3). The fourth step is to evaluate and analyse the data (Section 4). The last step is to prepare and present the report of the case study based on the findings together with our discussion (Section 5-6). These five steps will be described in the following section.

2.2.2 Selection process of industry and company

According to the second step, we prioritized two sorts of criteria when selecting our case study company. Firstly, it should be a company within an interesting industry to investigate CSR. Secondly, the company should satisfy our own designed criteria of being listed on a stock exchange outside China and Sweden. It should also have a subsidiary in both these countries with similar operations. To meet our first criteria we started by doing a thoroughly literature review in CSR within MNCs. This review led us to select the pharmaceutical industry. This industry was interesting to investigate since the pharmaceutical industry are characterized of having a complex set of stakeholders to satisfy, including patients, health professionals, scientific and patient associations, regulator authorities and the general public (Esteban, 2007). Furthermore, these stakeholders' different interests have to be taken into consideration in the companies CSR strategy (Esteban, 2007). We also found that several studies (e.g. Sweeney &

Coughlan, 2008; Rusinowska & Traverso, 2009; Arvidsson & Klaesson, 2013) investigated the work of CSR within this industry, which further strengthen our choice of industry.

Given the selection of the pharmaceutical industry we found a study that has investigated one of the MNCs in the industry, AstraZeneca, but with a diverse scope compared to this study (Arvidsson & Klaesson, 2013). Arvidsson & Klaesson (2013) chose to focus on CSR within AstraZeneca in Sweden while this study will examine how the MNC works with CSR, not only in Sweden, but also in the Parent company and in the Chinese subsidiary. In 2014, the AstraZeneca Group, which is located in UK, operated throughout 191 subsidiaries worldwide and with products manufactured in 17 countries and sold in over 100 countries (AZ UK, annual report, 2014, p. 189). In Sweden, AstraZeneca have one subsidiary; AstraZeneca AB and in China they have two subsidiaries; AstraZeneca Pharmaceuticals Co. Limited and AZ (Wuxi) Trading Co. Limited. The focus in China will be on AstraZeneca Pharmaceuticals Co. Limited since they have the same direction of operations as the Swedish subsidiary, namely research and development, manufacturing and marketing. AZ (Wuxi) Trading Co. Limited however only operates within marketing, and would therefore not be an appropriate choice for a comparison with the Swedish subsidiary (AstraZeneca, annual report, 2014, p. 189).

2.3 Collection of Empirical Data

2.3.1 Selection of data

While the aim of this study is to see how the CSR communication differs between the Parent Company and subsidiaries in a MNC, we found that the best solution to conduct our study was to examine the information that both the Parent Company and the Chinese- respectively the Swedish subsidiary offers. To find the most important documents, we took our starting point in the annual report, as it has been the dominated source for scholars for a long time when analysing companies CSR disclosures (Fifka, 2012). However, we found that AstraZeneca's CSR disclosures in the annual report is rather weak and mainly referred to the corporate website. According to Fifka (2012) reporting media such as corporate websites and press releases have increased in use by corporations when communicate CSR. In line with this, we also found that several researchers that investigate corporations' communication of CSR have abandoned analysing reports, in favour of analysing corporate websites (Castello et al, 2013; Tang et al, 2015). Therefore, our study will focus on investigating the corporate websites and press releases. Additionally, we found that the companies are active in using social media. The use of social media bears its features of being a two-way form of communication where users can interact and exchange information, and has gained increased attention as a tool for corporations to communicate to stakeholders. It also enables corporations to communicate with the community directly by having a public conversation with its stakeholders (Mamic & Almaraz, 2013). With these arguments in mind, this study has also taken social media into investigation. Hence, we took twitter as a third source in the research. Therefore, the written documents including the website, press release and social media (twitter) constitutes the primarily data of this study.

The study is also supplemented with two interviews with the subsidiaries AstraZeneca Sweden and AstraZeneca China. The reason for making these interviews was to strengthen the research by supporting parts that were not enough clarified in the written documents. Therefore, interviews with the Swedish subsidiary respectively the Chinese subsidiary of AstraZeneca were conducted after the study of documents. Though, the initial aim was to conduct an interview with the Parent Company, but since we did not get any response from them, only interviews with the subsidiaries were made. When we had got in contact with both subsidiaries and had described the questions, Jacob Lund, the Director of External Communication in Sweden preferred to answer the questions via e-mail, while Nancy Yu, the Director of Public Relationship in the Chinese subsidiary rather preferred a telephone interview. The email-interview with Jacob Lund was sent on the seventh of May and received on the fifteenth of May, and the telephone interview with Nancy Yu was held on the twentieth of May and lasted for 20 minutes. The questionnaire used for the interview consisted of five to ten questions (see appendix b for the complete interview), which were formulated related to what the study' of the documents for each subsidiary had revealed. Therefore, the questions varied between the two subsidiaries. The reason for this is that after the study of the documents, clarification was needed in different areas. Since the interviews were made to support and clarify our understanding of the documents, the answers will be presented in the appendix instead of the empirical data (see appendix b). These answers further will be used in the analysis and discussion of the empirical results (section 6).

There are both advantages and disadvantages with these kinds of interviews, since the distance to both Stockholm and Shanghai is far we found these interview methods as suitable. Thus, we still considered the associated disadvantages these could bring. According to Bryman & Bell (2013) drawbacks with an e-mail interview are that it could be harder to motivate the respondent in the interview. Additionally, the spontaneity of the respondents' answers can perish, because the respondent gets longer time to go through and formulate the answers, still it can also be an advantage of the interview, which we thought in our case (Bryman & Bell, 2013). Since the aim of the interviews was to clarify the results from the study of the documents, we valued elaborated answers higher than spontaneous ones.

The telephone interview is depicted as a less efficient method than a face-to-face interview, since visual cues may absent via the telephone, which can result in the loss of contextual and nonverbal data (Novik, 2008). On the other hand, by using the telephone interview approach, it may allow the interviewee feels relax and therefore willing to talk about the sensitive information (Novik, 2008). After the study of documents, it revealed more questions concerned the Chinese subsidiary. Therefore we thought the telephone-interview was suitable because it could be harder to motivate the respondent in an e-mail interview if there were too many questions (Bryman & Bell, 2013). The interview was recorded and thereafter transcribed in order

to increase the internal validity of the information (Bryman & Bell, 2013). Afterwards the answers were sent back to the respondent to ensure that the answers had been right interpreted.

In addition to the primary data (documents and interview) we have also used secondary data. Secondary data includes previously reproduced data, which mainly includes the literature used to form a background and support the findings (Reinecker & Stray Jørgensen, 2002). In this thesis the secondary data constitutes an important role when doing our first literature review in the research field. This data has been used to get a good theoretical knowledge in the field, which we later used to form the study's background and also for support the study's findings. The search engines that has been used for this purpose are primarily Lund Universities article retriever and Google Scholar.

2.3.2 Collection of documents

In the annual report, AstraZeneca communicates the CSR through a framework consisting of 10 CSR policies (see section 5). For deeper information about the CSR policies AstraZeneca refers to the corporate websites. Arvidsson & Klaesson (2013), made an investigation of the CSR work in AstraZeneca, where they also found that AstraZeneca communicate their CSR through these policies. Therefore we decided to frame our research from this CSR policies which is further described under the section "responsibility" in the corporate website (see section 4.2.1). Given that both the Parent Company and the Chinese and Swedish subsidiary have a section of "responsibility" in the corporate websites, we limited our research on the websites to primarily investigate this section.

For the press releases, we investigated all press releases available on the corporate website during the year 2012. The year 2012 were chosen since 2013 was not available on the Parent Company's website and the 2014 was not available on the Swedish subsidiary's website. Since we wanted to have a relatively large sample we though 2015 would not be enough. Therefore, 2012 became the most appropriate since it provided 12 months of press releases. Even though these press releases were published three years before, we have been aware of that what/how the companies communicates can have changed. To handle this, we briefly went through the press releases of 2015 to see if there was any significant difference. Thus, it revealed similar type of information as 2012. Therefore, we argue that the older press releases would not mislead the result in a large extent. For the social media (Twitter), the study includes the latest 100 tweets (messages), from the 24th of April 2015 and backwards. Within the tweets, we excluded "retweets" made from both the Parent Company and other organisations when we collected the tweets for the subsidiary.

2.4 How to analyse the data

2.4.1 Content Analysis

This study will use a content analysis method to analyse the selected data. According to Moretti et al. (2011) the content analysis is described as a method to classify oral or written materials into identified categories of similar meanings. Since our study is largely stressing on the communication of CSR, we consider the content analysis as an appropriate method for us. This choice can further be strengthened by Abrahamson (1983) who states “a content analysis can be effectively used to examine differ sorts of communication materials” (Abrahamson, 1983, p. 286)

In order to answer the research questions, we will mainly focus on the communicated texts (including the websites, press releases and the social media). Hsieh & Shannon (2005) argue that in the content analysis should the material be systematically coded so themes or patterns can be identified. Therefore, we have thoroughly construct a research model suitable for the case in order to enable the coding of the material and to later identify patterns and themes in it (see section 2.4.2). Schreier (2012) also states the advantage of the content analysis method and describe it as “a method for systematically describes the meaning of qualitative material” (Schreier, 2012, p. 1278). Apart from the stated advantages of the method, it has some inevitable shortcomings; one is that the content analysis carries the risk of being subjective (Hsieh & Shannon, 2005) (see section 2.5 for further discussion).

A deep discussion around our research model, coding process and conduct of study will be presented in the following sections.

2.4.2 Research Model

Crane and Matten (2010) attempt to investigate the question about the nature of the social responsibilities and argue that the most constructed and accepted model of CSR that can address this question is the model, which is called “Four-part model of corporate social responsibility”, created by Archie Carroll (1979). As this model has been well used by researchers, we also found it relevant for this study. Therefore the model’s concepts will be applied as a basis in our research, and below follows a description of its meaning.



Figure 2.1 – The CSR responsibility model (Carroll, 1979)

The model (figure 2.1) is a four-layer concept; from the bottom to the top are the four differentiated but interrelated aspects, namely Economic responsibilities, Legal responsibilities, Ethical responsibilities, and Philanthropic responsibilities (Carroll, 1979). According to Carroll (1979) the pyramid can be used as a model to evaluate to which degree one organization follows the requirement of the CSR practice (Phan & Wall, 2010)

Economic responsibility

Economic responsibility is the basic responsibility of business, which is required to be a properly performing economic unit and to stay in the business (Carroll 1991, Crane & Matten 2010). According to Carroll (1991), Economic responsibility contains such as pursuing the economic profits for the shareholders, securing a stable and safe job for the employees as well as selling good quality products with a fair price to the consumers, hence, which are seen as the reasons why the companies are established in the society

Legal responsibility

Phan and Wall (2010) state that the society has not only approved businesses to operate according to the profit motivation, at the same time, businesses is required to follow the legal responsibility. Carroll (1991) defines the legal responsibility as corporations should abide by the laws, regulations and standards promulgated by the governments. These are the pre-requirement for any further reasoning about social responsibility (Crane & Matten, 2010).

Ethical responsibility

Even though economic and legal responsibilities have revealed some ethical norms like justice and fairness (Carroll, 1991; Crane & Matten, 2010), Carroll (1991) defines that the ethical responsibility oblige corporations to do right, just and fair things even when they are not forced to do so by the legal framework. Dahlsrud (2006) uses the terminology “the social dimension” to describe this layer, as this layer is expected by society. Furthermore, he stresses this dimension as the relationship between business and society, since it takes the ideas such as “integrate social concerns in their business operations into consideration” (Dahlsrud, 2006, p. 4).

Philanthropic responsibility

On the top of the pyramid is the Philanthropic responsibility, which are the voluntary responsibilities of the corporations. This kind of responsibility reflects the current expectation of the society towards the corporation (Carroll 1991, Crane & Matten 2010, Grigore 2010). The voluntary responsibilities are usually operated as charitable donations, supporting local schools and sponsorship of art and sports events (Carroll, 1991). Further, this responsibility is animated by the corporation’s desire to involve in social and community events which are not requested by the law (legal responsibility) and which are not expected from the corporation (ethical responsibility) (Grigore 2010). This layer is also described as “The voluntariness dimension” of the CSR (Dahlsrud, 2006).

Our research model, which we argue are suitable for analysing the documents, is shown below and consists of three parts (see figure 2.2).

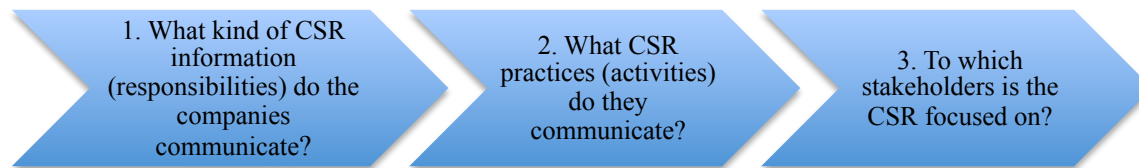


Figure 2.2 – Research model (source: the authors)

The first part of the model (fig. 2.2) is based on Carroll’s (1979) CSR pyramid, which has been described above. By analysing the text and classify it into Carroll’s four different categories of responsibilities it will give us a picture of how the company talk about their CSR. Therefore this answers on our first question, *what kind of CSR information (responsibilities) do the companies communicate?* In addition, we also aim to know not only what type of CSR responsibilities they stress, also how they talk about their CSR responsibilities within these categories of responsibilities. Therefore, we applied our second question, *what CSR practices (activities) do they communicate?* This in order to see what kind of CSR practices that is communicated within the CSR information.

Thirdly, based on the study’s aim interesting is to further see which stakeholders the subsidiaries direct and focus their CSR information to, by seeing if the different cultural and institutional context the subsidiaries acts within, affect how they values different stakeholders related to CSR. In order to enable this, we first need to define which stakeholders to look for when conducting the study.

Following stakeholders groups are AstraZeneca Group state on the corporate website that their stakeholders’ engagement includes relation to: Shareholders, Employees, Customers, Governments and Non Governmental organizations, Patient groups and Local communities (AZ UK, 2015). These stakeholders became the basis for those we coded. In order to make the coding schema that would catch these groups, a general research were first made on the Parent Company’s website which led to a modification of the above stakeholder groups. For example, “customers” where minimal used, where instead “health care professions” where more used. This lead us, based on AstraZeneca’s description of the stakeholders, to create a new group “health care professions”. “Customers” where instead classified into either “patients”, “health care professions” or “government”, depending on the context it was used in.

According to Sweeney & Coughlan (2008) and Rusinowska & Traverso (2009), which stakeholders a company stress its importance on depending on different circumstances. Therefore, did we expect that the stakeholders AstraZeneca highlights could differ between the

subsidiaries and the Parent Company. Additionally, we thought that other stakeholder groups could appear in the study, which are not included in the coding schema.

2.4.3 The Codebook

After designed the theoretical perspective, selected the study material and defined our research model, we started to design our codebook, which consists of the three parts in our research model (for complete codebook, see appendix a).

The first part of the codebook; *what kind of responsibilities do they communicate?* is designed based on Carroll's (1979) definitions and further inspired by codebooks used by Tang et al (2015) and Dahlsrud (2006).

