



SCHOOL OF  
ECONOMICS AND  
MANAGEMENT

# **Strategic management of public affairs in Swedish multinational corporations - the recipe for success**

By

Anton Fjelkman & Rolanda Fromholde

June 2021

Master's Programme in Management

Supervisor: Anna Thomasson  
Examiner: [Full name]

# Table of Contents

I Introduction .....	7
II Strategic Management of Public Affairs.....	11
2.1. Introduction to Stakeholder Management .....	12
2.1.1. Stakeholder Management .....	12
2.2. Introduction to Public Affairs .....	14
2.2.2. External Public Affairs Implications .....	15
2.2.3. Public Affairs Theory .....	16
2.2.4. Public Affairs analysis models .....	17
2.2.2. Summary - the Framework for Strategic Public Affairs Management.....	22
III Research Method .....	26
3.1. Research Design .....	26
3.2. Data Collection Method .....	26
3.2.1. Interviews .....	27
3.3. Data Analysis .....	29
3.4. Validity and Reliability .....	30
3.5. Limitations .....	31
IV Public Affairs Management - Case Descriptions .....	33
4.1. Public Affairs Management within Scania .....	33
4.2. Public Affairs Management within Ericsson .....	35
V Analysis of Public Affairs Management in the Selected Cases.....	37
5.1. Analysis of Public Affairs Management in Scania .....	37
5.2. Analysis of Public Affairs Management in Ericsson .....	42
5.3. Case study analysis discussion.....	48
VI Conclusion .....	52
REFERENCES .....	56
APPENDIX.....	63

## **Abstract**

This multiple case study addresses the question concerning how multinational corporations handle their public affairs operations. In general, public affairs regard public-private sector collaboration and include how companies can manage their governmental stakeholders. Nevertheless, is there a recipe for managing this more successfully?

Public affairs have long been an issue for companies operating on a national and international level and are becoming even more complex in the globalizing world. The theoretical concepts are fragmented and inconclusive.

Due to this, the researchers have developed a framework, including the most important components to consider while conducting public affairs. The framework is being put to test through semi-structured interviews to understand the company perspective and the strategic use of the unit's operations to the overall objectives.

The results indicate that the companies need to evaluate the stakeholder environment extensively. The companies need to keep themselves relevant and reliable for maintaining their position and influence governmental stakeholders efficiently. A cross-sectional and industry collaboration is needed for influencing governmental stakeholders, accordingly. The structure of the unit is crucial, where a dispersed organization with central coordination results in the best execution.

**Keywords:** Strategic Management, Public Affairs, Multinational Corporations, Governmental Stakeholders

## **Acknowledgements**

Expressing our sincerest thanks to our thesis supervisor Anna Thomasson for providing highly valuable information, feedback, and assistance throughout this thesis process.

Sincerely grateful for the dedicated time and information from Ericsson and Scania and, more specifically, to the people from Public Affairs units that were open and eager to share their experiences, knowledge, and operational insights.

We also want to share our appreciation for our tutor Hans Knutsson and his valuable contribution in the form of moral support and organizational insights.

Taking this opportunity, we are also thankful to each other for keeping the atmosphere balanced, for contributing with extensive work and knowledge, and for great friendship.

## **List of Tables**

Table 2.2.2.1. The Research Framework .....	23
Table 2.2.1.1. Concepts of Government Relations and Political Relations.....	63
Table 5.1. Framework Analysis of the Selected Cases.....	64

## List of Figures

Figure 2.1.1.1. Stakeholder Environment .....	13
Figure 2.2.4.2. Evolution of the Public Affairs Function .....	19
Figure 5.1.1. Scania's Public Affairs Domain .....	71
Figure 5.2.1. Ericsson's Public Affairs Domain .....	72

# I Introduction

The main management duties include communication, coordination, control, and collaboration, and this involves fostering relationships internally and, possibly even more importantly, externally. As the external representation affects the entire organization any mismanagement of this is measurable in growing issues and decreasing profit. According to a study by McKinsey (Musters, Parekh, & Ramkumar, 2013), about 30 percent of earnings for most companies, and up to 50 percent in the banking sector, indicate the value at stake that is directly affected by government and regulatory intervention. On top of this, another research (Dua, Nuttall, & Wilkins, 2011) says that government and regulatory authority intervention is about to increase in the following years and that these are the stakeholders with possibly the biggest economic impact on any business.

This clearly highlights that the engagement with external stakeholders is growing in its importance, and that it is acknowledged by the top management. Nevertheless, only a few would say that their companies have taken the necessary steps in involving these stakeholders. Most executives and corporations are not taking a proactive approach in handling government stakeholders in their external affairs endeavours. Only 11 percent of the executives and their respective companies say they have succeeded in shaping their public affairs approaches to reach their strategic objectives (Musters, Parekh, & Ramkumar, 2013). One explanation, obtained from a McKinsey research, could be that board members do not oversee the activities well:

“only one in five say their boards are very effective at setting a framework for how their companies manage stakeholder relationships, at balancing stakeholder interests in their decision making, or at interacting regularly with the most relevant stakeholders” (Marchi, Nuttall & Parekh, 2016).

Moreover, current research claims that companies, in general, are “not effective at developing and executing strategies for engaging with all relevant government stakeholders” and that multinational companies are doing even worse in their secondary markets, than in their primary ones (Dua, Heil & Wilkins, 2010). Only 25 percent of the executives are having an

active approach to engage with regulators and governments, with 30 percent saying their approach in this is completely passive (Marchi, Nuttall & Parekh, 2016).

The benefits for companies to cooperate with the government would mean “an increase [in] their social license to operate, mitigate risk, and surface new, unexpected, and unforeseen business opportunities” (White, 2016).

Therefore, the problematization of this research is that companies, at an increasing rate, do not understand how to gain a strategic advantage in cooperation with the government and regulatory stakeholders. To improve they need a better understanding of the environment and its complexity. In this, companies need to develop the skills of forecasting future regulatory events or changes in their operational environment (White, 2016).

Further, assistance could be given by having preventive control of legislation, this could be achieved through lobbying and advocacy work. This is not to be done in a simple manner, it requires an understanding of the external environment, where governmental stakeholders operate. It is essential to integrate the public affairs operation (or unit) as a part of the whole organization, not to address this as a crisis management function or *ad hoc* (Carroll, Brown & Buchholtz, 2017).

Finally, even if companies know exactly which kind of stakeholder they need to engage with, or they understand the benefits of integrating public affairs to the whole organizational operation, they need to manage this strategically for gaining competitive advantage and future success. This requires a deeper investigation of the best available knowledge, the various examples, and consultations with internal and external advisors and relevant experts, to be able to tailor the most profitable approach (Bitonti & Harris, 2017).

Accordingly, it is important to investigate strategic management as a broad theoretical field to which stakeholder and public affairs theories can be applied. This is to be brought together by the thesis authors, and inspired from the field expertise of Grunig, Windsor, Fleisher, Repper, Carroll, and others.

Managing strategically refers to how companies can position themselves relative to their environment. This overall management process concerns the entire organization and is an issue for top executives. Due to this, it is important to include and give special treatment to stakeholder and public affairs theory and its interconnection with strategic management (Carroll, Brown & Buchholtz, 2017). This is where the situation is more complex, for there is an extensive array of information, research, and concepts, but no clear unanimous answer to the best practices (not for researchers, nor for public affairs practitioners). That is why to make it more coherent, this thesis research will provide a framework, including the measurement of

strategy, public affairs, and the relevant stakeholders (i.e., governments, regulators, institutions, and agencies).

When it comes to the stakeholder theory, one can observe the division of an organization into internal stakeholders and external stakeholders. The external stakeholder is what is targeted in this research as it is e.g., the government and their agencies. This resonates with Freeman's (2010) view that stakeholder theory is very much a managerial theory, focused upon the instrumental question of how an organisation should manage its interactions with stakeholders to enable the firm to achieve its objectives more efficiently. Since one of the biggest stakeholders impacting a business is the government, any discussion of instrumentalism in stakeholder theory requires a conversation about how organisations identify which stakeholders they should be attentive to manage effectively.

To specify the government relations angle, one must pay a closer look at the public affairs theory. "Public affairs" is the term used to describe communication activities with the government, pressure groups, and sometimes financial affairs at a corporate level (Harris, Fleisher, 2017). Public affairs have been neglected within the field of strategic management; they have evolved from occasional tactics adopted by organizations to amend relevant legislation into a managerial approach and strategy for achieving competitive advantage. The rapidly increasing strategic role of public affairs has been spurred on by the trend towards increased privatization, regulation, and stakeholder activism. The formal approval of business conduct, collaborations, and performance is increasingly under government scrutiny as it attempts to regulate markets and trade (Marx, 1990; Schuler, Rehbein & Cramer, 2002).

A thorough literature review contributes to a clear understanding of the research objectives and questions to be studied in this multiple qualitative case study. The position of the study is to utilize the theory concepts to understand the underlying aim and the feasibility of public affairs management.

Hence, **the purpose of the thesis** research consists of two steps:

- The **first step is to create a preliminary framework**, a combination of two different fields, management and political science.
- The **second step is to test the framework** to investigate how to manage public affairs strategically in multinational corporations. The objective is to seek out key elements that could be of use also for other companies and in strategic public affairs research.

Due to the constructed purpose for the thesis and the identified problematization within the research field of public affairs, the following **research questions** are defined:

- How to manage public affairs strategically and successfully in MNCs?
- What are the differences in the approaches in cooperation with public affairs actors depending on the MNC's strategic objective or industry?

Therefore, the main course is to choose two Swedish MNCs (Multinational Corporations) operating in different industries, to fulfil the research purpose and to have a variety of opinions that will serve as the best practice that could be utilized as a strategic advantage. In addition, MNCs are a good subject of case study because they operate globally with more governmental stakeholders involved, thus handling regulations both domestic and international. Consequently, the research and the choice of practical examples are designed to serve the core purpose outlined before.

Hence, the disposition of the research will be structured by initially introducing the theories and the theory framework, including the concepts of strategic management of public affairs, and stakeholder theory. This will then be followed by the chosen method for the overall thesis. After the method chapter, the thesis will dwell more into detail in the company profiles, their public affairs approaches and strategy, the relevant documentation, and a comparison of this with the publicly available sources for successes and failures regarding strategic management of public affairs.

Additionally, for further investigation, the information obtained from semi-structured interviews will contribute to putting the various measurements and initial findings to test. This will be included in the analysis part, where primary and secondary empirical data will be assessed with key theory concepts. This will drive the research into comprehensive conclusions, answering the research questions and giving recommendations for further research.

## II Strategic Management of Public Affairs

Theory concepts surrounding strategic management of public affairs assist in defining the research questions, targeting key elements in empirical material, and clarifying the questions for interviews. These theories support the analysis of the collected data. Nevertheless, knowing the quantity of available theory concepts and the missing overall agreement to a single best *recipe*, the authors adopt their own approach for the analysis of the remaining thesis.

Strategic management is a fundamental basis in the formalization of the collaboration under the company's strategic objectives, both internally and externally. Within strategic management, several narrower concepts apply to this research, i.e., resource dependence, stakeholder, and public affairs theories. The authors Carroll, Brown, and Buchholtz (2017) claim that strategic management is an “umbrella term” for management approaches that formalize and institutionalize corporate public affairs. The function is a logical component of stakeholder management and possibly one of the most important parts of it, especially for the companies that aim to compete successfully internationally.