The second part of the codebook; *what kind of the CSR practices (activities) do they communicate?* is developed based on inspiration from coding categories by Tang & Li (2009) & Shi (2012) who both investigated CSR practices in multinational firms .

The coding schema applied for the third part; *to which stakeholders is the CSR focused on?* is based on AstraZeneca's description of their stakeholders (see also section, 2.4.2).

2.4.4 The Conduct of study

We started to conduct our research on the Parent company, in order to create a frame for the subsequent analyses of the subsidiaries. The study of the Parent Company is important since the study's aim is to compare differences and similarities between the subsidiaries and the Parent Company. To ensure which information should be treated as communicated from respectively company, we decided that the information offered from the Global Company are only treated as the Parent Company's information, and therefore not included in the information communicated by the subsidiaries, if it is not stated on their own national source (website, press release, social media) as well. By setting this criterion, it enabled us to overcome the problem of which information should be treated as communicated from each of the companies.

The research process were made in the following order, corporate website, press releases and twitter. The process is described in the same order below.

The analysis on the corporate websites is made through an investigation of each of the CSR policies offered under the companies' responsibility section. To conduct the first part, the authors went through each paragraph in the text separately. Thereafter related to the four responsibility dimensions (Carroll, 1979) and its coded definitions, did the authors reflected and asked themselves the question; "*what is the main message in terms of responsibility*", and coded them into the proper category. Since one paragraph could have different length, a criterion was made that each paragraph could maximum belong to three dimensions.

After coded the text into the four dimensions (Carroll, 1979), we conducted the second part by following the codebook and analyse if the company stated and/or described any CSR practice (activity) in the text paragraphs', if the company did, it were coded into the proper category (see codebook, appendix a). Nine categories formed this part of the codebook, but during the study where some activities founded which was not applicable in any of the categories, therefore we added a tenth category named "others". One example, which has been coded into the category, is an "ethical helpline"(AZ UK, 2015).

The last step in the coding process was to find which stakeholders the company focused on in their CSR communication. It was conducted by reading each subcategory of the CSR policy and separately counts for the stakeholders (based on the coding categories) in the text. After counted each policy's stakeholders the result were compared between the authors, and if differences, we read it once more. Then were the stakeholders classified into the codebooks' categories (see appendix, a). If some repeated stakeholder revealed which were not applicable into the categories, additional stakeholder classifications were made.

Our initial thought was that the way of doing the research on the website could also be applicable on both the press releases and twitter. Since the press releases not only contained CSR information, it was not possible to do the same procedure. Instead, we first read each press release to find what the main message was, and if it could be classified into one of AstraZeneca's CSR policies (see section 4.2.1) we treat it as CSR. Besides, if it did not fit in any of the policies, it was classified as not applicable. If it could be classified as CSR, the designed research process continued, and furthers the classifications into the CSR responsibilities, if any CSR practices, and finally the count for stakeholders. The same procedure was made for twitter (including categorise into the CSR policies). However, since a message on twitter only consists of one or few sentences it made it hard to count for stakeholders. Therefore only the first two steps of the research process were conducted on the twitter. Moreover, some messages on twitter were of more general CSR characteristic, and because of the few sentences, it was hard to categorise these into the polices. Therefore, we made an exception for these and coded them into an own category "society".

2.5 Quality of research

2.5.1 Trustworthiness and relevance

When making a case study it is especially important to discuss the quality of the research, the study's external validity, which relates to how the result can be generalized and applied apart from the study object (Bryman & Bell, 2013). The case study is shaped by one weakness, namely the difficulty to, based on one case, generalize the result and further apply it on other cases (e.g. Kanter, 1997, Lee et al, 2007, cited by; Bryman & Bell, 2013). This research characteristic have we been aware of, and that it could be hard to generalize the findings from AstraZeneca. However, the advantage that has been argued by researchers is instead that the case study should

focus on the unique factors of the case and develop a deep understanding of its complexity (Bryman & Bell, 2013). In line with this, the study has therefore rather than contribute with a generalizing result, aimed to catch the complexity of the case. By getting the understanding of how the unique factors of the Chinese and Swedish subsidiaries of the AstraZeneca Group could explain the phenomenon as MNCs subsidiaries faces.

A second important quality criterion is the reliability, which refers to the trustworthiness that the research would give the same result if it were made once again (Bryman & Bell, 2013). In this study the coding of the documents are the primarily concern that could have affected the reliability of the result. According to Hsieh & Shannon (2005) the coding process is characterised as a subjective method. Although the codebook was strictly followed during the coding process, we faced the challenge of some ambiguous concepts, which was hard to put into the categories. The social media did especially show this limitation, since most of the messages consist of a single or several sentences, which in some cases revealed it hard to determine the category to classify it into. Therefore this kind of challenges may have affected the coding result and in turn the reliability of the study. However, by knowing this limitation the authors tried to avoid the biases, which may arisen, by first, strictly following the codebook. Second, the authors coded the contents separately and critical went back for review and discussion together. Finally, a third independent person was invited to go through the coding and categorisations. These steps during the coding process could therefore increase the reliability.

2.5.2 Limitations of research

This research has some limitations that we are aware of. First, according to the stakeholders, by counting the use of different stakeholders in the text, we can see which stakeholders the company stress most on when communicating CSR. In contrast, with these findings we cannot draw a direct conclusion that this is the stakeholder the CSR is mainly directed to, since the receiver of the information could be another than the discussed stakeholder. Thus, earlier researchers who addressed stakeholders within the CSR have used a similar method, which made it difficult to find another appropriate method of how to identify whom the information is directed to.

The second limitation is that the information about the CSR policies offered by the subsidiaries appeared to be limited in some areas. This is something we have been aware of which could bias the result. Additionally, one year's press releases and 100 tweets were chosen, which could bias the result compared to if a larger sample were made. Even though, we have reasoning that one-year press releases were enough and because the tweets were relatively hard to analyse 100 was adequate for the study.

2.5.3 Language issues

The study is made on three companies in different parts of the world; UK, Sweden and China. Since the Parent Company is located in UK, their using language is naturally English. The Swedish and Chinese subsidiary are using the national official languages respectively. As one of

the authors is from China and the other is from Sweden, it was possible to analyse the information in each subsidiary's home language. The difficulty this entailed was that we were not able to understand the text in the opposite language. We were aware of this before the start, and were therefore prepared in how to handle it. First, the analysis of the Parent Company was first conducted very deeply to ensure both made it equal on the subsidiaries. Second, translation pages have continuously been used, and during the coding process were the information translated to English.

2.6 The role of the theory

In this thesis we will use the theory to create a theoretical perspective that can be applied on the MNC and its subsidiaries to explain why subsidiaries differ from the Parent Company in how they communicate CSR. Therefore, the role the theory has in this case study is to explain why subsidiaries of the same MNC differ in the behaviour. The point of departure in the theory is the *institutional duality* which introduce the main challenge subsidiaries meets, characterised as pressures from both the Parent Company and the local context (Kostova & Roth, 2002). The Parent Company pressure is characterized by the desire to act in line with the Parent Company. Therefore, based on the theory different factors will be pointed out, which can affect why the subsidiary acts apart from the Parent Company's behaviour. According to Hillman & Wan (2005) factors as subsidiary- and host country factors can explain different behaviour of subsidiaries in the same MNC. This thesis will take these two factors into account, and use the national culture to represent the host country influence. This is because variations in CSR within large corporations (MNCs) can be an explanation rooted in different cultural and institutional contexts (Tang, et al, 2015). Further, we argue it is an interesting perspective since China and Sweden have different cultures (Hofstede, 1984/2015; Gray, 1988). The study will primarily use *Hofstede's theory* on culture dimension, and according to Dawkins and Ngunjiri (2008) this has become the most adopted theory when analysing and comparing the CSR differences in countries. Therefore, the role the culture theory has in this thesis is to explain why differences in the CSR communication in a MNC could be related to the culture of the subsidiaries host country. The second factor within the duality pressure, which represent the subsidiary factor, are the history of the firm, which we argue can affect the behaviour of the subsidiary. The theory that will be used to develop this further is *the Institutional path dependency*. We found it useful since it can explain why certain behaviour of an actor in a society is dependent of causes deeply rooted in the past (North, 1990). The path dependency theory is less used in explaining why the MNCs and its subsidiaries differ in CSR communication. Of this reason it made it interesting to take into investigation, and also since we thought the history a subsidiary have with its MNC could affect how the subsidiary react. Additional, since a case study should catch the unique complexity of the selected case (Bryman & Bell, 2013), we argue that the history is a factor of interest since one of the subsidiaries has a long history in the Swedish context.

3. Research Framework

This chapter will start with a short introduction of the CSR in China and Sweden. The chapter continues with its focus, the theoretical framework, which forms the study's theoretical perspective. The chapter ends with a summary of the theory, where key concepts are described and which forms propositions leading to an analytical model.

3.1 CSR in China and Sweden

3.1.1 CSR in China

Yang & Rivers (2009) points out that CSR is a relatively new concept in China compared with the Western countries since different forms of economy and politics. Tang et al (2015) investigated differences and similarities of the CSR communication on corporate websites between top leading companies in US and China and demonstrated how large differences exist among large corporations. The result revealed that Chinese companies were less comprehensive in their CSR fulfilment and discussed their commitments to fewer stakeholder groups, compared with US companies. Additionally, US companies emphasis more on ethical aspects of the reasons for their CSR engagement, while Chinese companies rather stress the economic motives for CSR. Further, the US firms took a more comprehensive approach in the sense of practice CSR compared to the Chinese firms. The US firms were more likely to publish CSR reports, build foundations, encourage employee to volunteer, build partnerships with universities, sponsor events, and donations. The Chinese firms on the other hand, rather published general and formal CSR policies without any deeper explanation of how they practice it. (Tang et al, 2015)

3.1.2 CSR in Sweden

Unlike China, the Scandinavian countries are routinely recognized as global pioneers in CSR (Strand et al, 2014). According to Castle (1978/2009), the Scandinavian social democracies promotes the virtues of stakeholder engagement led by promotion and consideration for the current and next generation's well-being, which in turn has led to strict social and environmental regulations. Further, CSR has been characterized by high levels of environmental awareness and by the promotion of low-environment impacts techniques (Swedish Institute, 2015). Additionally important aspects of CSR in the Swedish business environment are the promotion of gender equality, where Sweden in 2012 was ranked as top four in the world in the World Economic Forum's Global gender gap report (Swedish Institute, 2015).

3.2 Theoretical Framework

The point of departure in the theoretical framework is the theory of institutional duality since it can introduce why a subsidiary of an MNC is subject to diverse set of pressures compared to national companies (Kostova & Roth, 2002). According to Hillman & Wan (2005), significant factors that reflects the dualities of institutional pressure includes parent company, subsidiary-, and host country factors, which all affect the choice of strategy by MNCs subsidiaries. In the following, we will raise the institutional duality, which includes the subsidiary's pressure from the Parent Company and the host country. Thereafter, the national culture will be discussed,

which represents the host country factor in this framework. Finally, the subsidiary factor will be raised, which according to Hillman & Wan (2005) also affect the subsidiary's choice of strategy. In this framework it is represented by the history of the subsidiary.

3.3 Institutional Duality – The challenge for MNC subsidiaries

The MNC is characterized of a Parent Company acting in its own context, and with several subsidiaries acting in their own local contexts simultaneously as they are part of the larger network the MNC constitutes. This creates a challenge for the subsidiary to balance the pressure it meets from the host country with the pressure from the Parent Company (Kostova & Roth, 2002). The duality of this pressure refers to the *Institutional Duality* (Kostova & Roth, 2002). The MNC is characterized by domains of practices within the organization that all subsidiaries must follow, which means that if practices are mandated from the Parent Company the subsidiary has to comply with it. This gives rise to the institutional pressure the subsidiary meets from the Parent Company. Since the subsidiary operates in its own host country with specific institutional patterns in the context, it causes institutional pressure from the local context. (Kostova & Roth, 2002)

Therefore, even though companies try to homogenize themselves across national boundaries in line with the global strategies, local counteracts will constantly pressure local differences, which results in an outcome shaped by both national and global dimensions (Brewster et al, 2008). Thus, each subsidiary met the challenge of both obtain internal and external legitimacy and faces two distinctive isomorphism pressures, both from the host country and the Parent Company (Kostova & Roth, 2002). The conflicts of these pressures, leads to operating strategies, which likely are influenced by both internal and external legitimacy forces (Hillman & Wall, 2005). Hence, the forces are both influenced by the Parent Company's institutional context, as well as the institutional context the subsidiary acts in, which is further influenced by the national culture (Scott, 1995).

According to Yang and Rivers (2009), the stakeholders in the home country respectively the host country forms a complex set of forces that influences the CSR practices of the subsidiary. Further, to become more legitimate in the home country, the company have to bend its rules to become more isomorphic with its local firms (Yang & Rivers, 2009). Thus, even though a particular practice would be inappropriate in the subsidiary's host country, the organizational pressure from the MNC would result in some compliance (Kostova & Roth, 2002). Kostova & Roth (2002) argue that a foreign subsidiary adapts the Parent Company's' practice into vary degrees, dependent on the subsidiary's interpretation and perception of the practice, which is shaped by both the external institutional context and the internal relational context in the organization.

3.3.1 Distance between the home and host country

One of the main complexities the MNC is facing as researchers identified is the institutional distance between the home and host environment (Kostova & Zaheer, 1999), in other words, the distance between the Parent company's- and the subsidiary's institutional environment. Further, Kostova (1999) describes the distance as the differences and similarities between two countries institutional environment. The larger this distance is, the greater will the difficulty be for a subsidiary to adapt and adjust its legitimacy requirements to the MNC and the Parent Company (Kostova & Zaheer, 1999). In line with this, Xu & Shenkar (2002) argue that the more the host country differs from the context where the MNC is familiar, the harder it will be for the subsidiary to adapt to the Parent Company's practices.

Further, Xu & Shenkar (2002) state that institutional distance should rather be seen as a complement than a replacement of the cultural distance construction. Instead, it should be the combination of the cultural and institutional distances that serves the comprehensive assessment to catch the environment where MNCs acting (Xu & Shenkar, 2002). In line with this, Scott (1995) states that the country culture should be seen as an influencing force shaping the institutional environment and in turn the subsidiary. Therefore the culture is a carrier of parts of the institutional environment; including rules, laws existing in the widely environment, but also values, expectations and ideas in the head of the organizational actors (Scott, 1995). Further, Strand, Freeman & Hockert (2015) argue that culture norms and institutional structures are tightly mixed, impacts and give rise to new institutional structures and social norms. Since institutions are country specific and influenced by the national cultures that shapes countries, the MNC network met the challenge of both establish and maintain legitimacy in these various contexts (Kostova & Zaheer, 1999).

3.4 Cultures

The existence of culture differences is a reality in MNCs since it interacts with a large set of subsidiaries shaped by different cultures, and culture distances could give raise to conflicting and diverse behaviour (Pahlberg, 1995). In the following will the national culture be discussed since it impacts the host country, and in turn the corporate behaviour of a particular subsidiary (Pahlberg, 1995).