The reason for looking into these specific theory concepts lies in the interest within the private and public sector relationship, therefore one must understand the role that the government plays in the daily life of the company. Firstly, the stakeholder theory comes into play, defining one of the biggest stakeholders a company inevitably encounters- the government, that needs to be managed externally. Secondly, the concept of public affairs covers the mutual relationship, including the benefits of having such a collaboration, and the obstacles that appear in constructing strategic operational procedures and cultivating relationships. This on the other hand needs to be managed internally within the organizations.

Therefore, the authors use the stakeholder theory expressed by Grunig, Windsor, Freeman, Donaldson, and Preston and the public affairs theory with key ideas obtained from the research of Windsor, Fleisher, and McGowan. These narrower concepts of stakeholder and public affairs theories are combined and dedicated to not only finding the key concepts needed for a successful strategy execution within a company, but it will also include the authors' synthesis for the continuous research. The cooperation with public affairs actors can differ a lot between various enterprises and relationship formats, therefore the authors will combine the key concepts and create a framework for the empirical research that follows.

## **2.1. Introduction to Stakeholder Management**

In the analysis of strategic management of public affairs, one must investigate the stakeholder theory. It must be understood that a stakeholder is an individual or a group that is linked to the organization, that is, can affect it and be affected by it, so there is an interconnectedness between both. It is the one (or ones) who have a stake (i.e., interest) in the organization (Grunig, 1992).

Further, the resource dependency theory by Pfeffer and Salancik (1978) exemplifies the reasons why stakeholders need to be managed. Companies, in this case, need to manage their external environment e.g., the governmental stakeholder, to acquire resources or prerequisites. As the government is becoming a more important stakeholder for companies, the transactions with them also create dependencies for the companies to handle. The organization or actor with the most or wanted resources can then influence and manage the actions and behaviour of other organizations. The extent of resources can vary between financing, the divisional structure of organization and information, as well as network access and the possibility of lobbying. The acquisition of outside resources is an imperative principle for gaining the competitive advantage of any company (Pfeffer & Salancik, 1978).

### **2.1.1. Stakeholder Management**

According to the stakeholder theory, there is a division between the internal and external stakeholders (e.g., the government and their agencies). According to Freeman, Harrison, Purnell, and De Colle (2010), stakeholder theory is a managerial theory, focusing on the instrumental question of how an organization is to manage its interactions with stakeholders to achieve the set objectives more effectively. Stakeholder relations are also a moral endeavour because it concerns matters of “values, choice, and potential harms and benefits for [both] groups and individuals” (Freeman et al. 2010).

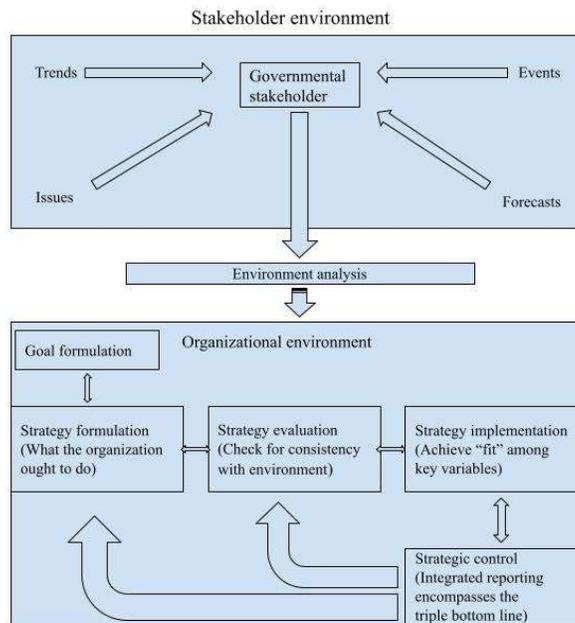
For this thesis research, the stakeholder of interest is the government. And according to the theory concepts, the government (elected politicians, appointed civil servants, and its institutions) falls under the category of external stakeholders. This is important because the approaches to this stakeholder, i.e. would entail lobbying, rather than simple communication, as it would happen with non-governmental external stakeholders (Windsor, 2017).

Managers are responsible for steering the organization in its relations with the stakeholders and the surrounding environment. This in turn creates a challenge, because how is one to ensure the maximization of organizational performance and at the same time to

mitigate the effect on potential constraints (Viney, Baines, & Stegen, 2017). Additionally, there are inevitable impacts on strategy, goals, objectives, and the execution of these is much more complex than one anticipates.

According to Carroll, Brown, and Buchholtz (2017), to make the stakeholder management process work efficiently, one must fully acknowledge the role of corporate public affairs. And the senior management teams must engage in the activation of this process, within the stakeholder environment (as is shown in the graphic image 2.1.1.1.), by including the following six steps: “goal formulation, strategy formulation, strategy evaluation, strategy implementation, strategic control, and environment analysis” (Carroll, Brown & Buchholtz, 2017, p. 143).

Figure 2.1.1.1. Stakeholder Environment



Source: (Adaptation of Carroll, Brown & Buchholtz, 2017, p. 144)

Stakeholder theory is viewed as a necessary perspective for the research of strategic management of public affairs. In this case, it comes from the notion of how organizations identify the stakeholders which should be managed more carefully and where more strategic advantage should be gained. This clearly directs towards an understanding of public affairs theory as it shows the relations and some of the reasons for how the government is preferred and strategically managed in large multinational corporations. The organizational approaches are then more systemized under strategic management approaches.

## **2.2. Introduction to Public Affairs**

With over fifty years of researching public affairs, there is still no definite answer of what preconditions should be included for companies and organizations to operate efficiently. For example, when survey-related research within the industry environment tried to grasp the expansion, none of them were able to depict what kind of activities must be included. This results in the inability to define the boundaries and accept the professionalization of the field (Fleisher, 2017).

### **2.2.1. Internal Public Affairs Implications**

The ability to work with public affairs (PA) is a vital skill and it usually concerns top management teams. In detail, it engages the chief executive in a multi-complex strategic political management, often seen in the corporate environment as work involving governments and international businesses. This has ended up with significant importance for businesses in gaining an advantage in a competitive and quickly globalizing world where solid and centered administration on corporate communication, issue management, regulatory concerns, and governmental issues matters (Nye, 2004).

The public affairs unit within companies is still nowadays a specialized function, which means the unit does have limits in what it can contribute with and how that can be measured (at times the results do not appear immediately). The ambiguity surrounding the public affairs unit scope and the inability to recognize public affairs contributions also leads to issues impacting the performance of the public affairs practitioners. If the public affairs unit is seen as an insurance policy, something to be brought up during a crisis, rather than a strategic tool, then the unit itself will never be efficient in providing relevant and beneficial contributions to the corporation's overall objectives. Lastly, managers are concerned with influencing their environment, rather than generating the governmental view back to the senior management. This is where the corporate discussion about external collaboration may be hurt (Fleisher, 2017).

The need for concurrence around the term 'Public Affairs' makes it difficult to conceptualize an explanation within the field of research and to utilize existing work to recommend what 'best practices' might be. One endeavour to understand what seems to be one of the two fundamental streams (government relations/lobbying) within the area is done by in the following quote (Fleisher, 2017):

“By implication, those working in the public affairs field increasingly are required not only to be proficient communicators but to have a sound appreciation of how the political parties work, develop policy, are influenced, run campaigns, and are funded. Moreover, the type of issues and challenges that normally fall within the public affairs domain generally require far more complex and sophisticated solutions than those required when tackling market related promotional campaigns” (Harris & Moss, 2001, p.108).

### **2.2.2. External Public Affairs Implications**

The quickly growing strategic part of public affairs has been compelled by the drift towards expanded privatization, regulation, legislation, and stakeholder activism. Added together with the globalization of commercial operations and a surge in transnational government enactment and policymaking i.e., the European Union and the World Trade Organization, the North American Free Trade Area etc (Fleisher, 2017). Now, more than ever, it is essential to combine the transitional arrangements, aptitudes, systems, and networks and have a comprehension of governmental policy processes to function in a directed and multiplex world internationally (Fleisher, 2017). Scholars have shown that traditionally lobbying takes place at the centres of political decision making i.e., Brussels, New York, Washington, Beijing etc. Nevertheless, more focus now is on how corporations can operate and use public affairs at a national level to affect legislators, policy makers, and an attempt to change the overall regulatory framework (Fleisher, 2003; Harsanyi & Schmidt, 2012; Judd, 2008, 2009, 2010).

Even though the fact that public affairs often derive from a global context, due to the interconnectedness, the effects are felt very much locally. Here the companies act and respond appropriately to social, legal, and political aspects within their operative environment, regardless of the country of origin or in a foreign market (Harsanyi & Allen, 2017).

In summary, this section has outlined the overview and role of public affairs within complex organizations operating in an ambiguous environment. The ever-changing understanding of public affairs and its contribution makes it difficult to follow, moreover, the results are not always seen immediately and cannot always be measured in revenue or profit, etc. However, the increasing understanding of the benefits of public affairs and how companies can utilize it has put the concept “on the map” and scholars have attempted to research the phenomena in more detail. Henceforth, the following subchapter will dwell more on the theoretical concepts of public affairs and will be followed by a more detailed framework for measuring the impact of the said concept.

### **2.2.3. Public Affairs Theory**

Even though researchers argue that there is no overarching theory of Public Affairs (PA), one of the definitions of public affairs goes as follows:

“the organizational function that manages relationships with organizational stakeholders, and especially those relationships that may have implications for public policy affecting the organization (Windsor, 2017, p. 42).”

Today's public affairs, including government relations (GR) and political relations (PolR) derive from the strategic positioning organizations implement on their mission to modify the relevant legislation. This has led to public affairs becoming more of a managerial approach to enforce competitive advantage (Harris & Fleisher, 2017).

Public affairs is substantially a subgroup of external affairs. A fascinating observation is if public affairs is a part of public relations or if it is incorporated with lobbying and flows through multiple disciplines? Today, there is no definite answer to that, but the public affairs function is established within manifold interfaces: corporate communications, public relations, legal affairs, and political influence efforts, and business-government relations. Because public affairs are broader than just public relations, embedding aspects of the organization's political strategy, it is necessary to see how the companies are organized within their specific operations. This is a mission of explaining their public affairs policies and perspective on public affairs issues (Windsor, 2002). As public affairs are affected by the external environment of business, companies need more efficient strategies in handling the mobilization of stakeholders, while the international environment is becoming more politicized.

A developing theory concept from Windsor (2017), includes the projection that governmental affairs and public affairs operate jointly to impact public policy, regardless of the management structure established within the organizations, as both PA and GR are substantial elements of an organization's strategy. PA is a crucial organizational function, but it is the dimension that is still searching for its “identity, theory and conceptualization, effective structure and best practices” (Windsor, 2017, p.43).

In general, successful companies develop their overall corporate strategy in correlation with their public affairs operations. That includes the forming of the perspective for what the company stands for and this provides a recipe for corporate public affairs formation (including the position in what regards stakeholder environment) (Carroll, Brown & Buchholtz, 2017).

Despite public affairs playing an important role in influencing corporate strategy and planning, it must be acknowledged at the top management level. It must be recognised as the “non-commercial” factor that leaves an impact on business decision-making. According to Carroll, Brown, and Buchholtz (2017), public affairs assist in showing and prioritizing the issues to be handled and it gives an insight into the trends in political areas. However, for public affairs to give the aforementioned advantage, it must be prioritized within the corporate planning sessions.