Cultural beliefs could take different forms, either it could be cultural beliefs within a corporation, corporate culture, or wider cultural beliefs across the world, hence, cultural beliefs are carried in the minds of individuals (Scott, 1995). Besides, Nobes & Parker (2012) noticed that accounting is affected by its environment; including the culture of the country where it operates. CSR, as part of the accounting practice, is therefore also in a large extent influenced by the culture (Strand, Freeman & Hockerts, 2014). According to Pahlberg (1995) the larger the difference is in countries cultures, the more complicated will it be for members in these cultures to understand each other, hence the culture distance will be larger. Further, Hofstede' (1980) studied the national cultural effects of 40 subsidiaries in one MNC, and found that people within one nation

perceive interpretations differently compared with peoples in other cultures (Hofstede, 1980; cited by Pahlberg, 1995).

Therefore by compare the cultures of China and Sweden where the subsidiaries act, with the culture of UK, where the Parent company is located, could guidance how the national culture influences these parties, and in turn serve an explanation of why subsidiaries acting towards or apart from its headquarter.

Nobes & Parker (2012) summarized Hofstede’ culture dimension into four criteria Individualism versus collectivism, Large versus small power distance, Strong versus weak uncertainty avoidance and Masculinity versus femininity. *Individualism*; means that individuals do only take care of themselves and their family members, and that they prefer a loosely knit social framework in society, and vice versa the *Collectivism* (Hofstede, 1984/2015) *Power distance* expresses the degree to which the less powerful members of a society accept and expect that the power in the institutions and organizations are unequally distributed. The main issue of this criterion is to weigh how a society addresses inequality among people (Hofstede, 1984/2015, Nobes & Parker 2012, Nordgren & Wang 2012). *Uncertainty avoidance* refers to the degree to which that people of the society feel uncomfortable with certainty and ambiguity (Hofstede, 1984/2015, Nobes and Parker, 2012). *Masculinity* stands for that the society prefers achievement, heroism assertiveness and material reward for success, and the society further appears to be more competitive. *Femininity* on the other hand, represents a preference in society for cooperation, where modesty, caring for the weak and quality of life is of focus. Hence, the society appears to be more consensus-oriented (Hofstede, 1984/2015).

By comparing Sweden, China and UK regarding these four criteria according to Hofstede’s research (1984/2015) the result shows as follow (see table and fig. 3.1 below):

Country \ Criteria	Sweden	China	United Kingdom
Individualism	71	20	89
Power distance	31	80	35
Uncertainty avoidance	29	30	35
Masculinity	5	66	66
Secrecy	-16	34	-86

Table. 3.1 - Sweden, China and UK – Culture dimensions. (Hofstede, 1984/2015; Gray, 1988)

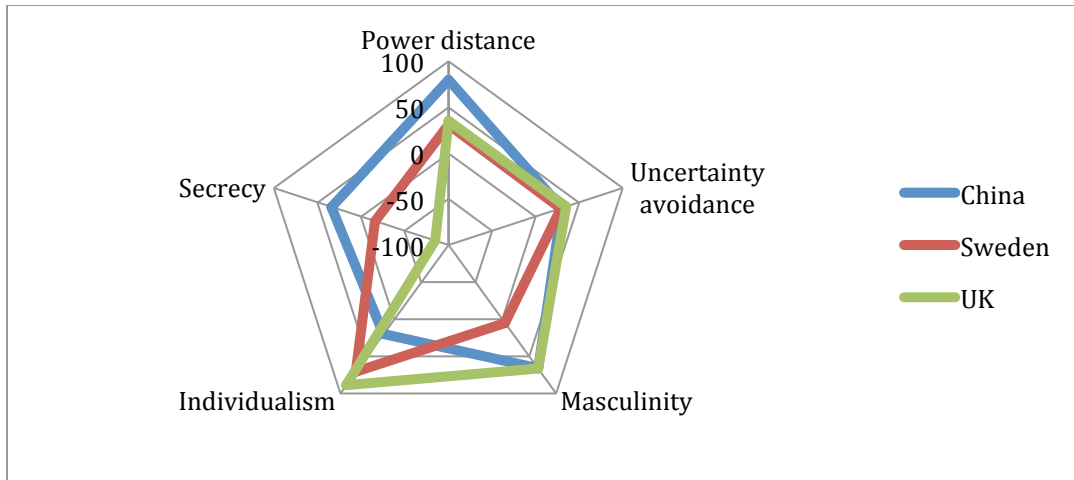


Fig. 3.1 - Sweden, China and UK – Culture dimensions. (Hofstede, 1984/2015; Gray, 1988)

Individualism

The result reveals that China has a highly collectivistic culture and people are tending to act in the interests of the group (Hofstede, 1984/2015). In comparison, the high point in this dimension of Sweden represents that Swedish people are more expected to take care of themselves and their family; they would prefer a loosely knit society (Hofstede, 1984/2015). UK gets 89 points in this dimension, which means the British people are a highly individualistic and private. (Hofstede, 1984/2015).

Power distance

The high point that China reveals in this dimension shows that in China are people tend to believe inequalities amongst people are acceptable (Hofstede, 1984/2015). In contrast, Sweden achieved a relatively low point which means that Sweden more advocating the equality between individuals (Nordgren & Wang, 2012). UK did also achieved a low point, 35, which means that UK believes inequality should be minimized, in line with the Swedish culture. Hence, this tends to be less required comparing with Sweden.

Uncertainty avoidance

In this dimension, does China and Sweden achieve the same points, which mean that members of the society in both of these countries tend to be unwilling to accept the ambiguous or unknown situations, which may threaten them (Hofstede, 1984/2015). UK achieves 35 points, it is a low score but slightly higher than both Sweden and China, which means they tend to be somewhat more willing to accept the ambiguous or unknown situations compared to Sweden and China.

Masculinity versus femininity

The result shows that China is a masculinity society which is success oriented and driven in favour of achievement, heroism assertiveness and material reward for success. In contrast, Sweden reveals an extremely low point, which means that Sweden has a typical femininity

society. Characterized by people are tend to keep the life-work balance and make sure that all are included, moreover, the sense of cooperation, modesty, caring for the weak are appreciated in Sweden. UK gets the exactly the same points as China in this dimension, which means UK is also highly success oriented and driven (Hofstede, 1984/2015).

Secrecy

Gray (1988) applied the Hofstede culture dimensions by relating it to the accounting value of the accounting practices, different countries have (Gray 1988, Braun & Ramon, 2008), and built on Hofstede' he created the culture dimension; Secrecy versus Transparency. According to Gray (1988) does secrecy means: “a preference for confidentiality and the restriction of disclosures of information about the business”, and transparency; “open and publicly accountable approach” (Gray, 1988; cited by, Han et al, 2010, p. 126).

Gray (1988) assumed that a country that has high uncertainty avoidance and power distance score and low individualism would place a higher value on the secrecy. Hope (2003) tested Gray's (1988) assumption, which lead to following formulation: Secrecy = Uncertain avoidance + Power distance – Individualism - Masculinity, where a higher point represents a more secrecy culture (Gray, 1988; Hope, 2003)

Applying it to the Sweden, China and United Kingdom:

$$\text{Sweden Secrecy} = 29+31-5-71= -16$$

$$\text{China Secrecy} = 30+80-66-20= 34$$

$$\text{United Kingdom} = 35+35-89-66= -85$$

Since $-85 < -16 < 34$, the Chinese culture appears to be more secret than Sweden, and the UK has the highest transparency among these three countries. (see table and figure 3.1)

3.5 Path dependency - The history of the firm

Our last pillar that could explain the behaviour of a firm in its institutional and national context is the concept of institutional path dependency, which emphasis on the importance of past events for the future (Shreyögg et al., 2011). This theoretical phenomenon has been applied by researchers to understand the evolution of subsidiaries (Birkinshaw & Hood, 1998; Araujo & Rezende, 2003) and path dependent practices in MNC subsidiaries (Festing & Sahakiants, 2013). Therefore, the concepts within the theory of path dependency could be applied to explain why a subsidiary, given its evaluation in the past, could serve a direction for today's behaviour.

According to North (1990): “institutional change shapes the way societies evolve through time and hence is the key to understanding historical change” (North, 1990 p. 3). This further takes us into the expression; “history matters”, much connected with the concept of path dependence (North 1990; David, 1994). “History matters” is not only due to that we can learn from past, but also as North (1990) argues; “because the present and the future are connected to the past by the

continuity of a society's institutions" (North, 1990, p. 100) Accordingly, the behaviour and acting of today and tomorrow is shaped by what we did in the past, therefore in order to understand today, we need to understand the history (North, 1990).

The several definitions of path dependency by different scholars, shares the common thought that "history matters". Further, David (1994) states: "organizations should be seen as "carriers of history" (David, 1994, p. 218). Prior researchers have used the concepts to understand how early choice in an organizations history leaving long lasting imprint effects in organizational behaviour (Beckman & Burton, 2008). Therefore, it serves an interesting direction to apply on subsidiaries shaped by diverse histories and institutional patterns.

North (1990) raise the questions of why differences in paths exist between countries. He illustrated it by questioning, "why does a fundamental change in relative prices affect two societies differently"? (North, 1990 p. 101) Since each society's change will be adapted at the margin, differences exist in where the margin is, depending on the relative bargaining power of the participants in the society (North, 1990, p.101). Further which is the result of the institutional context where the organization evolved. Additionally, since differences in the bargaining power, the margin adjustment in the society will reveal different between two societies. (North, 1990) This example illustrates how the history of a society could explain why two societies with the same fundamental change, leads to different outcomes, in other words, to different adaptations of a policy. In line with this, the evolution of the subsidiary is likely to follow a incremental path if its has strong influence from the host country context it evolved in (Araujo & Rezende, 2003)

Besides, North's (1990) arguments could illustrate why a common set of rules given same enforcement mechanism in two different countries shaped by different politics result in different outcomes. This is due to, the behaviour, norms and the subjective model will not be convergent. As North (1990) state: " A common set of fundamental changes in relative prices or the common imposition of a set of rules will lead to widely divergent outcomes in societies with different institutional arrangements" (North, 1990, p. 101)

Applying North's (1990) above theoretical concepts on the MNC could therefore explain why two subsidiaries which historically evolved in different context, give raise to variety power in relation to the larger context. As in turn, even though adapting the same practice, leads to different corporate behaviours.

3.6 Theoretical Summary and analysis model

3.6.1 Summary of theoretical perspectives and theoretical propositions

We will now end up our theoretical chapter by summarizing and clarifying the connections between the key concepts of the theory. Further will propositions based on the theory be

presented, which complements the analysis model that will be used when answer the thesis research questions.

The point of departure in the theory is the unique challenge the MNC and its subsidiaries face by meeting duality and sometimes conflicting pressures from both its host country and Parent Company (Kostova & Roth, 2002). According to Brewster et al (2008) will the duality of pressures lead the subsidiary to different extent of follow the Parent Company's practice respectively its own approach influenced by the host country. Therefore, the duality dilemma will be the starting point in the analysis model, to which following proposition is formed, related to CSR in MNCs subsidiaries:

Prop 1: The CSR communication in a subsidiary is dependent on how they perceive and interpret the influence and pressure from the Parent company and the own local context respectively.

Even though the subsidiary meets duality of pressures, the MNC is characterized by domains of practices that all within the organisations has to follow (Kostova & Roth, 2002) Still, space is left for the influence from the subsidiary's own context. So the question remains, what factors impact the phenomenon of that a subsidiary acts apart from its Parent company and in line with the local context? We argue for, in line with Hillman & Wan (2005), that except from the Parent Company pressure, host country- and subsidiary factors can affect the choice of strategy by the subsidiary. In turn which are represented by the national culture respectively the history of the subsidiary. These two factors represents together the local host country pressures, and will constitutes the second and explanatory part of the analysing model.

According to Strand, Freeman & Hockerts (2015) the culture influences the CSR in the country. Thus, different cultures will give raise to various interpretations and perceptions of a specific practice (Pahlberg, 1995 cited Hofstede, 1980). Therefore, we argue that the culture of the host country affects the subsidiary's adjustment to the local pressure, which in turn affects how it perceives the Parent Company's practices (Kostova & Roth, 2002).

Built on Scott (1995), we argue that the culture of the country influences and shapes the institutional environment within a country and in turn the subsidiary. This because the cultural distance should be seen as a complement to the institutional distance (Xu & Shenkar 2002), of which is the difference between the subsidiary's and Parent company's institutional environment (Kostova & Zaheer, 1999). From this, we further built our theoretical standpoint on the assumption that the culture much reflects the institutional environment within a country. This lead us to the below related propositions which could serve an explanation of why a subsidiary communicate and practice CSR different or similar from its Parent Company:

Prop 2.1 The national culture affects how the subsidiary communicates the CSR, which in turn influence how the subsidiary perceives and adjust themselves to the Parent Company.

Continuously, following the arguments that the culture influences the institutional environment where the subsidiary and Parent Company acts (Scott, 1995; Xu & Shenkar, 2002), it leads to the follow related proposition:

Prop 2.2 The larger the differences between the national cultures are, the larger will the institutional distance be between the host country and the Parent company institutional environments. Leading to that the host country will have more influence on the CSR, and a larger difference between how the Parent company and the subsidiary communicates CSR to its stakeholders.

Our last proposition, and factor that could be applied to explain the subsidiaries behaviour relates to the history of the firm. According to North (1990) we cannot understand today without understand the past. As David (1994) argues; “organisations should be seen as “carriers of history” (David, 1994 p. 218) With these perspectives, the history of the subsidiary within the MNC could not be ignored if we want to understand the subsidiary’s action and behaviour.

Therefore our last proposition will be as follows:

Prop. 3: The history of the subsidiary will impact why they communicate CSR different or similar to the Parent Company.

3.6.2 Analysis Model

Below is the analysis model presented, which will be used to analyse our findings.

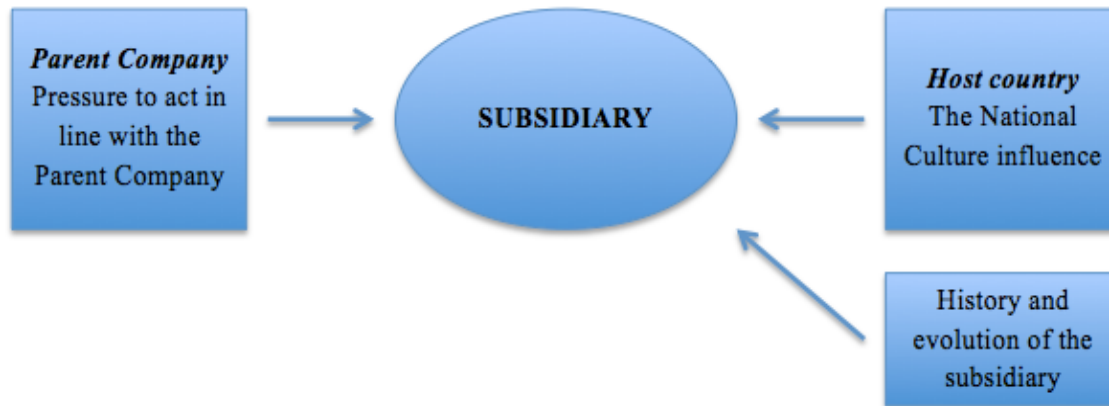


Fig: 3.2 - Analysis model. Source: the authors

The model connects our theoretical perspective and build our propositions together by showing the first part of our analysis model, the duality of pressures the subsidiary meets from its Parent Company and host country, which forms the subsidiary's ways of acting (communicate CSR). (prop.1)

The factors applied to explain the behaviour of the subsidiary as a reaction from the host country includes the national culture, which affects how the subsidiary perceives and adjusts itself to the Parent Company and in turn how it communicates the CSR (prop 2.1).