#### **2.2.4. Public Affairs analysis models**

Some authors have tried to conceptualize the research for public affairs, by developing models or preconditions for various levels to be observed within company operations in this field. For example, one of the models by Sabatier (2007, cited in Windsor, 2015) concerns the process and prediction for public policy. Another model regards the importance of communication with stakeholders (Somerville, 2012, cited in Windsor, 2017). This shows that companies pursue an attempt to alter the process, while gaining political influence i.e., political benefits or a reduction in costs. Additionally, companies can pursue legal influence through various channels on their mission to retain information about legislative decisions and put pressure on stakeholders for wanted policy outcomes (Windsor, 2017).

For the public affairs perspective to be analysed or applied in practice, one may closer inspect the various frameworks existing for this. There are a variety of activities that organizations can engage in to maximize the gains from this cooperation. For example, one of the perspectives on how public affairs function can be organised is presented by Mack (1997, cited in Harris & Fleisher, 2017, p. 9) and his three primary models, showing the managerial perspective of the public affairs function:

- Centralized – where a single executive bears the responsibility for public affairs and corresponding staff and handles the various public affairs activities on behalf of the entire company.
- Decentralized – where a central public affairs team coordinates the activities, but most of the public affairs staff members are based in the organization’s business units (with their own priorities and programs).
- Dispersed – where a specific issues manager in every operating unit handles that unit’s public affairs, with some or no central coordination, (more of an “issue-driven process rather than as a wider functional role”).

Furthermore, according to Harris and Fleisher (2017), for any company to oversee the efficiency of the existing public affairs approaches, the focus must be on the four following areas, where depending on the level of engagement, the set of activities will differ:

- Within the enterprise level: on the positioning of the organization's values, behaviours, and activities with the stakeholders in the societies within which it operates.
- Within the corporate level: on how the corporate and public affairs are structured and managed within the organization altogether.
- On the department level: in the type of policies and processes that are employed within the corporate and public affairs function.
- On the individual level: on the professional backgrounds/ skills and key personal competencies needed for corporate and public affairs staff for their role.

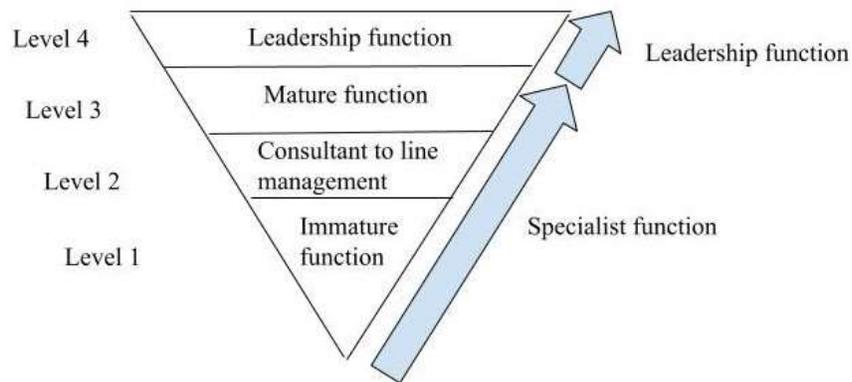
A relevant reflection from (Grunig & Repper, 1992), is that they understood, similar to Mack (1997), that public affairs take place at different levels. At the corporate or organizational level, at a business level, or specialist level. Grunig & Repper, (1992), did, however, add an extra level, and in correlation with Harsanyi and Allen (2017), saw the functions level. There is a need for understanding that managers operate with different products, geographical areas, and functions such as public affairs marketing or communication. Lastly, (Bowman, 1990) saw that historically, strategic management of public affairs has missed or paid the least amount of attention to the institutional level, "the issues of how a corporation puts itself into the body politic" (Bowman, 1990, p. 30). He argued that in the future, research about strategic management should concern itself with institutional level and organizational issues with collaboration with the government stakeholder (Bowman, 1990).

When it comes further to the division between the concepts (in an attempt to narrow down or explain company approaches to public affairs) then the two concepts of Government relations (GR) and Political relations (PolR) require a closer look, to see the differing elements, as it is shown by the table below (see table 2.2.4.1.) from the information obtained from Harris and Fleisher (2017). Here depending on the concept (GR or PolR), the targets, tactics, functions, and performers are varying. For example, not all PA departments handle all the activities, but they are involved in the overall portfolio, and depending on the target (government representatives or organizational employees), the tactic will differ (lobbying or internal advocacy). The same pattern is also observable for the functions, where the

government relations entail more of higher-level institutions (national governments, or regulatory affairs) but the political relations touch upon specific entities (associations, committees). This also includes the differences in the performers for government relations, especially when it comes to the activity of lobbying the specialist must also come from a more senior position.

In a look at the practitioners, then Harsanyi and Allen (2017) show the evolution of the public affairs function, dividing it into two larger sets- specialist and leadership functions. Each of the functions are based on separate levels in a naturally growing progression from the lowest (an immature function) until the development of the highest level of leadership in public affairs (see figure 2.2.4.2. below). Each level involves the practitioners handling and awareness of the government relations, it depends on the experiences of the practitioners, the awareness of the company, and the interwovenness with the government.

Figure 2.2.4.2. Evolution of the Public Affairs Function



Source: Graphic image made by authors from the information obtained from Harsanyi and Allen (2017) & Maslow's hierarchy of needs, (1943).

The bottom level of “Immature Function” shows the company management’s awareness and initial steps to separate the handling of public affairs. The steps include awareness of the necessity for special skills of the practitioners and a level of separation from the core business management, but the government relations are largely technical and public relations oriented (i.e., up to the level of philanthropy engagement. From a practical perspective, this implies the communications side, with a public relations orientation aimed to portray the organization from the greatest angle through the actions of external messaging and handling reputational issues (Harsanyi and Allen, 2017).

The second level is more advanced, where consultancy to the line management is engaged. However, since there is no full integration, with the change of leadership (especially one that has little interest or understanding in public affairs) the consultancy reasons must be defended and the practitioners do not have many opportunities to effectively inform the organization. As there are many examples of failures and economic loss due to management not able to foresee the implications of their decisions towards external stakeholders. This is also why many organizations incorporate a CSR perspective, managing their stakeholder relations (Harsanyi and Allen, 2017).

The third level relies on a more mature function and the position of the practitioners is more company and management integrated, of higher importance and there is a level of common knowledge and understanding within the organization regarding expectations of public affairs. The practitioner can intervene with advice on any matter at any given time of planning processes. However, at this stage, the important element is that the public affairs and the communications functions are separate (even though experts argue that it is limiting). At this level, companies invest in solutions and tools for managing risks affiliated with a deeper understanding of the role of public affairs. Moreover, this is the point where due to internationalization and the increase in the variety of acknowledged stakeholders, public affairs become complex because the practitioners are seen as an element of a single organization even if the organization still presents it as a separate entity (Harsanyi and Allen, 2017).

The fourth level and the highest function concerns public affairs and leadership. The practitioners have a high authority to influence the decision making and the public affairs practice is institutionalised within the organization. Public affairs on this level are integrated into the strategic functions, have a holistic business and societal focus, have a global reach, it has been created as a leadership competence for general management, and are handled by qualified professionals with leadership competencies. As a leadership function, it can impact the business and the socio-political environment in which it operates. The practitioners must be capable to understand the overall business environment, the organization, the nature of the products or services and one must share the corporate objectives and culture and in parallel must be objective towards the external environment to “keep the company attuned and develop effective strategies to engage” (Harsanyi and Allen, 2017, p. 80). This is where public affairs management serves as risk management, opportunity creating and influencing tool, generating benefit for the organization and the society. To achieve its full potential, it must not be affected by external consultant ignorance and must be seen by the leadership as an integral activity, the entire organization must be in line with the understanding that to elevate the strategic potential,

the public affairs element is crucial. Harsanyi and Allen (2017) also add that in the long-term business successes, it must be borne in mind that there is a growing perspective to the business-society relationship and the company will benefit as long as the society does so too (the so-called value-driven business).

Based on the previously observed information, capable PA professionals pave the way for their organizations to successfully participate in the public policy process. This describes the broad spectrum of activities that are carried out by PA professionals to ease the organization's handling and taking part in the public policy process (Mahon, 2017). The structuring of the public affairs unit is crucial. Although research is not extensive, the function and location of the public affairs unit are pivotal for utilizing its full potential, because the unit needs access to executives and top management. Fleisher (2017) claims that evaluating public affairs can assist organizations to:

- strengthen the coordination and internal communication for different units and top management teams;
- indicate some willingness to comprehend and utilize public affairs more efficiently and measure its performance, similar to what organizations already do within marketing etc.;
- recognize other organization's successful public affairs conducts and ways to adopt them;
- create a top-down information system as an approach for management decisions;
- highlight the range of relative effectiveness – and reveal ones that have room for advancement;
- assess the contribution of the public affairs unit, separately, which allows comparing the performance with other organizations, as well as to overview individual personnel performance;
- contribute as an alarm system, which indicates where change and future challenges emerge;
- see how successful yesterday's activities were and to set new managerial priorities for future processes;
- improve the decision-making process internally (Fleisher, 2017).

The fragmented acknowledgement and understanding of public affairs make it difficult to implement an operationalization that covers one or a few components. In this section, an

outline of what should be included to understand how companies operate at different levels has been applied. This is relevant since if one understands on what levels companies operate and how they are organized, one can understand what components organizations use within public affairs, and more specifically PolR and GR, to see their targets, tactics, functions, and performers. By having this basic understanding of the company's actions within public affairs, one could start to investigate different companies' development from an immature function to a leadership function. Finally, an assessment of the performance and development within the companies could assist them to better understand their own public affairs unit and its contribution to the overall organizational function and its objectives.

The following sub-chapter introduces the researcher's perspective of strategic management of public affairs and the integration between them. The framework is a summary of what the researchers understand should be included to grasp the success elements and strategy for public affairs conduct within MNCs.

### **2.2.2. Summary - the Framework for Strategic Public Affairs Management**

For the purposes of further analysis, the end product of the entire theory chapter can be summarized in the following framework in the Table 2.2.2.1. This is done in correlation to the purpose, aim, and research questions.

This perspective clearly indicates the various steps that need to be taken to have well-rounded research of company performance in the field of public affairs. Where one still must keep in mind the stakeholder environment that affects the company and the other way around. Further, the purpose of public affairs theory is to understand the structure and organization within MNCs that enables or disables them to pursue their overall objectives in the inevitable relationship with the governmental stakeholders.

The initial framework is based on the combination of best available knowledge and the research from various authors in public affairs management. Nevertheless, the authors of this thesis aim to contribute to the missing element of the field and improve the framework along with the further thesis research (e.g., contribution from the analysis of the chosen companies) to bring it together at the conclusions as a suggestion and attempted contribution for further researchers within the field of public affairs management.

For a closer look, the developed framework contains 5 levels. Each level depicts the needed elements and understanding for what the researchers believe should be acknowledged or included to manage public affairs successfully and strategically in an MNC.

More specifically, level 1, where the organizational operation is included, shows the location and the approaches that the companies have in arranging and prioritizing the public affairs function.

Level 2 concerns the environment analysis, meaning that it is a way to understand how to position and operate in the company's surrounding environment and to evaluate it and the relevant stakeholders in it for the formation of the overall strategy and objectives.

The 3rd Level goes into detail to depict what requirements must be addressed in handling the governmental stakeholder (and to identify how to approach the two institutionalized notions- Government and Political Relations).

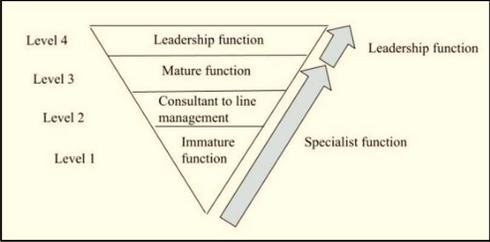
The 4th Level indicates the measuring and evaluating of the unit's contribution for the companies to understand how successful and efficient they are when working with public affairs. This Level assists in finding out the ways the companies investigate public affairs management and how the public affairs handling evolves within a company.

The 5th Level shows the different areas of company operation and along with this, the expansion, and the growth of the requirement list (i.e., laws and regulations). The components that are or could be affecting the public affairs unit within a company can be observed (should there be more marketing through various public affairs projects and strategic communication, expansion further geographically etc.) and the impact of more levels or different governments and beyond that also supranational organizations.

Table 2.2.2.1. The Research Framework

<b>Organizational</b>	<b>Level 1</b>
Operational organization	Centralized (single executive handling PA and corresponding staff), decentralized (central public affairs team coordinates the activities), or dispersed (specific issues manager, with or without some central coordination)
Level of operation	Enterprise (positioning values and behaviours of the organization), corporate (managed and structured within the organization), department (policies and processes employed within the organization), individual (background, skills, and competencies for individuals), or institutionalized (established pattern of behaviour)
<b>Environment analysis</b>	<b>Level 2</b>
Environment stakeholder analysis	Evaluate and foresee trends, issues, events, and forecasts within the stakeholder environment

What stakeholders to target and handle	Operating actively or inactive? Do the companies evaluate the stakeholders, are they critical against the stakeholders?															
Organizational environment analysis	Goal formulation, strategy formulation, strategy evaluation, strategy implementation, and strategic control, added with annual objectives and short-term objectives															
<b>Stakeholder relations</b>	<b>Level 3</b>															
Government relations (GR) and/or Political relations (PolR)	<p>What targets, use of tactics, needed functions, and performers, such as corporate lobbyist or PA professionals are required</p> <table border="1"> <thead> <tr> <th></th> <th>Government Relations</th> <th>Political Relations</th> </tr> </thead> <tbody> <tr> <td><b>Targets</b></td> <td>Governmental representatives at multiple levels</td> <td>Organizational employees or associated employees</td> </tr> <tr> <td><b>Tactic</b></td> <td>Political lobbying</td> <td>Political education, internal advocacy</td> </tr> <tr> <td><b>Functions</b></td> <td>           a) International/transnational government relations            b) Federal or national government relations            c) Provincial/state/canton government relations            d) Municipal or local government relations            e) Regulatory affairs/compliance         </td> <td>           a) Associations/organization partnerships            b) Constituency building/grassroots activity            c) Political action committees (PACs)            d) Political education            e) Political risk assessment/analysis         </td> </tr> <tr> <td><b>Performers</b></td> <td>Corporate lobbyists, contracted lobbyists, association, or coalitional lobbyists, designated organizational representatives such as senior executives, managers, or corporate legal counsel.</td> <td>The PA professional, employees, networks, members, customers, owners</td> </tr> </tbody> </table>		Government Relations	Political Relations	<b>Targets</b>	Governmental representatives at multiple levels	Organizational employees or associated employees	<b>Tactic</b>	Political lobbying	Political education, internal advocacy	<b>Functions</b>	a) International/transnational government relations b) Federal or national government relations c) Provincial/state/canton government relations d) Municipal or local government relations e) Regulatory affairs/compliance	a) Associations/organization partnerships b) Constituency building/grassroots activity c) Political action committees (PACs) d) Political education e) Political risk assessment/analysis	<b>Performers</b>	Corporate lobbyists, contracted lobbyists, association, or coalitional lobbyists, designated organizational representatives such as senior executives, managers, or corporate legal counsel.	The PA professional, employees, networks, members, customers, owners
	Government Relations	Political Relations														
<b>Targets</b>	Governmental representatives at multiple levels	Organizational employees or associated employees														
<b>Tactic</b>	Political lobbying	Political education, internal advocacy														
<b>Functions</b>	a) International/transnational government relations b) Federal or national government relations c) Provincial/state/canton government relations d) Municipal or local government relations e) Regulatory affairs/compliance	a) Associations/organization partnerships b) Constituency building/grassroots activity c) Political action committees (PACs) d) Political education e) Political risk assessment/analysis														
<b>Performers</b>	Corporate lobbyists, contracted lobbyists, association, or coalitional lobbyists, designated organizational representatives such as senior executives, managers, or corporate legal counsel.	The PA professional, employees, networks, members, customers, owners														
<b>Measurement and the contribution of the unit</b>	<b>Level 4</b>															
Measurement of PA unit work and its contribution	Annual reports, internal evaluation meetings, strategy and control documents, status update															
The evolution of the public affairs function	On what level of maturity (4 different levels), when and for what reason do they evolve? - Key factors for evolution? (from theory along with the															

	<p>expansion of business globally so does the need for PA management grows (more complex, varieties in regulations)</p> 
<p><b>Different areas for PA management engagement</b></p>	<p><b>Level 5</b></p>
<p>The different areas of public affairs operations and future expansion</p>	<p>Geographically, product, R&amp;D, education, social aspects, marketing, and communication</p>

Source: Table made by the thesis authors, based on information obtained from: Harris & Fleisher (2017), Fleisher (2017), Harsanyi & Allen (2017), Carroll & Buchholtz (2017), Grunig, J.E. (1992) & Bowman, E. H. (1990)

## **III Research Method**

The previously outlined theory chapter has given an understanding of the overall research field and the best available knowledge and expertise. The development of the framework will aid the qualitative research and will be put to test by analysing primary and secondary sources, through publicly available information, and conducting semi-structured interviews in the selected cases.

### **3.1. Research Design**

For a research covering such a complex phenomenon as public affairs, the best approach is to carry it out with qualitative research methods, because that gives a rich description and presents events by various actors with widely differing stakes. The approach of qualitative methods gives way to explore the topic, develop the established framework and move towards a clear conclusion. Qualitative research also follows a pattern and limits any bias in the identification of evidence (Sofaer, 1999).

To test and improve the research framework, this research applies it to two cases, two companies – Scania and Ericsson. When it comes to case studies, then the authors Sekran and Bougie (2016, p. 98) describe it as necessary, because: “to obtain a clear picture of a problem one must examine the real-life situation from various angles and perspectives using multiple methods of data collection.” The thesis authors use a cross-case analysis for comparison of the approaches of the selected companies. This is expected to present similar or contradictory information about the phenomena. It also adds on to illustrate the concept and the given issue and, together, the cases conform better to the overall research (Schwandt, 2007). This includes analysis of company strategies (to see what and why), public procurements and the publicly available public affairs operations (where the chosen companies have taken part), private funding for public projects (that the chosen companies engage in), and annual company reports. Finally, the chosen companies are examined further, through a cross-case analysis. This could generate more generalizable criteria that would contribute to the overall research field of public affairs management.

### **3.2. Data Collection Method**

The initial step of the research comes from a thorough literature review, derived from secondary data sources, aimed at the overall investigation of the prior available knowledge

concerning the problem researched. Nevertheless, as mentioned before, the authors bring together the theory concepts for their own framework for the following thesis research. Secondary data is used also further for a deeper investigation of the available company data, i.e., publicly available data sources including company records, and the Internet (Sekaran & Bougie, 2016). That is tested and improved with the collection of primary data, obtained through conducted interviews with public affairs practitioners within the selected companies. Moreover, there is an interconnectedness where the secondary data collection improves the interviewing process and the other way around when interviews may highlight information to be researched additionally within the secondary data.

This is also where categorization aids the researchers in this qualitative analysis in organizing and classifying the units and putting the operationalization and framework into use for the overall research (Sekaran & Bougie, 2016). Through an operationalization, dwelled from public affairs and stakeholder theory, the researchers construct a model that enables them to measure up against the strategy of the organizations in working with key stakeholders (i.e., the government) and how they strategically position themselves relative to this environment.

This includes the awareness that for a case study, the researchers need to be attentive to the data collection. Thus, the data collection process indicates what relevant material needs to be included and how to obtain it. Within this case study, the researchers conduct semi-structured interviews. This allows the researcher to gain admittance to key personnel and efficient information collection (Esaiasson, Gilljam, Oscarsson, and Wängnerud, 2012). Further, semi-structured interviews also allow the researchers not to have to ask the same questions within the same format to other interviewees, thus generating a richer description of the world they perceive and act within (Esaiasson, et al., 2012).

### **3.2.1. Interviews**

As mentioned before, the research includes primary data from semi-structured interviews, hence collecting data first-hand to deeper investigate the research problem/question. The interviews were conducted on week 18, the interviewees are anonymous due to the sensitivity of the duties they cover. Nevertheless, the positions they hold include high managerial positions from the director of public affairs to the vice president of the company. These are the key people, handling the company's public affairs operations on an everyday basis, they are career professionals with extensive experience in government affairs in general, and, more specifically, with several years working within their respective companies. The authors include research also regarding the previous conducts of public affairs

cooperation at the companies, in projects that have been successfully or less successfully carried out in this cooperation.

The information about the contribution of interviews is guided by Swanborn (2010, p. 75), taking the notion that in the case if two researchers are involved, then a protocol can be used ensuring that “differences between interviewers or observers' biases are minimised”.

The thesis also follows qualitative guidelines for the interviews, as developed by Esaiasson, et al., (2012), because they follow their methodological framework for semi-structured interviews. The interviews are limited to area 1 "when we enter an unexplored field", the choice of this area is made as it is not possible to know in advance what the relevant categories are. The research will also use area 2, i.e., "when we want to know how people themselves perceive their world" (Esaiasson, et al., 2012, p. 254). This choice has been made because the authors want to investigate the stated purpose of "obtaining a description of the interviewees' world to interpret the meaning of the described phenomena" (Esaiasson, et al., 2012, p. 255). Thus, an attempt is made to investigate how the interviewees perceive the processes within the organizations.

The interviewees act as informants, in supplying general data about the social forms in which they are included. They report their claims, encounters, social relations, recognitions, states of mind, and conduct. With this data, the researchers can build a detailed picture of how the process works, and that will at a point be dissected further (Swanborn, 2010).

The interviews included formalized questions and open-ended questions. The choice to adapt the interviews to an informant character has also been made because the interviewees are to act as witnesses of the reality. The interviews serve as a reconciliation with the theoretical basis and the other secondary sources used. Interviews with an informant character that follows the semi-structured interview format also do not require that the same questions be asked to all interview subjects (Esaiasson, et al., 2012).

However, there could be a reliability issue with semi-structured interviews. The researchers tackle that by keeping the operationalization of the variables constant, thus the result will remain replicable (Doyle, 2020). Furthermore, by keeping the operationalization instrumental, through the constructed framework, it “enables the researchers to make a grounded choice out of all possible variables, and to have a frame for the interpretation of results” (Swanborn, 2010, p. 77). The interview questions are drawn from the research framework and include questions regarding structure, environmental analysis, influence tactics and areas of operations etc. These questions serve the purpose of finding the research gap within the field and understanding how to strategically manage public affairs within MNCs.