If there is a large culture difference between the subsidiary and Parent Company, it would lead to a larger institutional distance (prop 2.2) which makes it more difficult for the subsidiary to adapt to the Parent Company's way of communicate CSR.

Finally, the history of the firm, part of the local context, which influences the behaviour of the subsidiary, to act in line with, or apart from the Parent Company (prop. 3).

4. Empirical Findings

In this section, our empirical findings will be presented. We start by introducing the background of AstraZeneca and the pharmaceutical industry in China and Sweden respectively and the Global commitments, standards and policies. Thereafter are the results of the general CSR, the CSR responsibilities, CSR practices and stakeholder presented in a company order. The chapter ends with a summary of the findings.

4.1 Company and Industry Context

4.1.1 The Parent Company

The foundation of AstraZeneca can be dated back to 6 April 1999, when it merging Astra AB of Sweden and Zeneca Group PLC of the UK, former part of the IC found in 1926 (AZ UK, 2015). Nowadays, AstraZeneca PLC is a British multinational pharmaceutical and biologic company, with its headquarter located in London, UK (AZ annual report, 2014). According to the AstraZeneca annual report (2014), AstraZeneca defined itself as a global, innovation-driven biopharmaceutical business with the main focus on three important areas of healthcare: Cardiovascular and Metabolic disease; Oncology; and Respiratory, Inflammation and Autoimmunity (RIA) (AZ UK, 2015). AstraZeneca has about 57 500 employees worldwide, 33.5% in Asia Pacific, 32.7% in Europe, 23.5% in North America, 6.1% in Central and South America, and 4.2% in the Middle East (AZ UK, 2015).

4.1.2 AstraZeneca Sweden

AstraZeneca Sweden draws its history back to 1913, when it was founded under the name Astra AB in Södertälje Sweden. Astra AB was an international company with 22 000 employees all over the world (AZ SE, 2015). As stated above, Astra AB merged with Zeneca PLC in 1999, when AstraZeneca became a subsidiary of the Group. AstraZeneca Sweden is now located in Mölndal and Södertälje with about 6 200 employees in Sweden (AZ SE, 2015). Astra/AstraZeneca has long been an important part of the Swedish business sector, and today is it seen as one of the most important exporters in Sweden, which constitutes 70 % of the Swedish pharmaceutical exports and about 5% of the total export value. Further, AstraZeneca has an important role in the Swedish Life Science sector. (Sveriges Riksdag, 2014)

4.1.3 The pharmaceutical industry in Sweden

The Swedish pharmaceuticals market started to decline in 2009 before recovering with low increase from 2010 (Zetterqvist, et al, 2015). Sweden does well in the environment protection and the environment disclosures; for example, working with national databases for classifying pharmaceuticals according to their environmental risks (Upton, 2011). Besides, Zetterqvist et al (2015) state that the Swedish pharmaceutical industry is well self-regulated. Apart from the good practice in environmental issues, another good practice is conveying useful patient and health information (Upton, 2011).

4.1.4 AstraZeneca China

AstraZeneca China's first establishment of a presence was in 1993, and in 1999 it became a part of the AstraZeneca Group. AstraZeneca China has its headquarter in Shanghai with 23 branch offices in Mainland China, and are today the largest multinational pharmaceutical company in the prescription market in China (AZ CN, 2015). The main mission of AstraZeneca China is to develop, supply and market high quality innovative medicines within their prioritized therapeutic areas in China. Besides, there are over 4500 employees working in manufacturing, sales, clinical research and new product development in the Chinese subsidiary (AZ CN, 2015).

4.1.5 The pharmaceutical industry in China

The pharmaceutical industry in China is a booming sector and has become one of the world's top ten largest pharmaceutical markets (BusinessWire, 2012). However, the most significant problem of the pharmaceutical industry in China is the poor quality of the drugs, and it is one of the top four exporters of counterfeit pharmaceuticals (BusinessWire, 2012). Environment problems are also raised in the Chinese industry and according to Ni & Shen's (2013) investigation, the Chinese pharmaceutical companies' situation of environment disclosure is poor. They also reached a conclusion that investors, creditors and enterprise managers have no significant effect on the pharmaceutical companies' environment disclosure level. Besides, the employees in pharmaceutical companies are well and better trained compared with other industries. High skilled production operators and experienced maintenance people are in shortage (Hickey, 2003).

4.2 AstraZeneca's Global CSR engagement

4.2.1 The CSR commitment

AstraZeneca has a responsible business framework including commitment to operate responsibility and to ensure future sustainability within the Company in a way that should add value for the stakeholders (AZ UK, annual report, 2014, p. 229)

“Our responsible business framework is the vehicle for managing commitments that are agreed across the Group, taking account of external stakeholders insight and internal reputational risk assessment” (AZ, annual report, 2014, p. 229)

The responsible business framework is built around ten commitments (policies) AstraZeneca encompasses, which are: Bioethics, Access to health care, Diversity and Inclusion, The Environment, Patient safety, Sales and marketing, Human Rights, Employee, safety and wellbeing, Working with suppliers, and Community Investment (AZ UK, annual report, 2014).

4.2.2 Global standards, policies and rules

AstraZeneca's Code of Conduct describes the standards that are required within the Group and the compliance with the Code is mandatory. The Code is further translated into national languages, and is offered both in Chinese and Swedish. (AstraZeneca, Code of Conduct, 2015)

4.2.3 Stakeholder group classification

The result of the stakeholder AstraZeneca stressed on in their CSR communication was the following broader groups presented in the table 4.1 below. As the table shows, Environment was founded as a significant group added, which was not included in the coding schema.

Stakeholder groups	Significant used coded in the group
Patients	Patients, patient groups, those who pay for health care, those who need the medicines
Healthcare professions	Health care professions, doctors, nurses, health care experts, health care providers
Employees	Employees, Staff, own researchers, own experts
NGO	Non governmental organisations, Universities, academic institutes, collaborating organisations (companies), health care organisations, voluntary organisations
Regulators	Regulators, Government, local law enforcement agencies, regulatory authorities
Suppliers	Suppliers, Outsourced manufactures,
Community	(Local) community, society, public, children, students, sport clubs etc.
Shareholders	Shareholders, investors
Environment	Environment

Table 4.1 Stakeholders in AstraZeneca

4.3 Findings from the Parent company

4.3.1 Overview of the CSR

The Parent Company offers CSR information in all of the studied sources including corporate website, press releases and social media. In the “responsibility” part of the website are all of the CSR policies deeply described in separate sections with further subcategories. However, with one exception, the policy of “Diversity and Inclusion” is incorporated in the Policy of “Our people”, and therefore are only nine policies described on the Global website, whereas these are further treated together. Additional from the policies sections under “Responsibility” includes; “Our commitment”, “Governance and management”, “Code, policies and standards” and “Reporting performance”. Only the CSR polices has been coded into CSR responsibilities in the study of the Parent Company.

In 2012 was 46 press releases published, which of 22 was applicable as contained CSR information. Of which 12 are coded into the policy: “Access to health care”, primarily concerned information about development in new medicines and work to improve the access to healthcare. Seven press releases were coded into “Patient safety”, two into “Our People” and one into “Research ethics”.

In the Social media, among the latest 100 tweets on Twitter, was 51 applicable to CSR. 11 of these were coded into “Access to health care”, six of these, are into “Community investments”,

five into “Research ethics”, two into “Patient safety”. The other 27 CSR tweets were categorised into the exception-category “society”.

4.3.2 The classification of CSR responsibilities

On the website, 132 classifications was made into the CSR responsibilities, and further coded into following: 74 coded into ethics, 24, into philanthropic, 19 into economic, and 15 into legal. The Press releases lead to 40 classifications, of which 38 belongs to ethical, and 2 into economic. On Twitter 48 messages are coded; of these 33 are coded into ethics and 15 into philanthropic responsibility.

4.3.3 CSR practices

Global policies, standards and reports were communicated several times in all of the CSR policies, except in the policy “Access to health care” and “Community Investment” policies.

The Code of conduct is the policy most communicated and stated in all the polices (except “Access to healthcare” and “Community investment”).

Other policies, which are continuously mentioned, includes Global policy on ethical interaction, Global policy of Bioethics and SHE strategy (safety, health and wellbeing). Further evidence shows that specific policies and standards are communicated in specific areas. For example: “AstraZeneca’s guide for care and use of laboratory animals and clinical trials” (“Research ethics”), “Responsible business plan” (“Working with suppliers”) and “Environmental quality standard reports” and “GRI-reporting” (“The Environment”).

The result shows that collaborations and partnerships are continuously communicated within all CSR policies. These collaborations are primarily communicated within the ethical responsibility and include collaborations with NGOs, Universities, academics, regulators, research institutes and medical groups and organisations.

The third most communicated CSR practices founded are activities and programmes coded into “Programmes”. The two most stressed programmes are the “Young health programme” in the Policy of “Community Investment” and “Healthy heart Africa” in the policy of “Access to healthcare”. “Young health programme” constitutes a large part of the Community Investment information, and is a programme AstraZeneca works with to improve young peoples health. The programme is implemented in the local communities were AstraZeneca are located (AZ UK, Community Investment, 2015).

Within “Our People” several programs were coded, further into ethical and philanthropic responsibilities. Including “driver safety programs”, “wellbeing programmes” and “training programmes”. In the “Patient safety” policy, examples of programmes include; awareness campaigns to educate doctors or restrict which patient groups may receive the medicine.

AstraZeneca is also part of creator to the “IFPMA False Friend” video, made to promote non-use of false medicines (AZ UK, Patient safety 2015). In Environment the result shows environmental programmes to understand the environmental exposure pharmaceutical in the environment has as “The Carbon Disclosure Water Project”, “voluntary take back programmes” of medicines and programs designed to reduce the amount of waste (AZ UK, Environment, 2015).

In the “research ethics” policy, there is a “programme” called “AstraZeneca ethical helpline”, ruined by an independent company on the behalf of AstraZeneca, and which are available for employees, healthcare professional or member of the public to report suspected breaches of the policies (AZ UK, Research Ethics, 2015).

Other CSR practices constitute a smaller part, including donations (1%), awards (2%) and supporting of groups (5%), which are only founded in some of the CSR policies.

4.3.4 Stakeholder focus

The result of the stakeholders the Parent Company stressed on in their CSR communication on the website shows following result (see table 4.2) based on a total of 676 counted stakeholders: environment represented the most stressed stakeholders on the website, is 21% of the total stakeholders counted, followed by patients: 20 %, NGOs 15 %, employees 11%, suppliers 10 %, regulators 9 %, health care professions 8 %, community 5 % and shareholders 1 %.

Source/ Stakeholders	Patients	Healthcare Professions	Employees	NGOs	Regulators	Suppliers	Community	Shareholders	Environment
Corporate Website	20%	8%	11%	15%	9%	10%	5%	1%	21%
Press releases	39%	3%	4%	28%	25%	-	-	1%	-

Table 4.2, Stakeholder distribution on corporate websites respectively press releases.

Even though “The Environment” is the most stressed policy on the website, the stakeholder environment were predominantly stressed within the CSR policy “Environment”, by representing 99 % of its total mentioned on the website (see table 4.3 below). Patients on the other hand, which also constitutes a large part of the stakeholders, were more distributed on the website, and was mentioned in seven of nine policies, and the same for regulators, even though it represent a smaller part of the total stakeholders, 9 %.

The stakeholders, NGOs and employees representing 15% and 11% of the total stakeholders count respectively, and are the only stakeholders that were mentioned in all of the CSR policies on the website (table 4.3).

CSR policy	Patients	Healthcare Professions	Employees	NGOS	Regulators	Suppliers	Community	Shareholders	Environment
Sales and Marketing	18%	46%	18%	12%	9%	3%	-	-	-
Access to Healthcare	24%	13%	1%	18%	8%	-	25%	75%	-
Research Ethics	9%	4%	6%	18%	36%	4%	9%	-	-
Human Rights	-	-	6%	6%	2%	-	-	-	1%
Our People	-	-	36%	7%	2%	-	6%	-	-
Working with suppliers	1%	-	22%	6%	-	74%	-	-	-
Patient safety	27%	37%	3%	8%	25%	-	-	-	-
Community Investment	-	-	3%	11%	-	-	41%	-	-
Environment	21%	-	6%	16%	19%	19%	19%	25%	99%

Table 4.3, Stakeholder distribution in the Website

In the press releases were 175 stakeholders counted, of which, patients revealed the most mentioned stakeholder, representing 39 % of the stakeholders (see table 4.2 above) This is followed by NGOs: 28 %, regulators: 25 %, employees: 4 %, health care professions: 3 % and Shareholders, 1 %.

As the distribution of the stakeholders in the press releases shows in table 4.4 below, patients are stressed in all policies founded in the press releases. NGOs and regulators, which of also constitute a large part, are mentioned in three of four policies. The same result for the healthcare professions, even though they accounted for a smaller part of the total stakeholders (see table 4.4 below).

CSR policy	Patients	Healthcare Professions	Employees	NGOs	Regulators	Suppliers	Community	Shareholders	Environment
Access to Health care	61%	40%	71%	90%	44%	-	-	-	-
Patient safety	33%	40%	29%	4%	51%	-	-	-	-
Research Ethics	4%	-	-	-	5%	-	-	-	-
Our People	1%	20%	-	6%	-	-	-	100%	-

Table 4.4, Stakeholder distribution in the press releases

4.4 Findings from the Swedish subsidiary

4.4.1 Overview of the CSR

AstraZeneca Sweden provides CSR information in all of the studied documents (the website, press releases and social media), in line with the Parent Company.

The sections under “responsibility” that the study has covered include: “Our commitments”, where an overview is given about their CSR commitments and where all the CSR policies are shortly described. The second section is about “ethic rules, policies and standards” with the subheadings; “Ethic rules” (the translated Swedish Code of Conduct) and “Global policies”. Both of these sections are in line with the Parent Company, but none of them is about the specific policies.