### **3.3. Data Analysis**

Taken from Miles and Huberman (1994, cited in Sekaran & Bougie, 2016, p. 333), the qualitative data analysis is to follow the pattern of “data reduction, data display, and the drawing of conclusions”. Data reduction is “the process of selecting, coding, and categorizing the data”, then it is the presenting of data (displaying) in the form of “quotes, a matrix, a graph, or a chart illustrating patterns”, and that is followed by drawn conclusions based on observed patterns (Sekaran & Bougie, 2016, p. 333). Nevertheless, qualitative research is not linear, and the pattern can overlap in the next steps. And from the three activities of qualitative analysis, the conclusions are of the biggest essence bringing together the research and answering the research questions.

This research follows the deductive method for the data analysis process, where the initial step is to seek out the problem area, followed by specifying the statement of the problem, the question to be researched, determining the measures, collecting the data, analysing the data and then the conclusions of the results are drawn. This thesis uses the deductive method for testing the theory of how to strategically manage public affairs. Deductive reasoning indicates the strive to work from general into being more specific e.g., through the focus on the specific companies, by applying a general theory that can be tested with specific research questions. A further narrowing is done by using specific observations to answer the research questions (Sekaran & Bougie, 2016).

The chosen companies for the case analysis operate in highly regulated areas locally and internationally, therefore they must comply and closely collaborate with various government and international actors (i.e., in security, safety, environment, or trade). Both companies serve as the best practice analysis cases to be investigated through the help of the framework to establish elements that could be utilized for a strategic advantage. For example, many companies handle sustainability matters (a more obvious example for cooperating with the government), nevertheless, they operate in different industries and therefore need to adapt to different circumstances, issues, stakeholders, and legislation etc. This perspective gives way for a broader reach and the research becomes far more easily generalized.

Telefonaktiebolaget LM Ericsson is one of the chosen cases and one of the leading companies in the world in communications technology (providing software, hardware, and connectivity services). It was established in 1876, in Sweden, and has expanded to over 180 countries (Ericsson, n.d. a). The variety of areas Ericsson is present include: Networks, Digital Services, Managed Services, and Emerging Businesses; all powered by 5G and Internet of

Things platforms (Ericsson, n.d. b). Within this extensive list of areas covered, Ericsson has recognised the importance to work closely with the “governments, regulators, legislators, businesses and industry associations”. Its public policy and government affairs are striving to cooperate for the common development of the information and communication technology sector. Ericsson’s Government and Industry Relations team is responsible for the work with stakeholders to “craft regulatory and public solutions that drive innovation, economic growth and societal inclusion” (Ericsson, n.d. c).

Scania AB, a transport solutions company (the second case), was established in 1911 in Sweden (Scania, n.d. a). Nevertheless, since 2014 Scania is a brand/company owned by Traton Group that is a subsidiary of the Volkswagen Group (Traton Group, n.d.). Scania is a forerunner in the development and provision of transport solutions. This includes buses and trucks for heavy transport applications, integrated along with a substantial service offering in correlation to its products. Scania has also a focus on marine and industrial engines. Scania recognises public affairs cooperation, for they have instigated new agendas and approaches in the shift towards sustainable transport systems. This has required them to form various strategic partnerships, including industry leaders, academia, and government decision-makers. One of their most successful collaborations with government authorities is the engagement for electrifying the heavy vehicle fleet and electric road infrastructure in general (Scania, 2021).

The companies serve as a case study that requires a certain level of awareness and focuses on details, for they operate in different industries and therefore public affairs engagement differs. Furthermore, it is important to be very instrumental when doing a case study, otherwise, the implications of not making sound choices of variables and the interpretation of the results could be a problem.

### **3.4. Validity and Reliability**

Regarding the validity of the content, then in research, there is a need to understand what concepts one is measuring. As adopted from Donaldson and Preston (1995) then the strategic management of public affairs applies to research based on the notions of being: descriptive (e.g., research with facts about what managers and companies do), instrumental (e.g., research that sees the outcomes of concrete managerial behaviour), normative (e.g., research in what managers or companies should do) and managerial (e.g., research that follows the needs of practitioners). In the context of this research, the multiple case study of the companies covers all those frames to add new knowledge in what they do, how they should do

it so that the companies and practitioners in the future can gain competitive advantage while managing their public affairs operations.

Also deriving from the theory of strategic management of public affairs the relevant players in the companies have been chosen for the interviewing process. These key players add information regarding the practical approaches in public affairs operations, by dwelling on their extensive experiences in their respective companies and some cases also from working for the government authorities. And, on top of that, the information can also be put to test by comparing it to an analysis carried out with publicly available information (i.e., company documents, reports, news articles regarding successes/failures).

For the construct validity, it includes how well the variables, dwelled from the theory, are chosen and the results that are generated from it (Sekaran & Bougie, 2016). That means once more an approach of double-checking is to be carried out to the obtained information in comparison to the measurements gathered from the available existing knowledge.

### **3.5. Limitations**

The problem that public affairs scholars face is that research in this area combines a variety of social, political, and economic aspects. To conduct a study that combines these three aspects naturally leads to a rich descriptive multiple case study. But the problem with this research is whether one can generalize any conclusions that are applicable and relevant to other situations (Harris & Fleisher, 2017). Hence, one could claim that the initial challenge is generalizability.

The theory claims that “many qualitative researchers actively reject generalizability as a goal” but at the same time for this type of research generalizability must be seen as a ‘fit’ with the studied case and others that one might want to use the conclusions of that research. Therefore, descriptions in this are necessary for without them “one does not have the information necessary for an informed judgement about the issue of fit” (Schofield, 2009).

Here also lies a concern that the research may end up applicable to only the two researched companies or the researched field. Nevertheless, the two companies are more practical examples that will serve as a deeper insight for the theory background, i.e., to see the interconnectedness between public affairs and strategic management.

In conclusion, this methodology chapter altogether outlines the contribution and usage of the relevant concepts for analysing the companies Ericsson and Scania in their work to strategically manage public affairs and the relations with governmental stakeholders. In the

following chapters, the researchers describe the information obtained from secondary sources regarding the chosen cases (i.e., the companies) and the targeted representatives that are handling the public affairs and this will outlay a basic understanding of the current position. Following, the primary sources (semi-structured interviews), will test the concepts and researched information and the developed framework will be applied in the analysis section to draw conclusions and further research ideas.

## **IV Public Affairs Management - Case Descriptions**

Following the established concepts from the theory regarding why and how companies should cooperate with public affairs actors, for a more practical approach the following chapter will provide background information regarding the public affairs operations in two of Sweden's MNCs - Scania and Ericsson, as obtained from the publicly available information.

Both companies have their headquarters in Sweden and operate extensively internationally and have for years cooperated with government authorities and therefore are excellent examples for the well-rooted public affairs management.

On top of this, the companies are also experienced in handling various types of difficulties associated with political intervention (i.e., law amendments) or global fluctuations (i.e., trade barriers or various sanctions), where compliance issues would result in penalties. At the same time, companies need to be able to also utilize the benefits from domestic and international politics, i.e., in the form of grants and financial instruments, even if this means that a specific set of conditions must be complied with.

Both companies also engage in handling aspects imposed by supranational institutions (i.e., the World Trade Organization, the EU), as they affect the national governments, and this leads to the private sector. For example, when it comes to sustainability then this is a supranational commitment coming from the United Nations (UN) Sustainable Development Goals (SDGs), that not only the countries have adopted but also responsible businesses. This is an area where also the chosen companies for this research work closely with the government and civil society.

An important source of information on the company perspective is the company Annual Reports, which also include information regarding projects and cooperation with international and local government authorities. This gives an insight into their areas of concern, especially, since both company businesses operate in different functional areas and therefore there may not be the same reasons for cooperation with public affairs actors.

### **4.1. Public Affairs Management within Scania**

In a closer look at the Annual Reports of Scania, it can be observed that there are various domestic and international obstacles to the company's operations. For example, one of the most important cooperation areas is sustainability, specifically, in the limitations of emissions.

Emission reduction requirements concern the manufacturing process, logistics, and products of Scania, and they are regulated both domestically and internationally.

An important success is Scania's work with the Swedish Ministry of Infrastructure and Road Authority in developing electric road infrastructure for electrified heavy vehicles to shift towards decarbonising transport, which resulted in the creation of the world's first electrical road (Scania, 2019). Moreover, Scania's role in Stockholm has also contributed to the city's green objectives where the company provided half of the fossil-free buses (Scania, 2018). Furthermore, Scania also engages in organizing targeted conferences in promoting sustainable transport, by bringing together industry experts, government officials, and international experts (Scania, 2018).

Also, Scania is part of a Swedish government-led consortium and invests in a project for the development of electric-powered vehicles (SEK 1 bn is to be invested in the initiative, of which SEK 200 m. invested in a laboratory in Nykvarn (Scania, 2018). This ties together with Scania's commitment to the UN SDGs, where transport infrastructure improvements are one of the steps towards more sustainable living (Scania, 2018).

Additionally, an obvious cooperation example with the government of Sweden comes from the global pandemic, induced by the coronavirus, where the impacts to the company touch upon the development, financial aspects, sales volume, capacity utilization, and production levels. This has led to the Swedish government providing "grants for short-term allowances, amounting to SEK 873 m" (Scania, 2020, p.69).

Additionally, Scania states in their Code of Conduct that their dealing with political parties and political officials should always be in line with regulations, laws and that "facilitation payments" are strictly prohibited. Moreover, Scania handles political lobbying centrally and:

"in line with the principles of openness, accountability, and responsibility. It goes without saying that our interaction with political parties and interest groups is based on the principle of neutrality" (Scania, n.d. b, p. 24).

All this indicates a sound public affairs cooperation. However, very recently, Scania admitted that some employees from the top executive management team in India used bribery to win bus contracts (Reuters, 2021). Further, Swedish Television (SVT), includes bribery allegations regarding India's Minister of Transport and the delivery of a specially equipped bus for the Minister's daughter's wedding (SVT, 2021). Additionally, in 2010, Swedish Radio (SR),

announced that Scania has been accused of paying bribes to Iraqi officials. This was during times of heavy UN sanctions when business conduct was strictly discouraged in the country (SR, 2010). Finally, in 2017, Scania was fined 880 million € by the European Commission for engaging in a cartel. Scania and other companies coordinated prices, affecting the timing for new emission standards and they passed on the costs of the new emission technology to the customers: “from Euro III through to the currently applicable Euro VI” (European Commission, 2017).

## **4.2. Public Affairs Management within Ericsson**

One of the relevant current products offered by Ericsson is the 5G infrastructure, which is an area where the work unites the supranational institutions, the government, and other businesses (i.e., mobile operators). This is a good example of how dependent the product is when it comes to government regulations (as there must be a clear incentive in the deployment of it including permits, access etc. (Ericsson, 2018).

Furthermore, Ericsson is always affected by new regulatory and compliance issues. This may be of concern due to increased licence fees and other regulatory areas which can affect the level of operation. Ericsson’s stakeholder engagement with the government is affecting their supply chain management and energy performance, thus they need to engage and collaborate with decision-makers and other regulatory bodies (Ericsson, 2018).

Within their operation, Ericsson has always promoted the work in favour of human rights, for example, they assist governments with Information & Communication Systems (i.e., in education and health). Nevertheless, this requires Ericsson to take precautions in security and privacy aspects (Ericsson, 2018).

Privacy and security are important for Ericsson and due to the ever-changing regulatory environment and government scrutiny, Ericsson needs to prioritize those areas. Growing national and global importance of information security and handling of personal data requires an update of Ericsson’s Code of Business Ethics and developed collaboration with governmental actors. (Ericsson, 2019). This is also due to increased government oversight and that Ericsson needs to prioritize stakeholder engagement more (Ericsson, 2020).