The only CSR policies that are deeply described and with own sections under “responsibility”, are “The Environment” and “Community Investment”. “The Environment” includes seven subheadings and goes deeper into the Environmental work, where much information is similar to the Parent Company, but examples is frequently given about how the environmental work is conducted in Sweden. Included in the “Environmental policy” is also “The Swedish Environmental Report” which is continuously referred to on the website. This Environmental report is specific for the Swedish environmental work, and describes how the company work strategically to improve the impact on the Environment. (AZ SE, Environmental Report 2013)

The second policy the Swedish subsidiary communicates is “Community Investment”, it includes three subheadings; “AstraZeneca Young Health Programs”, “Awesome - a film series about the teenage brain” and “Science and technology”. (AZ SE, Community Investment, 2015)

The result of the website also showed that parts of they policy “Research ethics” was indirect offered under the “Pharmaceutical” section on the website, with a section of “Animal trials and pharmaceuticals“ with further six subheadings. The information is relatively short described and referred for deeper information to the “responsibility” part on the Global site. (AZ SE, Pharmaceutical, 2015) Except these three policies, the others are missing in deeper information on the website. So in sum are the information not as comprehensive as the Global website, instead it continuously refers to the Global website for deeper information.

In the press releases were 83 published in 2012, of these were 52 applicable into the CSR policies, 32 were specific for the Swedish business and therefore only published by AstraZeneca Sweden. The others (20) were the same as the Parent Company published. The CSR policies that the information was coded into are: 23 into “Access to health care”, 10 coded into “Community investment”, four into “Environment”, three into “Patient safety”, six into “Our people” and one into “Research ethics”.

Of the 100 latest messages on Twitter, 41 are applicable to CSR; 15 into “Access to health care”, 11 into “Community Investment”, nine into “Our people”, two into “research ethics” and four to the “Society”.

4.4.2 The classification of CSR responsibilities

On the website, press releases and Twitter were totally 118 categorisation made into CSR responsibilities, of these were 66 coded into ethics, 29 into philanthropic, six into economic and three into legal.

4.4.3 CSR practices

The result shows that AstraZeneca Sweden does not have any continuously communication of any specific policy and standards. Instead, they communicate the general global standards and policies on the website, in line with what the Global website offers. Further, they inform some standards and policies they comply with under respective section. In the Environment section, following are found; the “SHE strategy” is mentioned several times, the “Swedish Environmental code” and the “Swedish own-control regulation” (AZ SE, Environment, 2015). In the press release, was an announcement of the “Swedish Environmental Report” coded.

The majority of the CSR practices AstraZeneca Sweden communicates are activity programs, collaborations with NGOs, universities and other organisations. The programme that has been coded includes for example: The healthy heart Africa programme (AZ SE, Access to health care, 2015), which were communicated in six of the tweets. The programme is further illustrated through You-tube-videos, which are available on twitter.

Other activities which coded into programmes in the “Community Investment” policy is “AstraZeneca young health programme”, “Mentor programmes”, The movie “Assume - a film series about the teenagers brain”, which is a project AstraZeneca made of educational purpose, provided for teachers and other organizations as sports club and youth centres (AZ SE, Community Investment, 2015).

Additional programme within “the Environment” includes the project “Air to Sea”, with the aim of as much as possible moving from airfreight to sea freight. Engagement in “Earth hour”, to show its position in climate debate (AZ SE, Environmental Report, 2013) The example below shows one of the CSR initiatives AstraZeneca communicated in the press releases: “a leave back programme”, to reduce the pharmaceuticals in the environment;

“Please return your unused pharmaceuticals to pharmacies! At AstraZeneca, we are actively working to support national initiatives for the management of pharmaceutical residues in all our markets.” (Press release, 27 mar, 2012)

In the policy of Community Investment does AstraZeneca Sweden describe their CSR engagement with focus in two areas:

“In Sweden, we collaborate with local organizations focusing on two areas: promoting young people's mental health and encourage young people's interest in science and technology.” (AZ SE, Community Investment, 2015)

This example above illustrates that collaborations with external parties is a main focus within their commitment of “Community Investment”. Furthermore, in the twitter, collaborations with university and students were found in five messages related to the policy.

Additional example illustrates collaborations with academic and Healthcare industry:

“The aim is to open up opportunities for new partnerships with academia, healthcare, and biotech industry in the Nordic countries” (Twitter, 9 apr, 2015)

The Swedish CSR practices within “AstraZeneca Young Health Program” include collaborations and partnerships with NGOs. “Mentor Sweden” is an organization that has the aim of preventing violence and drug use among young people in Sweden. AstraZeneca’ Sweden provides together with the organization an on-going mentor programme where AstraZeneca’s employees works as mentors for students and children.

“So far has our employees contributed with 2200 volunteer hour in Sweden” (AZ SE, Community Investment, 2015)

AstraZeneca Sweden also describes their on-going projects with the NGO “BRIS”, where AstraZeneca and “BRIS” has a three year on-going project about children’s mental health. Additional in the section on the website; “Community Investment encouraging young peoples interest in science and technology” does AstraZeneca collaborate with academics and NGOs. Together with NGOs they organizes a summer school for 200 students each year interested in science and technology (AZ SE, Community Investment, 2015)

Supporting activities from AstraZeneca Sweden were found in five of the press releases, which were related to the policy of “Our people”. The message of these press releases was to inform about AstraZeneca Sweden’s supporting of the affected employees when part of the operations in Södertälje closed down in 2012. The activity described in relation to this is carrier days arranged by AstraZeneca to help the affected to find new work opportunities. The messages are further coded into ethics, since AstraZeneca inform about how they takes the responsibility for the affected employees.

Additional example of practices within “Community Investment” includes sponsorships of local organisations:

“Night patrol for a safer Sodertälje. Today, Friday 20 January starts the night trek in Södertälje and four other areas.” (Press release, 20 Jan, 2015).

4.3.4 The stakeholder focus

The stakeholders AstraZeneca Sweden stated on the website and in the “Swedish environmental report”, (based on 272 counted stakeholders) resulted in that environment was the stakeholder they stressed most on, represented by 27 %. This was followed by the community: 25 %, NGOs 17 %, employees, 13 %, patients and suppliers: 6 %, regulators: 4 % and healthcare professions: 1 %. There is no indication about shareholders. (see table 4.5 below)

Source/ Stakeholders	Patients	Healthcare Professions	Employees	NGOs	Regulators	Suppliers	Community	Shareholders	Environment
Corporate Website	6%	1%	13%	17%	4%	6%	25%	-	27%
Press releases	23%	7%	9%	21%	14%	1%	23%	-	1%

Table 4.5, stakeholder distribution on corporate websites respectively press releases.

As table 4.6 below illustrates, environment was only mentioned on the website, within the environment policy and in the “Swedish environmental report”. Community, which was the second large stakeholders group found, is predominantly stressed within the community investment policy. NGOs and employees which of constitute 17 % respectively 13 %, are the only stakeholder groups that are founded in all CSR information sections. (see table 4.6)

CSR policy / information	Patients	Healthcare Professions	Employees	NGOS	Regulators	Suppliers	Community	Shareholders	Environment
Community investment	6%	-	21%	26%	-	-	96%	-	-
Environment	41%	25%	6%	20%	42%	41%	-	-	59%
Environmental Report	41%	25%	21%	20%	8%	59%	-	-	41%
Animal trials and Pharmaceuticals (Research Ethics)	12%	-	12%	20%	50%	-	4%	-	-
Ethic rules, polices and standards	-	50%	41%	15%	-	-	-	-	-

Table 4.6, stakeholder distribution in the Website

CSR policy	Patients	Healthcare Professions	Employees	NGOs	Regulators	Suppliers	Community	Shareholders	Environment
<i>Access to Health care</i>	78%	59%	12%	54%	63%	-	1%	-	-
<i>Patient safety</i>	4%	-	-	-	19%	-	-	-	-
<i>Research Ethics</i>	3%	-	-	-	4%	-	-	-	-
<i>Our People</i>	2%	4%	59%	16%	8%	-	-	100%	-
<i>Community Investments</i>	11%	19%	29%	25%	6%	-	95%	-	-
<i>Environment</i>	1%	19%	-	5%	-	100%	3%	-	100%

Table 4.7, stakeholder distribution in the press releases

In the press releases, were 385 stakeholders counted, of which Patients as well as Community represented 23 %, NGOs 21 %, Regulators 14 %, Employees 9 %, Healthcare professions 7 %, Environment 1 % and Suppliers 1 % (see table 4.5, the first table)

As table 4.7 above shows, Patients, were the stakeholder group most stressed in the press releases and have the highest distribution and were covered in all CSR policies. Regulators were the second most distributed stakeholder group, stressed in five of six policies.

In line with the result of the website, is the stakeholder group “Community”, primarily founded within the “Community Investment“ policy.

4.5 Findings from the Chinese subsidiary

4.5.1 Overview of the CSR

The Chinese subsidiary offered all the documents in line with the Parent Company and Swedish subsidiary, except the social media (twitter). Since Twitter is blocked in China due to the policy of Internet censorship (Greatfire, 2015), the Chinese subsidiary does not have a Twitter account. However, there is a popular social media platform called *Weibo*, which is seen as the Chinese Twitter, but still, the result did not indicate any account by AstraZeneca China in this social media platform.

In the “responsibility” part of the website are the policies: “Sales and marketing”, “Access to the healthcare”, “Research ethics”, “Our people”, “Working with suppliers”, and “Community Investment” deeply described in separate sections with further subcategories. However, the result showed some tiny differences from the Parent Company’s website. In terms of the policy “Sales and Marketing”, the only difference between the Chinese website compared with the Parent Company was the section “Our performance”. The Parent Company describes their performance while the Chinese website did not mentioned any practical performance.

Regarding the policy “Access to healthcare”, does the Parent Company’s website offer several subheadings, which are missing on the Chinese website. Further, in the policy of “Research ethics” does the Chinese website disclose the global information in line with the Parent Company, hence, no information is described regarding the Chinese business. In the policy of “Our people” and “Working with suppliers” are the Chinese website in line with the Parent Company’s information, but a few areas does not reveals in the Chinese website.

In the policy “Working with suppliers” are subheadings of “training and awareness” and sections of “Questions and Answers” presented on the Parent Company’s website, for example the below sentence:

“We need to make sure that everyone at AstraZeneca is familiar with our responsibility approach and, to facilitate this, we have added a module to our annual Code of Conduct training which is compulsory for all our employees” (AZ UK, Working with suppliers, 2015)

This information does not reveal on the Chinese corporate website.

Besides, the result found that the policies “Implementing our standards” “Patient safety” and “Environment” are not as comprehensive as the Parent Company since there is no subheading under the respective policies. In addition, the policy “Human rights” are excluded under the “responsibility” section on the Chinese website.

In general, the Chinese website chooses to disclose the same information as the Parent Company, but the information which is China related is not disclosed by the Chinese subsidiary.

In 2012 were five press releases published, of which, two touched the CSR information. The first is about a new-created medicine while the second one communicates collaboration with the Nobel Prize recipient. These press releases has been coded into the policies of “Access to healthcare” and “Community investment” accordingly.

4.5.2 The classification of CSR responsibilities

On the website and press release were 40 categorisations made into CSR responsibilities, of which 6 were coded into legal, 11 into economic, 22 into ethical and 4 into the philanthropic responsibility. The ethical responsibility represents the majority of the communicated CSR responsibilities, in line with the result from the Parent Company. Besides, the Philanthropic responsibility is mainly showed in the policy “Community investment”; Legal responsibility is found in following policies: “Sales and marketing”, “Research ethics”, “Patient safety” and “Our people”. Economic responsibility is found in the policies of “Sales and Marketing”, “Access to healthcare”, “Our people,” and “Environment”.

4.5.3 CSR practice

Global policies, standards and reports are communicated in the same areas on the website as the Parent Company. The Code of conduct is the most frequent communicated one (33%), which is communicated in the policies of “Marketing and Sales”, “Research ethics”, “Our people”, “Working with suppliers”, “Patient safety” and “Environment”.

The Chinese subsidiary also continuously mentioning the Global policy on ethical interaction, Global policy of Bioethics and SHE strategy (safety, health and wellbeing). Thus, all specific policies and standards mentioned on the Parent company’s website are presented on the Chinese website as well.

Collaborations and partnership are continuously communicated within in all CSR policies in line with the Parent Company, and primarily communicated within the ethical responsibility. However, the Chinese company does not mention any specific collaborations and partnership they conduct themselves, instead stating the global practices. The only specific collaboration practice is mentioned in a press release on 31 October 2012 where AstraZeneca China state a collaboration with the Nobel Media AB to let the Nobel Prize recipient give speeches to the public.

CSR practices coded into “programmes” did also revealed on the subsidiary’s website, these includes similar programmes as the Parent Company states on their website; including “driver safety program”, and training programmes for employees (“Our people”) the “Supplier diversity program” (“Working with suppliers”), “the carbon disclosure water project” (“Environment”) and the “Young health Programme” (“Community Investment”). Thus, these programmes are the Global engagements, and therefore, the website’ did not disclose any independent programmes hold by the Chinese subsidiary.

A few stated CSR practices coded into supporting groups (4%) and donations (1%) were introduced on the Chinese website in line with the Parent Company’s information. Included were; supporting of United Nations Global Compact and the International labour organization and donations to the Red Cross.

4.5.4 The stakeholder focus

The result of the stakeholders on the website in the Chinese subsidiary, showed that employees were most stressed on (see table 4.8). Based on 173 counted stakeholders, employees represented 31 %, followed by suppliers 17 %, patients 15 %, community 15 %, health care professions 9 %, environment 6 %, NGOs 4 %, regulators 2 % and shareholders 1 %.

Source/ Stakeholders	Patients	Healthcare Professions	Employees	NGOs	Regulators	Suppliers	Community	Shareholders	Environment
Corporate Website	15%	9%	31%	4%	2%	17%	15%	1%	6%
Press releases	73%	-	18%	9%	-	-	-	-	-

Table 4.8 - stakeholder distribution on corporate website respectively press releases.

As table 4.9 below shows, employees are relatively well distributed on the website, by being stated within five of eight CSR policies. Patients, on the other hand, which are representing 15 % of the total counted stakeholders, are the group that is most well distributed, mentioned in six of eight CSR policies. Thus, NGOs, which only represents 4 %, are found in five of eight CSR policies. (see table 4.9) In line with the Parent company and Swedish subsidiarity, the stakeholder group environment is primarily stressed within the “Environment policy”. (see table 4.9)

CSR policy	Patients	Healthcare Professions	Employees	NGOs	Regulators	Suppliers	Community	Shareholders	Environment
Sales and Marketing	4%	80%	19%	14%	50%	-	4%	-	-
Access to Healthcare	27%	13%	2%	14%	-	-	4%	100%	-
Research Ethics	46%	7%	17%	0%	50%	10%	-	-	-
Our People	-	-	54%	-	-	-	4%	-	20%
Working with suppliers	4%	-	9%	-	-	80%	-	-	-
Patient safety	15%	-	-	29%	-	7%	-	-	-
Community Investment	-	-	-	43%	-	-	88%	-	-
Environment	4%	-	-	-	-	3%	-	-	80%

Table 4.9 – Stakeholder distribution on the website

Since the result of the press releases in AstraZeneca China resulted in only two applicable press releases, were only 11 stakeholders counted, of which 73 % (7) represented patients, 18 % employees (2), and 9 % NGOs (1). These results shows that the stakeholder groups that are most distributed on the corporate website, are also those stakeholders that are mentioned in the press releases.

4.6 Summary of findings

Below are the findings from the study of the Parent Company, Chinese- and Swedish subsidiary summarized.

Table 4.10 shows the total of CSR information in each company. In the column for website, refer (...) to the number of addressed CSR policies. In the press releases and twitter refers the (...) to the amount of CSR related press releases/tweet.

Study Document	Website	Press releases	Twitter
Parent Company	X (9)	X (22)	X (51)
Sweden	X (3)	X (52)	X (41)
China	X (8)	X (2)	-

Table 4.10 – total offered CSR information

Table 4.11 below summarizes the total distribution of the CSR responsibilities in the studied material in each company. The result shows that both the Swedish and Chinese subsidiary is in line with the Parent Company and addresses the ethical responsibility most. AstraZeneca Sweden’s second most stressed CSR responsibility is the philanthropic responsibility, in line with the Parent Company, while AstraZeneca China second one are the economic responsibility.

CSR responsibility	Economic	Legal	Ethical	Philanthropic
Parent Company	10 %	7 %	63 %	19 %
Sweden	5 %	3 %	56 %	25 %
China	26 %	14 %	51 %	9 %

Table 4.11 – Total of the CSR responsibilities

Table 4.12 below summarizes the result of the CSR practices in the companies. The result shows that category 1, represented the most communicated practice in both the Parent Company and the Chinese subsidiary, while the Swedish subsidiary’s most communicated is category 8: “programs”

CSR practices	Parent company	Sweden	China
1. Reports, codes, policies & documents	36%	13%	33%
2. Collaboration with regulators	4%	1%	6%
3. Collaboration with NGOs	20%	25%	19%
4. Collaboration with Academics etc.	9%	16%	11%
5. Sponsorships	3%	4%	0%
6. Awards	2%	5%	4%
7. Supporting groups	5%	3%	4%
8. Programs	19%	26%	17%
9. Donations	1%	4%	1%
10. Others	2%	1%	4%

Table 4.12 – Total of CSR practices

Table 4.13 below summarizes the total of the stakeholder focus in the Parent Company and the two subsidiaries. The companies have different stakeholder focus when communicating the CSR. The Parent Company most stresses on the patients, the Swedish company most on the community, and the Chinese company emphasised most on the employees.

Company / Stakeholders	Parent Company	Swedish subsidiary	Chinese Subsidiary
Patients	24.1%	16.1%	18.5%
Healthcare profession	6.7%	4.7%	8.2%
Employees	9.3%	10.4%	30.4%
NGOs	17.7%	19.3%	4.3%
Regulators	12.6%	9.7%	2.2%
Suppliers	8.2%	2.9%	16.3%
Community	3.8%	23.7%	14.1%
Shareholders	0.7%	0.2%	0.5%
Environment	16.5%	12.9%	5.4%

Table 4.13 – Total of stakeholders stressed

5. Analyses & Discussion

In this chapter, we will analyse and discuss our findings using our analysis model (see fig. 3.2). We will start by analyse and discuss how the subsidiaries acting similar or different from the Parent Company by in turn analyse the two subsidiaries. This leads to the second part, where we further will continue by applying the local factors; national culture and history of the firm, that may explain why two subsidiaries of the same MNC differs in how the communicate CSR. The section ends with a discussion where we reconnect to the theoretical propositions to see if the result can support the propositions. (see section 3.6).

5.1 The duality dilemma

“Our responsible business framework is the vehicle for managing commitments that are agreed across the Group, taking account of external stakeholders insight and internal reputational risk assessment” (AZ UK, annual report, 2014 p. 229)

As the quotation above demonstrates, all subsidiaries within the Group are committed to the CSR policies, the Group build their CSR engagement around, which includes the Code of Conduct and its related polices (AZ UK, 2015). The Code of conduct sets up the requirements for the subsidiary, including that they should support local communities and act in line with the CSR policies (AstraZeneca, 2015). The compliance with all these are reflected in both the Chinese and Swedish subsidiary, where both state their CSR commitments on the website and provides the global polices and rules they comply with.

The similarities the AstraZeneca China and Sweden respectively shows in above area, could be explained by Kostova & Roth (2002) who argues that even if specific practices would be inappropriate in the subsidiary's host country, the pressure from the MNC would result in some compliance (Kostova & Roth, 2002). This is because a subsidiary have to comply with those parts that is mandatory from the Parent Company (Kostova & Roth, 2002). According to this, the subsidiaries could not avoid showing some similarities with the Parent Company in their CSR communication.

5.1.1 AstraZeneca Sweden vs. Parent Company

“AstraZeneca Sweden following the global CSR initiatives, but still we also have regional initiatives guided by Sweden”. (Lund, AZ SE, 2015) (see appendix, b)

The quotation above stated by Lund (AZ SE, 2015) can be explained by the fact that a subsidiary adapts the Parent Company's practices into vary degrees depending on their interpretation of the practice, shaped by the external and internal context in the organizations (Kostova & Roth, 2002). Following, the findings show that AstraZeneca Sweden is in line with the Parent Company by using the website, press releases and the social media to communicate the CSR. Thus, the major difference is that AstraZeneca Sweden has a less comprehensive responsibility section on the website compared to the Parent Company. Of the nine stated CSR policies on the

Global website, the Swedish subsidiary does only go further deep into two of these in the website; the “Community Investment” and “Environment”. Lund (AZ SE, 2015) explains this situation further: *“We feel it is most appropriate to describe the points where we have more specific information to Sweden. The other points are available on the global website”* (Lund, AZ SE, 2015) (see appendix, b)

According to Kostova & Roth (2002) a subsidiary meet duality pressures from both the Parent Company and local context (Kostova & Roth, 2002). Therefore the above stated focus on the Swedish website can be traced to the fact that the Swedish subsidiary meet other pressures not only from the Parent Company, but also from the host country context where the Swedish subsidiary acts in, which shapes and impacts their operating strategies (Hillman & Wall, 2005). This can be further supported by Lund (AZ SE, 2015): *“The community support we conduct locally in Sweden is not described on the global website. Environmental information in Swedish is important because we have large production facilities in Sweden.”* (Lund, AZ SE) (see appendix, b)

Therefore, the environmental focus can be related and explained by the influence from the Swedish context. Since the environment has been an important focus during long time in Sweden, such as promotions of next generations’ wellbeing (Castle, 1978/2009) and high level of promotion of low-environmental initiatives (Swedish Institute, 2015). Further, the Swedish pharmaceutical industry is characterized by high environmental protection and disclosures (Upton, 2011), which support the findings from the Swedish subsidiary’s influence from the local context.

Apart from AstraZeneca Sweden’s communicated policies on the website, other CSR policies which are not deeper described on the website, instead disclosed in the press release and social media. The difference from the Parent Company is that AstraZeneca Sweden published 32 more CSR related Press releases than the Parent Company, where all of these stated specific information about the Swedish business. Although, the Swedish Company is less comprehensive in touching all CSR policies on the website, instead they communicate more through other channels, in line with the Parent Company’s comprehensiveness. Hence, with the difference that AstraZeneca Sweden stressing more CSR in press releases compared with the Parent Company. This further shows on how the subsidiary both adapts to the Parent Company’s behaviour at the same time as acting on its own discretion (Brewster et al, 2008).

The findings from the communicated responsibility shows that AstraZeneca Sweden is aligned with the approach the Parent Company uses, by both stressing most on the ethical responsibility, followed by the philanthropic, and less on the economic and legal responsibility. According to Brewster et al (2008) the duality of pressure from both the host country and the Parent Company affects the subsidiary’s behaviour. Therefore, the findings can either be an explanation of

pressure from the Parent Company' or that the host country of AstraZeneca Sweden pushing similar pressure as the Parent Company, which results in non-conflicting pressure, leading to isomorphism behaviour in line with the Parent Company (Kostova & Roth, 2002).

The results show that the CSR practices AstraZeneca Sweden mainly communicates are primarily through programmes and collaborations with NGOs, followed by collaborations with academics.

“In Sweden, we collaborate with local organizations and focus in two areas: promoting young people's mental health and encourage young people's interest in science and technology” (AZ SE, 2015)

As the quotation above states, “collaborations” and “programmes” plays a large role within those areas AstraZeneca emphasis CSR. The findings show similarities to the Parent Company within these practices, but “programmes” have a larger focus in the Swedish subsidiary. On the other hand, the Swedish subsidiary is not aligned with the large focus on reports, codes and polices as the Parent Company. Thus, it can be traced back to the Swedish subsidiary rather refer to the Global website for more information about things not specific for Sweden. Hence, the findings indicate both similarities and differences from the Parent Company. In line with previously argumentation it can be explain by they duality of pressures from Parent Company and host country, which give rise to operating strategies which are not isomorphism with the Parent Company (Brewster et al, 2008).

According to Yang and Rivers (2009) the stakeholders in the home and host country forms a complex set of forces that influences the CSR practices in the subsidiary. This means that the stakeholders the Chinese and Swedish subsidiary focus on will be influenced by both its local context as well as from the stakeholders general in the Group. The result of the stakeholders in the subsidiaries shows that they stress on various stakeholders between the companies. The Swedish subsidiary shows similarities with the Parent Company in their stakeholder focus. Hence, these similarities can be explain since the subsidiary meets pressure from the Parent Company, which therefore could result in similar stakeholders to satisfy (Yang & Rivers, 2009) including stakeholders such as patients and NGOs'. According to the findings, the large focus on the Community in the Swedish subsidiary cannot be traced by an influence from the Parent company, rather it could represents the local host country pressure (Kostova & Roth; Yang & Rivers, 2009).

5.1.2 AstraZeneca China vs. Parent Company

The findings clearly reveal that it exists many similarities between the Parent company and the Chinese subsidiary. The Chinese company in a large extent uses the Parent company's format of website to publish corporate social responsibility information, and further they touch most of the CSR policies.

“We have our autonomy to choose how to create the website, but it is unnecessary to against what have already done by the parent company. We can not find a reason to against, and we think MNC and its subsidiaries should be the same image” (Yu, AZ CN, 2015) (see appendix, b)

The quotation above indicates that although the Chinese subsidiary has right to change the way of publishing CSR information online, they choose to follow the template of the Parent Company. This can be explained by Hillman and Wall (2005) who argue that MNCs subsidiaries’ operating strategies are likely to be influenced by both internal and external legitimacy forces. Evidently, the Chinese company does not want to change the mode of website. In order to gain the internal legitimacy they show the same corporate image as the Parent Company.

Although the Chinese subsidiary published almost the same amount of policy information, the depth of information in some sections such as “Environment” and “Patient Safety” are not as deep and detail as the Parent Company. In addition, the Chinese subsidiary had in 2012 only two published press releases related to CSR and nor any social media account, compared with the Parent Company who publishes 22 CSR related press releases and 51 of 100 messages in the social media. According to Yu (AZ CN, 2015):

“Some relative sections are lack of depth and detail does not mean that we are not caring about, Press release is not the most important approach for communicating corporate social responsibility, the importance is what we actually did, press release can be dressed up nice, but its just some data.” (Yu, AZ CN, 2015) (see appendix, b)

These quotations above show that the Chinese subsidiary stress on what they actually do, but care less about communicating it in media channels. Thus, the weak focus in the “Environment” compared with the Parent Company, can be explained by Ni and Shen’s (2013) who states that the environmental disclosures are poor in the Chinese pharmaceutical industry. This indicates that the local context have had influence in the Chinese subsidiary’s choice of disclose information about the environment.

Further, according to Yu (AZ CN, 2015) AstraZeneca China has no mandatory rules or regulations on publish CSR information (see appendix, b) As Hillman and Wall (2005) state, external legitimacy forces is one of the influences that may affect a subsidiary’s operating strategy. Since there is no local regulation which requires companies to disclose information to the public in China, the desire to gain external legitimacy could be weak in the Chinese subsidiary.

In regard of responsibilities, the findings show that the Chinese subsidiary is aligning with the Parent Company, where the majority of the communicated CSR information is ethical

information. This reveals that the AstraZeneca is an ethical company since it communicates a majority of ethical responsibility, and so does the Chinese subsidiary. Further, from the interview with Yu (AZ, CN, 2015), she conveyed that the Chinese company has to follow the ethical policies and standards (see appendix, b).

Although as discussed earlier, there are no rules and regulations for the Chinese subsidiary to follow regarding how to communicate. Even though, when it comes to how and which responsibility they are communicating, the Chinese subsidiary has to follow the ethical policy and standards, which means the subsidiary is influenced by the parent company. In line with Hillman and Wall (2005), the Chinese subsidiary applies the same operating strategy regarding “responsibility” because of the internal legitimacy force.

Philanthropic responsibility comes after the ethical responsibility in the Parent Company, which occupies 19% while the Chinese one’s second most stressed responsibility, is economic responsibility (26%).

“AstraZeneca China is a corporation, is a profit organization, the motivation why we do community investment is to serve our business. We stress on making profit but it is not the whole meaning of our company” (Yu, AZ CN, 2015) (see appendix, b)

The quotation above can explain why the Chinese subsidiary stresses the economic responsibility after the ethical responsibility, because they highly value that the company will make profits.

The communicated CSR practices in the Chinese subsidiary are quite similar to the Parent Company. The findings show that they stresses equally as the Parent Company in regard of “reports, codes, policies and documents” (36%), “collaboration with NGOs”(20%), and “programmes” (18% and 19% respectively). This shows the strong pressure the Parent Company has on the Chinese subsidiary (Kostova & Roth, 2002) It can further be supported by Yu (AZ CN, 2015): *“The capitals for the some of the community investment programs come directly from the parent company.”* (Yu, AZ CN, 2015) (see appendix, b)

From the quotation above, we can see that the Parent Company has an impact on the CSR practice of the Chinese subsidiary. Since the decisions to conduct a “Community Investment” Programme sometimes depends on the Parent Company’s decision, it indicates that the Chinese subsidiary encounter deciding pressure from its Parent Company, which they have to follow.

In terms of the stakeholders focus, there are some similarities. Like the Parent Company, the Chinese company is also very focus on the patients, hence, it reveals obviously since the Pharmaceutical company exists because of the patients. On the other side, there are some differences between the companies. The focus on the employees in the Chinese subsidiary is

extremely high (30.4%) comparing with the Parent Company (9.3%) and the Swedish subsidiary (10.4%). According to Yu (AZ CN, 2015): “*Employee engagement is a very important part.*” (Yu, AZ CN, 2015) (see appendix, b) As Hickey (2003) states, the employees are well and better trained in the Pharmaceutical industry compared to other industries in China, but still in shortage. This can therefore explain the large employees focus in the Chinese subsidiary. Hence, it is an influence from the local context.

5.2 Factors explaining the duality of pressures

After having discussed two subsidiaries of an MNC who acts in two different contexts, the findings show that both companies acting similar and different from the Parent Company in diverse degrees and in different areas. Thus, the findings supports the phenomena of the institutional duality as the MNC subsidiaries are facing (Kostova & Roth, 2002), since it indicates that the subsidiaries behaviour is not only a result of the Parent Company’s pressure, it also seems like other influences shapes the behaviour. In line with this, what reasons could explain this behaviour in the Chinese and Swedish subsidiary? To understand, we will therefore applying our second part of the analytical model, the host country factor (culture) and subsidiary factor (the history of the firm) to discuss if these factors can be the explanation of why the subsidiaries acting in line with, or apart from, the Parent Company.