Ericsson is very committed to the contribution to the Paris Climate Agreement of 2016. This includes close cooperation with the supranational governments as well as the Swedish government (Ericsson, 2018). For example, in 2018 Ericsson worked closely with another Swedish company Telia on an extensive study on how to eliminate carbon footprints of the ICT

sector globally (Ericsson, 2018). Another extensive research-related work, where Ericsson (jointly with researchers and experts of leading organizations) engaged, resulted in an Exponential Climate Action Roadmap for the technology solution contribution in cutting the carbon emissions by 2030 (ICT could enable a third of the reduction (Ericsson, 2018).

Ericsson's extensive operations are under the pressure of geopolitical fluctuations, which are causing states to focus and operate more with national and local actors. This includes the nationalization of private assets, which in correlation with governmental actions, could cause disturbances in the flow of goods and currency (Ericsson, 2019). For example, due to the fact of increasing export regulations and sanctions, Ericsson might be impacted by the escalation of a "trade war" between the US and China which could cause trade restrictions and increased tariffs (Ericsson, 2019).

Nevertheless, over the years, the mass media has reported on several public affairs fallouts for Ericsson connected to corruption, telephone tapping, and questionable lobbying. Ericsson has a pending patent-related court proceeding against Samsung (Mukherjee, 2021). In January 2021 Swedish and international media reported Ericsson's CEO, Börje Ekholm's messages to the Swedish government regarding the European ban on the rivalling company Huawei, lobbying against the ban (Milne, 2021). The end of 2019 brought to the centre of attention a 1bn USD settlement in a corruption probe to be paid by Ericsson, claiming that the company engaged in a corrupt scheme throughout 17 years involving high-level executives in at least five countries (BBC, 2019). In 2006 Ericsson Hellas S.A. (its branch in Greece) was involved in a scandal of phone-tapping software targeting political elite telephones (Bryan-Low, 2006). And in 2002 Ericsson was reported to have an internal investigation regarding the leaking of information by several of its employees (CNN, 2002).

## **V Analysis of Public Affairs Management in the Selected Cases**

In this chapter, the authors analyse secondary and primary sources of Scania's and Ericsson's public affairs operations and collaborations. The authors of the thesis address publicly available information to investigate the successes and failures of public affairs in the selected cases. The interviews serve as more in-depth information, nevertheless, it is subject to clarification of the researcher's beforehand investigated data.

The developed framework (2.2.1. Table- The Research Framework) is being put to test and serves as the key in analysing the selected cases. Additionally, to this, the authors have organized the information in an updated framework table (5.1. Table - Framework Analysis of the Selected Cases), adding a broad variety of examples to test the framework and to improve the overall clarity of the research.

### **5.1. Analysis of Public Affairs Management in Scania**

#### **Framework level 1 – Organisational**

The development of Scania's Public Affairs unit has grown from being connected to other departments to a more self-standing one and because of this also the duties have evolved. The public affairs previously have been divided between the sales and marketing communications departments. Now it is more centralized as a part of the Communications Department and is seen as a part of the communications decision discipline. However, the Public Affairs unit has been split between Sustainability and Public Affairs & Partnership (interview, 7 May 2021). The researchers understand this as, when the importance and urgency of sustainability matters become too large, which interferes with other areas of public affairs operation and collaboration. For Scania to operate in other areas and achieve its objectives they need to use partnership collaboration with governmental and private actors more extensively within their industry.

When it comes to the operational organization in Scania's public affairs conduct, then it can be observed that in most cases it is quite decentralized where the company's delegated public affairs team handles the collaboration with the government. The examples to this are the company's engagement in the provision of buses in the Ivory Coast, where the company works together with the Swedish International Development Cooperation Agency (SIDA) Rolfer, 2018), similarly with the work on biogas in India with Swedfund (Dagens Industri, 2017) and on the provision of buses in Indonesia (Indonesian Embassy in Stockholm, 2020). These

collaborating operations are structured by having the government agencies take the leading part in these projects to utilize more resources and achieve better results.

The aforementioned is also confirmed through interviews, where it is disclosed that for Scania to keep and gain a competitive advantage, through the work of the public affairs unit, the operations need to be decentralized. The decentralized units have the best knowledge of the market on the business conduct. Nevertheless, the question that arises is regarding the degree of decentralization. Because the unit freely operates and is not supervised or coordinated centrally, then it would lead to various complex issues. As is shown by the India bribery scandal where high-level government officials were involved. One may assume that the public affairs unit could have misinterpreted or even deliberately decided to go against the law.

However, in a less mature market, the central unit within the HQ in Sweden has a more authorized role and could steer and position the company's work. On top of this, when it comes to complex international regulators and larger public affairs arenas (i.e., the EU), Scania also has hired consultancy services and entrusted external representation (interview, May 7, 2021).

A more centralized role can be observed in the work taken over by Scania's chief executive Henrik Henriksson where he is one of the chairs representing Sweden in the Agenda 2030 (Scania, n.d. c) this overlaps also in the level of operation with the CEO providing the individual competence and skills for handling this business conduct. The CEO of Scania has said: "many companies have early seen great value in working with Agenda 2030 as a framework for the right legislation, incentives, and collaborations... we must have a close dialogue and close cooperation between politics and business and therefore this type of forum is important" (Scania, n.d. c). The centralization of operations here is a strategic decision, aligning the organization and having control over the appearance.

For a closer look at the level of operation then it can be observed that Scania is positioning its values and behaviours on the enterprise level. Here an example is its engagement in the health program in the Ivory Coast. Moreover, it involves employees presenting the company as an overall responsible employer while working closely with the government authority SIDA (Rolfner, 2020).

The decentralized conduct of public affairs at the corporate level, allows Scania to take full advantage of the expertise from other departments. This helps the whole company deploy the right processes, issues, and policies at the department level. As it was also noted in the interview, to coordinate the company's position, i.e., on what "do we think about electrification and or the hydrogen directive" and what is Scania's best way going forward (interview, May 7, 2021).

At the same time, some of the company's projects are more institutionalized as a pattern of behaviour. An example is the provision of military trucks (Swedish Armed Forces, n.d.), which is clearly something where the government affairs managers must engage in long-term, especially acknowledging the existing competition to government procurement of such scale.

Further, a strong focus from Scania is to invest heavily in R&D (around 3000 employees working with R&D). This is to meet the challenges imposed by sustainability, transport, and technology policies, as binding commitments initiated to a large extent internationally (the EU, the UN etc.). The institutionalized relationship, where Scania and the governmental stakeholders collaborate, creates prerequisites where the government depends on the company's expertise to jointly tackle the challenges (interview, May 7, 2021).

### **Framework level 2 – Environmental Analysis**

At the environment level, Scania must be able to foresee and evaluate its surrounding domain and react accordingly to its incentives to gain an advantage. It can be observed that the company is aware of this and acts in a socially responsible manner in engaging with health issues abroad, reacts to domestic government's procurements in military transportation, and invests in research (Swedish Armed Forces, n.d.). It can be concluded that the activities are proactive, the stakeholders have been strategically targeted with engagement in available activities. For example, the military transport angle not only shows the ability to tackle competition, upkeep relations with the government stakeholder but also the long-term strategic gains, as the vehicles provided will need to be serviced.

Furthermore, it can be noticed through the interviews that the importance of following the political environment is crucial. What Scania indicates is that for them to compete on a national and international level, there is a need for knowledge about what is happening within the important government departments of i.e., digitalisation or transport "who is responsible and what's the agenda" (interview, May 7, 2021).

An interesting angle is Scania's awareness and the following of the general elections. Here it can be concluded that Scania can forecast what will be needed in the future work of transport and electrification etc. depending on the election results, changes in government personalities, and leading political party ideologies and programmes. Scania can then implement new strategies, for building new networks and relationships to manage governmental agencies and entities for gaining company and industry advantage and exchanging resources (interview, May 7, 2021).

Scania's analysis of the stakeholder environment rendered them and other companies to cooperate on national and supranational levels (for a better overview see Figure 5.1.1 Scania's Public Affairs Domain). This gives them a stronger position to influence policy regulations on the agenda to their advantage. As 85% of the public affairs business is about sustainability within Scania, they need to cooperate to steer the shift within the transport sector (interview, May 7, 2021). The evaluation of the governmental environment illustrates that Scania's proactive work within the field of transportation, electrification, and sustainability, gives them a better opportunity to fulfil their science-based targets (interviews, May 7, 2021).

### **Framework level 3 – Stakeholder Relations**

When it comes to handling the stakeholder relations as it is targeted on level 3 of the framework, then the military transport collaboration example can be expanded. Here it is seen that the tactics would entail the targeted function, meaning, the national government. According to theory, then, working on this project involves lobbying.

On the national level, there is cooperation with local municipalities on the provision of public transport, where the responsibility lies at a regional level. This is an important aspect for Scania. As Sweden is one of their biggest markets, it is vital to have good cooperation and network within regional areas. Further, Scania is always trying to use the functions within the national government in the areas of infrastructure and mainly with the current minister responsible for that, Tomas Eneroth (interview, May 7, 2021).

The areas of energy and transport are also important, due to the impact of the company's operations. Within these areas, Scania spends resources on tactics and performers to influence through this. The operations abroad would then include a lot more targets and functions, than locally. In the international arena, namely, the EU, this is where Scania would favour engagement of PR or lobby companies (doing about 80% of lobbying) to represent their interests in a well-tailored manner, because of the amount of legislation and the complexity of directives that asks for a targeted representation. On top of this, the EU market is larger and hence of higher importance (interview, May 7, 2021).

From the interviews, one can also depict the strategic advantage of cooperation with other companies (including competitors) in more extensive matters, for example, in sustainability. This gives the cooperating companies more power to affect the agenda and the outcome of legislation (interview, May 7, 2021).

#### **Framework level 4 – Measurement and the Contribution of the Unit**

Regarding the maturity level in the public affairs function at Scania, then a good example includes different market penetrations. Scania is operating in Sweden, the EU, South America, India, South Africa, and East Asia. Due to complex regulations and expanding decentralized units, maturity evolves. However, as the biggest market share lies in the EU (60% of the total revenue in 2019), the main attention is targeted there (Scania, 2020). As the EU also covers Sweden, the biggest efforts following and controlling regulation and legislation concern this market.

A way to further understand maturity lies with several other key factors. One aspect is the cooperation with the government and the local higher education institutions. The cooperation concerns the lifelong learning project (the LLL, (Flodmark, 2021), and this shows the benefits from working with government actors, as it concerns Scania's employees and their further development, but the government engages in the form of an increased mandate for universities in Sweden to engage in the LLL. There is no intent to disregard Scania's other cooperation abroad with governmental stakeholders, but the complexity of agreeing and understanding the need for both Scania and the Swedish government regarding educating employees should be seen as a key factor in driving the maturity of the public affairs contribution.

The evolution of the public affairs unit within Scania is more or less concerned with geopolitics i.e., trade wars and climate change. Further, it can be noticed that on a different level of engagement, the evolution of public affairs depends on technology. Scania needs to be a forerunner on R&D, in a way to stay trusted and reliable. While the evolution continues, the important aspects of Scania, such as connectivity, automatization, and electrification need to be prioritized, to keep them as relevant players. Another evolutionary element is the awareness that some matters previously handled by public affairs have grown in importance and therefore the maturity level leads to a decision for separation, i.e., sustainability that now is in a separate, dedicated unit (interview, May 7, 2021).