5.3.National culture

5.3.1 The comprehensiveness of the communicated information

Pahlberg (1995) states that culture differences exist in MNCs because it interacts with a large set of subsidiaries shaped by different cultures (Pahlberg, 1995). According to this, can the culture explain the differences and similarities in the subsidiaries behaviour in AstraZeneca?

The findings show that AstraZeneca Sweden is similar with the Parent Company regarding the comprehensiveness of communicating their CSR, since both communicates with stakeholders via several medium, including the corporate website, press releases and social media.

On the contrary, the Chinese subsidiaries differ from both the Parent Company and the Swedish subsidiary in this aspect. According to Gray (1988), China is characterised as a country with a secrecy culture. In comparison, UK is a highly transparent country (Gray, 1988). These different cultures can therefore explain why the Chinese subsidiary discloses less specific information about the Chinese business and how they practice CSR, as well as using fewer channels when communicating CSR. This supports the argument that the secrecy culture of the host country can influence a company’s behaviour (Gray, 1988; Pahlberg, 1995). It further strengthened by Tang et al (2015), by stating that Chinese firms would rather publish formal CSR policies than give deeper explanation on how they really practice it.

Besides, the Swedish culture is pointed out to be more transparent than China, but not as transparent as UK (Gray, 1988). It further supports that the Swedish culture has influenced the

Swedish subsidiary's comprehensiveness of both using more channels to communicate through, as well as more Swedish-related CSR disclosures. Since the Swedish culture is less transparent compared with UK, it supports that the Swedish subsidiary has less usage of the corporate website compared with the Parent Company.

As the findings shows AstraZeneca China is more aligned with the Parent Company in terms of the format of the CSR policies offered on the corporate website. According to Yu (AZ CN, 2015): *"it is unnecessary to go against what have already done by the parent company, we can not find a reason to against and we think MNC and its subsidiaries should be the same image."* (Yu, AZ CN, 2015) (see appendix, b)

It reveals the fact that the Chinese subsidiary tends to be willing to align with the Parent Company. On the contrary, Astra Zeneca Sweden rather value to state specific information for the Swedish business instead of mimic information already available on the global website. *"We feel it is most appropriate to describe the points where we have more specific information to Sweden. The other points are available on the global website"* (Lund, AZ SE, 2015) (see appendix, b).

These differences in attitude between the Chinese and Swedish subsidiary can be a factor influenced by the host country culture, which contribute to the different CSR communication. According to Hofstede (1984/2015), China is characterized as a country with a strong collectivistic culture, while Sweden has a more individualistic culture (Hofstede, 1984/2015). Therefore the host country culture could explain that the Chinese subsidiary has larger group awareness and relatively more willing to act in the interest of the Parent Company compared with the findings of the Swedish subsidiary. As a result of the host country culture, the Chinese subsidiary adopts the Parent Company's way of communicating the policies on the website. Considering the Swedish subsidiary is influencing by the national culture it embedded in, of which, the culture appears to be more individualism awareness-oriented, therefore it can explain why they rather focus on their own areas of CSR.

On the Chinese corporate website, the policy of "human rights" is the only CSR policy which is omitted while the Parent Company has a deep description of the policy. The Chinese culture has high power distance, compared to UK (Hofstede 1984/2015) Since in a high power distance culture; people tend to believe that inequalities among people are acceptable (Hofstede, 1984/2015). According to Hofstede (1984/2015) the reason that AstraZeneca China omit "human rights" could therefore be an influence from the host country culture.

As discussed earlier, the largest difference between the Swedish subsidiary's and the Parent Company's website is that AstraZeneca Sweden's website largely focus the information on the "Community Investment" and "Environment". Lund (AZ SE, 2015) states that the reason for this

is since these are the areas they most invest in. According to Hofstede (2015), the Sweden is shaped by a very femininity culture. Comparing with both UK and China, Swedish tends to be more willing to “taking care for weak” and that all should be included (Hofstede, 1984/2015). Therefore, why the Swedish subsidiary largely communicates and focuses on the “Community”, especially the supporting of young people’s health, can be explained by the strong femininity culture’s influence (Hofstede, 1984/2015)

5.3.2 The Responsibility approach

Both the Chinese and Swedish subsidiary aligns with the Parent Company by emphasising on ethical responsibility of CSR. The reason why ethical responsibility is adapted in the Group can be explained since they have to comply with the Parent Company in some extent to obtain legitimacy (Kostova & Roth, 2002).

According to Hofstede (1984/2015) China is shaped by a highly success-oriented masculinity culture. This can further explain that the culture has influence the Chinese subsidiary’s way of CSR communication, since the economic responsibility revealed to be the second most communicated responsibility in the subsidiary (occupies 26% compared to the Parent Company: 10 %). This also can be supported by Tang et al (2015) who argues that Chinese firms are stressing more on economic motivations for CSR engagement.

To additional strengthen the arguments above; the economic responsibility constitutes 5% of the responsibilities communicated in Swedish subsidiary. Besides, Sweden gets only 5 point in the Masculinity dimension of national culture (Hofstede, 1984/2015), therefore we can see that the result is in accordance with the argument that the national culture influences the subsidiary CSR responsibility focus.

Though, bias arises when comparing UK and China since they get the same points (66) in the dimension of masculinity (Hofstede, 1984/2015). However, the Parent Company’s economic responsibility focus is 16% less than the Chinese subsidiary. Therefore this cannot support that the Parent company’s responsibility focus would be influenced by its own culture.

5.3.3 The communicated CSR practices

The difference regarding CSR practices between AstraZeneca Sweden and the Parent Company is that the Swedish subsidiary has a larger focus on “programmes”, “collaborations with NGOs” and “academics”. This can be further explained because the Swedish subsidiary focuses much on how they practice their CSR. Large proportion of practices in the Swedish subsidiary are characterised of engagement in voluntary activities to support weak people in the society. For example, in 2012, were several press releases related to the partly closedown of AstraZeneca’s operations in Södertälje, which led to a large amount of employees had to leave the company. AstraZeneca Sweden communicated in relation to this, how they took their responsibility by arranging career days for the employees. This kind of behaviour in the Swedish business can be

further explained as an influence from the Swedish culture, which is strongly shaped by the femininity culture where “take care of the weak” are in focus (Hofstede, 1984/ 2015).

5.3.4 Discussion on the stakeholder focus

In the Chinese subsidiary, employees are the stakeholders most be stressed on, including claiming employees rights. Therefore, it does not support that the culture of the host country has influenced the Chinese subsidiary in this sense, since the Chinese culture are shaped of “accept inequality” (large power distance) (Hofstede, 1984/2015). Instead the focus on employees can be explained in another way since especially the talent employees have attended large focus in the pharmaceutical industry in China compared to other industries (Hickey, 2003). Furthermore, as the Chinese subsidiary stresses on similar information as the Parent Company, the focus on employees could also be explained by the subsidiary’s adoption of the Parent Company’s behaviour.

In the Swedish subsidiary, the Community is the most emphasised stakeholder (23,7 % compared with the Parent Company: 3,8 %). According to the discussion earlier, the “Community” gets much attention from the Swedish business. This can further be traced to the influence from the Swedish culture which promoting “equality and caring for the weak” (Hofstede, 1984/2015).

5.3.5 The distance between the Parent Company and subsidiary

The discussion of the host country’s cultural influence in the Chinese and Swedish communication of CSR, has shown, that it could be an explanatory factor of the behaviour when adjust or not adjust to the Parent Company’s behaviour. Further it supports by Hofstede’s (1980) who states that people in different nations perceives interpretations differently from the interpretations of peoples in other cultures (Hofstede, 1980; cited by Pahlberg, 1995).

Pahlberg (1995) further argues that cultural distance in the MNC could give raise to conflicts and diverse behaviour (Pahlberg, 1995). Since the institutional environment the subsidiary’ acting in could be seen as influenced by various carriers including the national culture, which in turn shapes the environment (Scott, 1995), it could be argued that if the culture distance between two countries are large, so will the institutional distance be. Thus, could the cultural distance between the subsidiary and Parent Company lead to larger institutional distance and in turn, further explain the differences and similarities between the subsidiary and the Parent company? Two of the most significant differences that have appeared in the findings will be discussed below.

First, According to Gray (1988) UK is a highly transparent country, while the Chinese culture is shaped by the opposite. Therefore according to Gray’s (1988) classification, China and UK have a large cultural distance in the transparency dimension. As the findings reveal, even though the Chinese subsidiary is working more with CSR than it has disclosed on the corporate website, the absence of specific Chinese engagement is minor. This difference is in line with the cultural

distance in the MNC that could give rise to conflict and diverse behaviour (Pahlberg, 1995). Since the culture influence the institutional environment where parties act, the larger the institutional distance is, the harder it would be for the subsidiary' to adapt to the Parent Company's practice (Kostova & Zaheer, 1999). In line with this argument, it can further be that there is a large institutional distance between the Chinese subsidiary and the Parent Company, which could explain why the Chinese company do not adjust to the Parent Company's transparent behaviour. This argument could further be applied to the Swedish subsidiary, which is more transparent and comprehensive in the CSR information. Sweden and UK reveals having a smaller cultural distance within the countries transparency (Gray, 1988), which can therefore explain why the companies are more equal in the disclosed information's transparency.

Second, the differences between the Swedish subsidiary's and the Parent Company's CSR information on the website. According to Hofstede (1984/2015) there is a large distance between Sweden and UK in the aspect of the "femininity versus masculinity". Sweden is shaped by a femininity culture, and UK is highly shaped of masculinity culture (Hofstede, 1984/2015). In line with Xu & Shenkar (2002) should the institutional distance be seen as a complement to the cultural distance, meaning that the culture influence the institutional distance. Therefore, this could explain why Sweden mainly focuses on the Community and Environment. The distance makes it harder for the Swedish subsidiary to adapt to the Parent Company (Kostova & Zaheer, 1999), and the host country gets a larger influence in how the subsidiary's CSR is communicated.

5.4 The History of the Firm

Could the Chinese and Swedish subsidiaries direction of behave and act within the CSR be explained due to the history evolution of respectively subsidiary?

AstraZeneca Sweden and AstraZeneca China have different histories. AstraZeneca Sweden was a Swedish large international company (Astra AB) before the merge with Zeneca PLC (AZ SE, 2015). AstraZeneca China on the other hand, became part of the Group in 1999 (AZ CN, 2015). This shows that AstraZeneca Sweden and AstraZeneca China has a diverse history within the Group. Since AstraZeneca Sweden was the Parent Company of Astra AB before the merge, it can reveal that AstraZeneca has had an influential impact in the early stage of the merge. The Chinese subsidiary on the other hand has always been a subsidiary, and established its first presence within AstraZeneca in 1993 (before the merge)(AZ CN, 2015). Hence, it does not have the same history as the Swedish subsidiary. This can relate to North (1990) who states that the same fundamental change affects two different societies differently. How they adapt is dependent on the relative bargaining power of the society as a result of the institutional context where the organization has evolved (North, 1990). By applying this phenomenon on the subsidiaries, it could explain that even though the Chinese and Swedish subsidiary are parts of the same Group, the adapting of the same practice from the Parent company differs (Kostova & Roth, 2002). This could be since the interpretation and perception of the practice are not equal in

these subsidiaries, as a result of their different history with AstraZeneca Group (Kostova & Roth, 2002; North, 1990).

Beckman & Burton (2008) argue that early choices in an organization's history leave long imprints effects in the organizational behaviour. This is because prior performance creates paths that follow the evolution of the organization (Schreyögg, et al, 2011). Since AstraZeneca Sweden has been part of the Swedish society for over 100 years and is an important part in the Swedish business sector (Sveriges Regering, 2014), it has created paths based in the Sweden context where it has evolved (North, 1990). Thus, according to Araujo & Rezende (2003) the subsidiary is likely to follow an incremental path if it experiences a strong influence from the host country it evolved in. Relating this to the Swedish subsidiary, it can explain the reason why the Swedish subsidiary's CSR communication is more in line with what themselves thinks are worth to focus on in Sweden. As Lund (AZ, Sweden) state: *"We feel it is most appropriate to describe the points where we have more specific information to Sweden. The other points are available on the global website"* (Lund, AZ Sweden) (see appendix, b)

Accordingly, if the history follows the company, paths of practices of CSR (North, 1990; Festing & Sahakiants, 2013) can have been imprinted during a long time in the Swedish subsidiary (Beckman & Burton, 2008). Further these paths follow the subsidiary's evolution, which later can have impact on the today's behaviour of the Swedish subsidiary's communication of CSR.

This could further be an explanation of why the behaviour of the Chinese subsidiary are more in line with the Parent Company in how they communicate CSR on the website: *" We have our autonomy to choose how to create our website, but it is unnecessary to against what have already done by the parent company, we can not find a reason to against and we think MNC and its subsidiaries should be the same image."* (Yu, AZ China) (see appendix, b)

Since the Chinese subsidiary has a shorter history within the Group, they may not have the same strength of paths in their behaviour of CSR. Instead, their paths have evolved together with the Parent Company's context (North, 1990), and therefore its path dependent course rather follows the Parent Company. This could explain why they communicate the CSR similar to the Parent Company.

Furthermore, since AstraZeneca Sweden was the Parent Company of the Astra AB before the merger with Zeneca PLC, it can reveals they had a larger part of the evaluation of the MNCs (AstraZeneca) institutional context (North, 1990). Therefore, because of the history, the institutional distance between the Swedish subsidiary and the Parent Company could be lower (Kostova & Zaheer, 1999), and the Swedish subsidiary could therefore act more independent, without losing the legitimacy from the Parent Company (Kostova & Zaheer, 1999). These arguments could be an explanation of the more isomorphism behaviour by the Chinese

subsidiary. Since they not had the same positions as the Swedish company in the merge, they instead encounter a larger pressure to obtain and maintain the legitimacy from the Parent Company (Kostova & Roth, 2002). This in turn, can explain why the Chinese subsidiary's corporate website is very similar to the one that the Parent Company use.

5.5 Discussion and reconnection to the theoretical propositions

The chapter will now end with a discussion to see if the theoretical propositions that has been the basis for the analysis model can be supported or not.

Prop 1: The CSR communication in a subsidiary is dependent on how they perceive and interpret the influence and pressure from the Parent company and the own local context respectively.

To relate to the first theoretical proposition, we have identified that both the Parent Company and the own local context the subsidiary is embedded in, has influence on how a subsidiary of a MNC communicates CSR. The subsidiaries communicates the global commitments in line with their Parent Company, which strengthen that mandated pressure from the Parent Company result in some compliance in the subsidiaries, even if it would not be appropriate in the host country (Kostova & Roth, 2002).

Furthermore, the global pressure the Parent Company exerts on the subsidiary leads to some homogeneity in the MNC network (Kostova & Roth, 2002), as a result since the ethical responsibility approach has gain influence in all the subsidiaries. Hence, how and in which degree they adapt to the Parent Company's way of communicate CSR differs between subsidiaries, even though the same Parent Company. This has shown that the local context plays an important role in the subsidiaries strategies and behaviours (Kostova & Roth, 2002). Further, which can be explaining by the local context pressures forms the subsidiaries to perceive and adapt the Parent Company's strategies in various ways. As a result, it leads to different degrees of acting in line with or apart from the Parent Company's CSR communication (Hillman & Wall, 2005). Therefore, the result supports the first theoretical proposition; the subsidiaries react differently to the Parent Company as a result of their own interpretations influenced from the host country.

Prop 2.1 The national culture affects how the subsidiary communicates the CSR, which in turn influence how the subsidiary perceives and adjust themselves to the Parent Company

The national culture, which in this study represents the influence from the host country, shows that if the subsidiary has a strong culture in a specific area (e.g. secrecy culture), it shapes the subsidiary to behave more aligned with its local context and apart from the Parent Company's CSR communication. On the contrary, the findings does not support that a strong culture always influence the CSR communication in the same direction. This can be an explanation of that in areas of strong weight in the MNC, does the Parent Company's pressure dominate the host

country pressure, leading to the subsidiary adjust to the Parent Company to gain its legitimacy (Kostova & Roth, 2002).

However, the findings reveal that there is a strong relationship with the culture and CSR strategies taken by the subsidiary. Therefore it supports our second propositions that the national culture affect the CSR communication in the subsidiary.

Prop 2.2 The larger the differences between the national cultures are, the larger will the institutional distance be between the host country's and the Parent company's institutional environments. Leading to that the host country will have more influence on the CSR, and a larger difference between how the Parent company and the subsidiary communicates CSR to its stakeholders

The findings show that large cultural distance also may affect the institutional distance between the Parent Company and the subsidiary, with the result of differences in how the Parent Company and subsidiary communicate CSR. This can be an explanation of that it will be harder to adjust to the Parent Company if the institutional distance is large (Kostova & Zaheer, 1999). Simultaneously, it also revealed that even though similar cultures between the subsidiary and Parent Company in some cultural dimensions (Hofstede, 1984/2015; Gray, 1988), the subsidiary would rather adjust its behaviour to the local context. Therefore, the proposition cannot achieve its full support. Hence, the reason for this would be that the culture cannot be a single influence to the institutional environment, rather be one of several parts who carrier the institutions (Scott, 1995).

Prop. 3: The history of the subsidiary will impact why they communicate CSR different or similar to the Parent Company.

The last factor we have discussed that might influence the behaviour of the subsidiary to rather act on their own discretion, apart from the Parent Company, is the history and evolution of the subsidiary. By trace back to the subsidiary's history, we can see that diverse histories of two subsidiaries can create paths of behaviour, which brought with till today (North, 1990). Furthermore, a more self-determining CSR communication apart from the Parent Company can be explained by the subsidiary's long history in the local context. A CSR communication more isomorphism with the Parent Company can be explained due to a shorter history in the society which made the incremental paths of CSR not as strong as in the subsidiary with a longer history (Araujo & Rezende, 2003). Therefore, this can explain why the subsidiaries have different ways of adapting and adjusting to the Parent Company's CSR communication practice. Thus, the result supports the theoretical proposition.

6. Concluding Remarks

6.1 Conclusion

This thesis has had the aim of exploring the phenomena of how the institutional and cultural context that a MNC is embedded in, can explain why subsidiaries within a MNC act different or similar to the Parent Company regarding how they communicate CSR.

To answer the purpose of the thesis, two important subsidiaries and their Parent Company in the large MNC AstraZeneca, has been investigated, where the subsidiaries are shaped by different cultures and firm histories. By this, we have been able to gain a deep understanding of the complexity and challenge these different characteristics brings to the MNC and how it affects the subsidiaries' interpretation and strategies from the Parent Company.

Our findings have revealed that both the Chinese and Swedish subsidiary differ from their Parent Company in their CSR communication. The website of the Chinese subsidiary is much in line with the one of the Parent Company, but they do not state any individual information about how they practice CSR in the Chinese operations. Further, they do not use other media channels in a large extent to communicate. In contrast, the Swedish subsidiary has a different communication on their website. Compared to the Parent Company and the Chinese subsidiary, the Swedish subsidiary has a clear CSR focus within the community and environment areas, and continuously describe how they practice the CSR. In line with the Parent Company the Swedish subsidiary is active in other media channels including press releases and social media.

Additionally, all the subsidiaries in the MNC network show some similarities as a result of the pressure they meet to gain legitimacy from the Parent Company. An example of how their communication behaviour goes in line with the Parent company could be seen in how both the subsidiaries have a major focus on CSR in an ethical aspect due to the pressure from the Parent Company. This provides further evidence that the Parent Company has the power to affect subsidiaries' own interpretation (Kostova & Roth, 2002). Therefore, our findings have revealed that the duality dilemma MNCs subsidiaries facing by the duality of pressures from both the Parent Company and the own local context are a reality in the MNC AstraZeneca. The two subsidiaries of the same Parent Company do adapt and adjust their CSR behaviour, but in different degrees.

By applying the national culture and history of the subsidiary as explanatory factors, we have reached a deep understanding of the duality of pressures. Further, why two subsidiaries communication behaviour and strategies goes both align with and apart from the Parent Company.

First, the national culture, which represents the host country influence, has shown that a strong culture can explain why the subsidiary communicates CSR different from the Parent Company.

Second, we found that different histories of different subsidiaries can create incremental paths that follow the evolution of behaviour in the subsidiary, leading to behaviour of acting more apart from or in line with the Parent Company's CSR communication. A subsidiary with a long history in its own society has a stronger focus on special areas of CSR. On the contrary, a subsidiary with a shorter history has a less own focus of CSR and rather follow the Parent Company's focus, and therefore communicate CSR more in line with the Parent Company.

Lastly by reconnect to the thesis purpose, by analysing the selected case companies within a MNC we have been able to see that even if the Parent Company exercise a large influence on the subsidiaries, local and subsidiary- specific factors plays an influential role. Thus, we have found that factors deeply rooted in both the local context and in the subsidiaries' own history affects how the subsidiaries perceive and adjust to the Parent Company.

This study therefore reaches the conclusion that differences in national cultures and firm history can explain why MNC subsidiaries differ in how they communicate and practice CSR. However, depending on the strength of culture and the length and power of history, the subsidiaries adapt and adjust their behaviour and strategies in different degrees to the Parent Company respectively the local contexts.

6.2 Contributions

The aim of this thesis has been to explore the phenomena of how MNC subsidiaries differ in how they communicate CSR from its Parent Company. It will also contribute with the understanding that the organizational behaviour that the Parent Company want to convey to its subsidiary could be affected by influences from their surrounding environment. This impact can lead to a behaviour and strategy that is not in line with the one of the Parent Company's interest.

The thesis takes a new theoretical approach by exploring what it is that affects the behaviour and the strategies of a subsidiary in a MNC. This has been done by creating a theoretical perspective that captures the duality of the pressure that the subsidiary meet from both its host country and the Parent Company. Since the thesis connects the theory of institutional duality with the culture theory and institutional path dependency, it contributes to a new perspective of applying the institutional duality.

Further, the combination of the external factor, culture, together with the internal history of the subsidiary serves a new approach for investigating the MNC network. Hence, the study's proposition that the culture to a large degree would reflect the institutional environment, and therefore reveal in large differences between the Parent Company and the subsidiary's action of behaviour, did not receive its full support. Thus, the culture cannot alone be seen as factor that reflects the institutional environment.

With this knowledge, our model that capture the duality phenomena could be elaborated by researchers to further include factors that previous studies focused on such as the political and economic conditions, in order to strengthen the institutional distance factor as an explanation. Therefore, an extended version of our model, including the national culture, history of the firm and institutional distance, could serve a comprehensive model for further research when trying to explore non-homogenize behaviour within a MNC.

Further, the thesis contributes not only to the existing theoretical knowledge, but also with implications for large corporations in the international arena. This by acknowledging that larger context such culture and imprinted behaviour in the firm has to be taken into consideration as an influencing factor that can create complications and obstructions in collaborations with companies acting in different host countries.

6.3 Limitations and Further Research

Firstly, this study was conducted by analysing one large MNC and its subsidiaries acting in different local context and shaped by different histories. Since we wanted to catch the specific features for the selected case we argue that the culture and history of the firm has been appropriate to explain the phenomena and complexity the selected MNC faces. By only investigating one case and focus in areas outstanding in this case, this study bear the limitation of generalizing the findings to other MNCs not shaped by the same characteristics.

Secondly, since both the subsidiaries in this case are shaped by different cultures and history we found it hard to draw a conclusion of what factor that had the largest influence. Therefore, an interesting area for further research would be to conduct the study on two subsidiaries with one fixed variable, i.e. with either the same host country culture or similar history in order to see which factor that has the main influence on the subsidiary's behaviour.

Additionally, the analytical model can be enhanced in further research since the model is not able to point out whether the Parent Company's impact is more influential than the localization. This since it primarily answers if the factors do have influence and how they influence. Further, a quantitative method can be involved to test the statistical relation between the influences between the Parent Company and localization, to further strengthen the reliability of the relation.

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Appendix

Appendix A - The Codebook

Part 1. Responsibilities	Criteria
Economic dimension	Describe the CSR in forms of: <ol style="list-style-type: none">1. Business operations2. Corporate governance3. Investors4. Improve profit5. Contribute to better business6. Value for company7. Financial terms
Legal dimension	Describe the CSR commitment to: <ol style="list-style-type: none">1. Rules and regulations2. Public policies3. Mandatory reports
Ethical dimension	Describe CSR as relation between business and society: <ol style="list-style-type: none">1. Contribute to better society2. Minimize negative environmental and social impact3. Use of ethical programs4. Use of ethical reports5. Use of code of conducts6. Adopt voluntary codes of governance and ethics (Including communication of better medicines and forwards-step in development of new medicines)
Philanthropic dimension	State their commitment in terms of describing: <ol style="list-style-type: none">1. Voluntary programs2. Sponsorship3. Donation4. Welfare program5. Voluntary reports6. Community projects.

Part 2. CSR practices
1. Reports, codes, policies & documents – The company conducts with CSR practice codes, policies, reports and documents to discuss the content and/or implementation of CSR.
2. Partnership / Collaboration with regulators and governments – state partnerships and collaborations with and government or regulatory organisations
3. Partnership/collaboration with NGOs and voluntary organisations – state partnerships and collaborations with NGOs and voluntary organisation.
4. Partnership/Collaboration with Universities, academic institutes – the company works in collaboration with universities and academics.
5. Sponsorship – sponsorship to charities and social events
6. Awards – communicate given and received awards
7 Supporting groups – specific state supporting of groups in e.g. society
8. Programs; including: a. Quality program, company conducts the quality programs to ensure the quality of the products and treats it as a responsibility. b. Health and safety programs: The company conducts formal health and safety programs to care about to health and safety of the stakeholders. c. Philanthropic programs: The company conducts philanthropic programs which with a clear mission and procedure to collect donations.
9. Donations –The company conducts a donations with a charitable purpose and/or benefit a cause with variety forms, e.g. cash offering and medical care offering for free.
10. Others – other CSR practices not included in the other categories – e.g. “ethical helpline”

Part 3. Stakeholders	
Shareholders	Shareholders, Investors
Employees	Employees, Own researchers, staff, management representatives
Healthcare professions	Health care professions,
Government/regulators	Regulators, agencies, government,
Non-governmental organizations (NGO)	NGO, voluntary organizations, academics,
Patient groups	Patients, those who need the medicines,
Community	Local communities, public, society, sport clubs, young people, children, students
Suppliers	Suppliers, external manufactures, contracts manufactures

Appendix B - Interview Guideline

AstraZeneca China – Nancy Yu, The Director of Public Relations

1. Does AstraZeneca China have any particular focus on CSR disclosures, and if, which stakeholder do they most stress on?

Answer: “We do care about the patient safety, patients are the ones why our company alive for. Patient is the stakeholder that we must stress on since it is necessary for us. Besides, engaging the interest of the employees is also an important part. Of course we will pay attention to the weak groups of the society. In addition, we conduct some charitable programs, caring about the homeless children and their parents in large cities.”

2. Is there any external factor that may influence AstraZeneca to disclose Corporate Social Responsibility?

Answer: “No, there is no mandatory rules or regulations on publishing corporate social responsibility.”

3. According to the Website, we found that AstraZeneca China has less information about the commitment in Environment and Patient safety in the “Responsibility section” compared with the Parent Company’s website and also the Swedish website (Environment). Could you explain why you have less information regarding “The Environment” and “Patient safety”?

Answer: “Both of the parent company and Chinese company are try their best in updating. Some relative sections are lack of depth and detail does not mean that we do not care about, it is about timing”

4. The Chinese company using in a large extent the Parent Company’s format of website to publish corporate social responsibility information, and touches the most of the CSR policies. Is it required by the Parent Company or decided by the subsidiary itself?

Answer: “We have our autonomy to choose how to create our website, but it is unnecessary to against what have already done by the parent company, we can not find a reason to against and we think MNC and its subsidiaries should be the same image”

5. Is there any specific program conducted by AstraZeneca China? What is the motivation of doing these programs?

Answer: “In terms of the motivation, to be honest, AstraZeneca China is a corporation, is a profit organization. We want to build a good reputation in the pharmaceutical industry as well as build a good image in front of the government, meanwhile, to be responsible for the patients. We put a lot of investment into the programs, the motivation why we do community investment is service for our business, we stress on making profit but it is not the whole meaning of our company.”

6. Is press release an approach for AstraZeneca China to convey corporate social responsibility information to the stakeholders?

Answer: *“Press release is not the most important approach for communicating corporate social responsibility, the importance is what we actually did, press release can be dressed up nice, but its just some data.”*

7. Has the Parent have much influence on what you publish for information, and what activities do you perform in CSR?

Answer: *“The capitals for the some of the community investment programs come directly from the parent company”*

AstraZeneca Sweden – Jacob Lund, The Director of External Communication

1. What are the main driving forces from outside (external) that affect you to publish CSR information and become involved in CSR?

Answer: *“We strive to take our responsibilities as a global group, support the community and highlight the benefits of our investments in different ways. For us it is important to be seen as credible, ethical, and transparent.”*

2. How important is social media (Twitter) for you in communicating CSR?

Answer: *“Twitter is one of the many channels we use. Important with a comprehensive communication.”*

3. Regarding the 10 CSR policies mentioned in the annual report, all of these are deeply described on the Parent Company’s website, while AstraZeneca Sweden only describes in more detail about the environment and community investment. Is there any reason why do not you describe the other CSR policies?

Answer: *“No, it is partly about resources, and we feel it is most appropriate to describe the points where we have more specific information to Sweden. The other points are available on the global website. The community support we conduct locally in Sweden is not described on the global website. Environmental information in Swedish is important because we have large production facilities in Sweden.”*

4. Does the Parent Company have great influence on what kind of information you publish, and what activities you perform in CSR?

Answer: *“We follow the initiatives that are global. But we also has own regional initiatives led by Sweden”*