The evaluation and measurement of the public affairs contribution to the company, in general, is difficult. This is because the objective and targets are impossible to measure in revenue or profit, which is a classical measurement for any company's success, here the benefit comes in a long-term engagement and at times with favourable policy changes. In the case of a crisis, Scania's HQ would reach out to assist in handling the situation in the market where the issues have arisen. The Corporate Communications department would take over along with

the local management and depending on the involved stakeholder the public affairs unit could engage (interview, May 7, 2021).

### **Framework level 5 – Different Areas for PA Management Engagement**

On the fifth level of the framework in the research of public affairs, it can be observed that the company operates in manifold areas of public affairs. The variety of areas for Scania concern the aforementioned health program and socially responsible aspects (in Ivory Coast), the LLL concerns education, then there are projects in sustainable transport research and innovation, there are also products for military purposes. At the same time, all the engagements concern great investment for the branding of the company as a socially responsible, sustainable, and attractive employer, hence working for marketing purposes and building a good public image.

In summary, Scania's decentralized structure is enabling them to take part in a broad array of different public affairs operations. However, with lacking central coordination, the alignment is hurting. Scania is seemingly aware of this and focuses its public affairs operations within the market where they have the biggest market share. This could in the future, affect the public affairs unit and its operation since when the scope is stagnating and limited, the evolution and maturity will be sustained.

## **5.2. Analysis of Public Affairs Management in Ericsson**

### **Framework level 1 – Organisational**

In Ericsson, the Government and Industry Relations (GIR) unit consists of several senior directors with field expertise in various government authorities. The need for skilled individuals is of high importance and comes with its benefits i.e., having an existing extensive network. Moreover, the unit itself has historically evolved and moved throughout the company; it has been a part of the strategy unit, central sales unit, sustainability unit, and now it is under marketing and corporate relations. This indicates that the company is avoiding the public affairs operations becoming isolated, instead, the purpose of this is to connect those operations with the overall company operations objectives, through the Communications department.

A part of Ericsson's public affairs operations is seemingly centralized, where the CEO Börje Ekholm or other senior executives work as a spokesperson. These people are experienced and authorized to get the message across and have the most authority within the industry, to

influence it (interview, May 3, 2021). This, for example, is evident in Ericsson's work with 5G in the US and China. Through tight centralized governmental relations in the US, Ericsson has now been able to position itself as a forerunner for the development of 5G (WSJ, 2020).

However, the interviews present also a much clearer decentralization within the company where the units themselves are dispersed. For example, the GIR units in different countries are quite autonomous in handling matters. However, the coordination sits at the headquarters, to align messages in a unified way, and in case of need to consult topic-specific departments, i.e., technical and safety regulations within product development (interview, May 3, 2021). And in the headquarters is where the coordinated annual influencing plan is created, so Ericsson develops policies to be taken ahead on various topics (interview, May 6, 2021).

The level of operations shows Ericsson's awareness of perks for including public affairs in the overall operations and to structure it efficiently on a corporate level. Ericsson is positioning the organization's value on the enterprise level in correlation to the government stakeholder. This is supported also by the interviews, for everything Ericsson does reflects their organization because "the purpose and the values of the company are to connect people" (interview, May 3, 2021). This is where they take part in public affairs and want to be an established part of society.

The decentralized and dispersed structure at the corporate level indicates that there is a need for a thorough understanding on the department level regarding what policies and processes should be deployed within the company. Nonetheless, everything depends on the market area "there is a lot of freedom by design on the regional and local level to tailor the advocacy efforts to the issues that are most important to the business there" (interviews May 3, 2021). This is because the outside units have the best knowledge of how issues, policies, and processes should be handled. Further, these units have the best understanding of what individuals, skills, and experiences are needed for the specific issues and policies, which is highly important for strategically and successfully operating within public affairs externally (interviews May 3, 2021). Moreover, for success in public affairs and strategic achievements, one must foster the relationships established with the government actors. This action must be seen in the long term because one cannot predict when support will be needed and then it will be too late to attempt to establish contacts and influence for a favourable outcome (interview, May 6, 2021).

They also show tendencies of an institutionalized relationship with governmental stakeholders, as they are the biggest driving force for the deployment of 5G in Sweden and this element of importance gives also a solid platform for engaging with the government (interview,

May 3, 2021, and May 6, 2021). Ericsson's strong expertise within the telecom sector is also evident in the cases of future defence solutions where Ericsson collaborates with the Swedish army on telecommunication infrastructure and complex radar solutions (Saab, 2020). Moreover, this type of expertise for military solutions can be observed also elsewhere, for example, in the US Department of Defense (DOD, 2020). Here Ericsson is in a favourable position because of great power politics and national security reasons where the US does not have their national company and Chinese Huawei would not be even considered.

What can be observed in this is that Ericsson has the ability to bring field expertise needed by the government when collaborating within that sector and that Ericsson is important as an exporter by bringing back overseas profits (interview May 6, 2021), nevertheless, there is always a level of cost involved. For example, Ericsson can get tax reductions for highly skilled foreign employees, which summarizes a close institutionalized connection (Svenskt näringsliv, 2020). The exchanges of services and costs between Ericsson and the governmental stakeholders show a fluid dialogue within the relationship ecosystem. This correlates with the resource dependency theory and the need to use other actors within that environment to gain stronger positions or competitive advantage. Clearly, business is driven by interest, meaning one does not engage in a project that does not bring benefit for one's own or both sides. And Ericsson claims that the industry overall is driven by technology leaders and innovators and currently the governments are only followers, that only now pay more interest in the developments of, for example, advanced technology standards for broadband cellular networks. Nevertheless, the government involvement is expected to rise because of this growing understanding that the matters of 6G are reaching the national policymaker agenda and a powerful tool in their hands is the option of financing and stimulating the rollout. The governments may not create technology, but they do create legislation surrounding it (interview, May 6, 2021).

### **Framework level 2 – Environmental Analysis**

Ericsson is also active and critical in their stakeholder environment analysis. They foresee trends, issues, and events within the EU, US, Chinese and Swedish markets as well as other markets globally. Within Ericsson “we ensure that we get in the signals from all local missions, we then try to compile that and then ensure that when we do the analysis of what's important or not, it's done with the best of the knowledge that we have in the company on our technology and business plans” (interview, May 3, 2021).

In foreseeing and handling the stakeholder environment on Level 2, one can have a different perspective and observe that the international environment is interconnected and that companies also work together for influence. Even between rivalling companies Ericsson and Huawei, one can observe the government intervention, because Ericsson was lobbying in favour of Huawei in Sweden, knowing that there will be fallout with the Chinese authorities impacting one of their biggest export markets (Milne, 2021). This correlates with Ericsson emphasizing the need of keeping technology global to solve tomorrow's complex issues. Ericsson thinks, for them to remain a trusted and competent technology advisor with governmental stakeholders they cannot interfere in geopolitics, saying: “we have never taken sides in these geopolitical battles” (Interview, May 6, 2021).

Reciprocity, globalization, and geopolitics are elements from political science that make one conclude that the relations with foreign governments should be handled as any country's diplomatic relations. As Ericsson says then within the country one must abide by the laws and follow a diplomatically apolitical stance (without taking a “side” in big power politics as i.e., between China and the US). Nevertheless, one must still be aware of these changes, know that they cannot (and possibly should not) be influenced or even predicted, but the company's long-term interests amidst the international turmoil should be navigated with caution and understanding (interview, May 6, 2021).

Further, to build upon the observed interconnectedness, companies also achieve better results in collaborating with governmental stakeholders when working together, this is evident in the case of affecting the Swedish government research politics (U2019/02263/UH), when Ericsson, Volvo Cars, Scania and Electrolux etc. developed the policies in favour for their industries (Teknikföretagen, 2020). Companies strive to work together for influencing purposes in the stakeholder environment, especially when the interests are overlapping, for example in the mobile industry. This is where the GSMA (Global System for Mobile Communications Association), does advocacy work on behalf of the whole industry (interview, May 3, 2021).

Ericsson targets different stakeholders regarding specific issues and objectives concerning the company (for a better overview see Figure 5.2.1 Ericsson's Public Affairs Domain). However, every interaction with stakeholders needs “to be checked or weighed against our business interests in general, because [the Government and Industry Relations team members] are certainly no business experts on every plan ... [for] a market expansion plan in the coming five years, that strategic knowledge sits with the different business units with different kinds of products and services” (interview, May 3, 2021). Further, as Ericsson is

developing technology that is of importance for national security, they are now being targeted by governmental stakeholders. This resource dependency relationship indicates that the governments now have a better understanding of the complex elements of this type of technology solutions, and they understand the correlation between technology and security. This means more regulations and legislation impacting Ericsson, which they need to be aware of, and more leverage for their competition (if they manage to comply with this more speedily). Ericsson must be careful in using this for their benefit, for any compliance issue works as extensive reputational harm.

### **Framework level 3 – Stakeholder Relations**

Regarding GR and PolR on the framework's level 3, Ericsson uses different targets, tactics, functions, and performers. In cooperation with other companies e.g., networks to affect the government's research politics (U2019/02263/UH), Ericsson used functions as grassroots activity and performers as members of the association (Teknikföretagen, 2020). In another cooperation with Saab, IBM, and Boeing, Ericsson showed awareness of targeting political representatives. They used different tactics but mainly political lobbying. To reach the desired outcome of the defence contract, they used the function of the national government, and the performers were PA professionals and established networks (Saab, 2020).

Further to that, the recently concluded auction for 5G in Sweden and the exclusion of Huawei caused severe distress for Ericsson. The CEO, Börje Ekholm, advocated the Swedish Foreign Trade Minister Anna Hallberg about the consequences of excluding Huawei. Because, even if Ericsson is an MNC and operates globally, this could cause branding damages, operations opportunities within China, and weaken government relations between Sweden and China (Ericsson, 2020). At this level 3, then Ericsson is targeting national and international governments and performs through senior executives and managers, or members of associations. The tactics used in this can be compiled from the interviews, as initially, it is important to establish connections with key players (i.e., policymakers) and upkeep this network. The following move is to try and influence the policymaker's agenda with matters important to the company (preferably important also to the policymakers and Ericsson sees it as bringing expertise in unknown matters for which they dedicate a lot of resources). The last move then is to "promote those messages on those policy issues which are then high on the agenda" which, that for example, could be done through hosting or taking part in informative events (interview, May 3, 2021). Ericsson also indicates that these kinds of actions are "long-term and never a sprint" (interview, May 3, 2021).

#### **Framework level 4 – Measurement for the Contribution of the Unit**

All indicates, on level 4, a high maturity of public affairs operation on the leadership function, operating globally, nationally, and collaborating with high-level governmental stakeholders. Internally, Ericsson has quarterly and annual goals that are measured upon the successful steps towards achieving these, and the ultimate success overall is in reaching a mutually beneficial policy outcome. In a quote from the interview with Ericsson:

“The government relations sit in between what happens in the outside world and what needs we have within the company. And really, our main task is to interpret those in company internal needs, into a concrete language that applies to the policy processors, that sort of sets the conditions for where we work on the outside” (interview, May 3, 2021).

Nevertheless, there are also contrary examples relating to Ericsson’s handlings, when its subsidiary pleaded guilty in the Foreign Corrupt Practices Act, regarding violations in several countries for 17 years (United States Department of Justice, 2019). This meant that governmental authorities in the US and other jurisdictions penalize Ericsson and restrict the operations and possibility of tender (Ericsson, 2020). Then the question arises, regarding what means are necessary to conduct public affairs business, balancing on the verge of being legally astute of regulatory frameworks? And is this the real part of GR and PolR? Especially since these misconducts have not affected the revenue stream or profit, on the contrary in the first quarter of 2021, they expected operating earnings of 5 billion SEK but reached 5.3 billion SEK (Mukherjee, 2021).

#### **Framework level 5 – Different Areas for PA Management Engagement**

On level 5, Ericsson expands their horizon with new, high technology products, R&D, education, and social inclusion. They are a part of Agenda 2030, targeting and collaborating with the UN, as they are developing REUNITE, a digital tool for helping refugees re-establish contact with their families (Sverige och Agenda 2030, 2017). Furthermore, the scope is widening concerning technological products where Ericsson, for example, enters new policy regulations due to autonomous vehicles and needs to be able to handle new legislation. Additionally, in the proposition 202160, Torbjörn Lundahl (director of research, Ericsson), saw a lack of investments in digital programs when comparing with the ones in the transport area

(Regeringens proposition, 2020/21:60). This shows that Ericsson has an extensive scope outside different areas of the telecom industry operations, where they engage in governmental collaboration.

In summary, Ericsson's conduct with public affairs is extensive and longstanding. The performance fluctuates and is not easily measured. However, the growing importance of strategically managing public affairs is evident. Going forward, Ericsson's investments in public affairs advocacy will increase. The question lies if technology can remain global. The ever-growing geopolitical and geoeconomic tensions will exercise an influence on policymakers and it is up to Ericsson to adjust to that landscape and keep thorough relationships and connections.

### **5.3. Case study analysis discussion**

In the ever-changing and highly demanding environment that multinational corporations find themselves in, one must be very aware of the growing number of stakeholders involved and must establish and foster the relationships cautiously and align that with the strategic objectives of the company. Knowing that the previous research shows that companies are having trouble strategically managing this, this research seeks to understand the most efficient ways that would be derived from theory concepts (i.e., stakeholder theory, public affairs theory), and by applying the findings to investigate practical examples in the form of two company cases (namely, Ericsson and Scania).

One of the central angles that can be observed regarding both companies is the political fluctuations and big-power politics that impact trade and cause shortages of important materials and components. For example, the recent events with the semiconductor shortage, that impact both the automotive industry and the telecom industry alike (Mukherjee, 2021; Reuters, 2021). Due to this fact, the companies need to be highly aware of the stakeholder environment and develop internal organizational strategies for handling this issue. As it is of importance for national security and geopolitical concern in developing the future's high-technological tools, Scania and Ericsson need to continue taking part in R&D in collaboration with government stakeholders, home and abroad, to protect themselves from these international political impacts. This could also lead to that the companies could seize advanced technology and further develop their public affairs cooperation.

As derived from the theory concepts, one can observe on level 1 decentralized public affairs handling in both companies. However, Ericsson's more dispersed structure with strong central coordination gives them the strategic advantage of aligning the operations in a strategically well-tailored way. With better central coordination, the efficiency of the operations lets governmental stakeholders better understand the values, policies, and objectives of the companies they engage with. As the coordination between different internal and external public affairs units is vital, less central coordination can lead to unused resources and less success.

The research shows that an institutionalized relationship indicates the mutual understanding of the necessity for cooperation and is of high importance in succeeding. However, the natural pattern of behaviour between companies and governments is difficult to measure. What the researchers could understand is that as a condition for this relationship to continue, the companies need to evolve to keep themselves relevant. This means to be reliable, informed, and skilled in their areas of operations, thus keeping the governmental stakeholders in need of their expertise to solve the complex issues facing states globally. This would also generate higher revenue and hopefully higher profit than the competitors due to favoured products and services from the government.

The observations of the secondary and primary data show detailed awareness of level 2 of the surrounding environment for both companies. Both companies are evaluating and foreseeing issues and events within the governmental environment. Additionally, for the companies to affect and target specific stakeholders and issues, the companies understand that through cross-case industry collaboration, companies can achieve better results in aligning the agenda with their objectives.

Further, Scania's focus their operations on level 2 to the domestic environment in Sweden. Their operations with R&D centres in Södertälje, Oskarshamn, Luleå, and Nykvarn, as well as their strong cooperation with the region of Mälardalen, indicates a strategic understanding of operating at this level. Scania understands its limitations of operating globally, because the biggest market share lies within Sweden and the EU, and this is what they prioritize and align with. Nevertheless, the drawback comes from not having a stronger central alignment that could assist in expansion into other markets, through more successful cooperation with local units abroad. Scania's strong focus on important areas such as transport, infrastructure, and electrification within Sweden and the EU are indicating a smaller scope in engaging in this environment if compared to Ericsson.

Operations on level 2 indicate that both companies are well equipped to work efficiently on a national and international level. However, Ericsson's operations are more extensive and have a better reach, globally. An explanation for this might be Ericsson's strategic adaptation to whatever market they are operating in.

Another theory takeaway is that the companies are not always eager to follow governmental stakeholder incentives as those make them resource-dependent and in this, they give up their power position. They instead operate on level 3, with different types of targets, tactics, functions, and performers, to influence and manage the government stakeholder. However, the interviews confirmed that the companies aspire for the governments to invest and prioritize their field of work (e.g., in R&D to match their contributions). At the same time, this creates a mutual relationship with the government stakeholder. In summary of this, the investments from the governments are giving incentives for companies to develop and become forerunners. When companies develop and can solve complex issues for the government, they are contributing back, sustaining the relationship, and being resource-dependent. However, the research shows another interesting angle in the fact that the companies never engage in activities without having a return on this investment. That is, the government needs the expertise and will receive it by, most likely, giving something in return.

As the objectives for a company are becoming more globally attached, the need for broadening the scope increases. From this one can also conclude that, even if both companies are operating on the leadership function within level 4, Ericsson's maturity is more developed and strategically adjusted to meet global issues. In the overall discussion, the key elements that present regard the maturity levels of the public affairs unit and the growth that comes with the expansion of the company's presence within the country and internationally. In Scania, the government-led consortium in Nykvarn regarding electrifying the heavy transport fleets, combined with the LLL indicates high maturity of public affairs cooperation in the headquarters surrounding environment. However, outside this domestic area of operation, Scania is lacking quite much in tools and resources to operate on a leadership level function. This could be because their focus is on influencing national governmental stakeholders and this takes away room for coordinating the external units. Meanwhile, Ericsson presents an example of a mature public affairs unit with elements of diplomacy in its handling of the government actors. And with an expansion of company presence (i.e., geographic expansion further from the domestic theory) companies tend to think more about how to maximize their benefit and this is where the government relations units become more tailored with specialists and with

separation for handling only this specific task. This can be observed in both companies, as their units have evolved from simply communications towards more topic-specific departments.

Both companies are impacted by globalization and power politics, they need to be aware of all relevant actors engaging within the market. Companies need to maintain global, as national, regional, and local protectionism will not be beneficial in the long-term for keeping MNCs operating. This also works the other way as the states attempt to influence private companies with their political affairs, i.e., to keep relevant technology and knowledge within state borders. If this continues, public affairs operation evolution, (which is a necessary precondition for the units and companies to be on top of new regulations and legislations in new markets) can be limited.

## VI Conclusion

When it comes to the analysis of public affairs management in MNCs, then there are no set research guidelines. Nevertheless, to this, the initial research is driven by a variety of theory concepts, which are summarized in 2.2.2.1. Table - The Research Framework, which then serves as the main scheme for the research. Then as a test of the framework, practical examples of company public affairs are applied, and this has resulted in a case-specific Framework (5.1. Table - Framework Analysis of the Selected Cases). This in turn has led to a set of conclusions, answers to research questions, various takeaways, and further research recommendations.

### **How to manage public affairs strategically and successfully in MNCs?**

There are a variety of necessary elements that must be included in the case of successful management of public affairs. One can observe the role of resources (key people, information, access etc.), competencies (knowledge, experience etc.), diplomacy skills, and networks with key players.

However, this research concludes with several more specific factors. For example, the need for evaluating and overseeing the stakeholder environment is of high concern for the companies. To manage and take advantage of the relationship within that environment, the companies need to reorganize accordingly. An example of this could be to set up the public affairs unit to cover a broader scope, or it could be also *vice versa*, more specifically targeting a smaller more important segment for the company to be more efficient and streamlined with the company's overall objectives.

The organizational structure of public affairs is a precondition for efficiently executing the overall company strategy. It can be seen from the theory that the size of the company correlates with the number of resources a company has access to. These resources can then affect the structure and alignment within the company, from enterprise to individual level. A thorough understanding of adjusting and evaluating these levels gives the companies a better strategic advantage to cooperate with governmental stakeholders and entities. A dispersed structure with good central coordination in the operations are the needed conditions for success to influence regulators and lawmakers in different geographical areas and within the different disciplines of offering products and services. For example, the success and strategic advantage of this is evident in the case of Ericsson, which has a better alignment structure and thus more

leverage to influence the government environment and its actors on a bigger scale. One can observe that Ericsson has a dispersed structure, with central coordination. Scania, on the other hand, is decentralized, but as they have their own priorities and programmes and they have less central coordination, which may lead to misconduct and worse strategic advantage and successes if compared to Ericsson.

Furthermore, previous research from McKinsey (2013) concluded that alignment coordination with the CEO is very important. Obviously, if the public affairs units are distant and operate in silos regarding the overall operations, the product will be less valuable. However, the day-to-day public affairs operations in MNCs do not depend on the CEO, instead, the operations need to be cross-functional and aligned through central coordination within the whole company.

Strategic management of public affairs is a long-term venture, where the success is seen at a much later stage not immediately. And the form of this success is seen in established strategic networks and the ability to align the company's agenda to the one of the government. It would come from a leading position as the field experts, or in changes and influence in regulations concerning the field of operation. And the longer-term achievements would come from a sustained relationship with the authorities and key players, where the companies keep themselves as the most relevant and reliable actors. In sustaining this, the companies are also in need of cross-industry collaboration to affect future industry regulations and the overall agenda.

This all together brings the successful management of public affairs. However, failure in this also leads to long-term consequences that impact the company's goals to achieve its strategic objectives.

### **What are the differences in the approaches in cooperation with public affairs actors depending on the MNC's strategic objective or industry?**

Both companies that were chosen for the case study, operate in different industries and when it comes to the framework application it works regardless of the company, industry or location. On top of this, the organization is more complex, for example in Scania that is under the Traton Group, which is then owned by the Volkswagen group. Additionally to that, the company itself is represented in several countries where the branches have more autonomous handling of the local market affairs, including the public affairs. When it comes to Ericsson then the company is privately owned and their representation, even though to various countries, has a more integrated central coordination, especially, when it comes to handling public affairs.

The industries are also heavily affected by the global and fragmented political landscape. When technology and development become a priority for states to protect, the public affairs operation becomes more limited, which means they must spend more time and resources on those issues. This is evident in the case of Ericsson, where they are handling critical infrastructure matters affecting national security.

Ericsson's connection to sensitive and technical infrastructure in the rollout of the 5G network indicates a different reason for why government involvement is inevitable (i.e., security reasons); this cannot be observed on a similar level in Scania. Therefore, Ericsson is engaged to a larger extent in public affairs with a more extensive network. Here one can say that Ericsson is also solving urgent government matters. It is of importance for governments to now cooperate with Ericsson, as that will assist in solving the complex issues of today and tomorrow.

Whereas Scania deals with sustainability, CO2 emission regulation, electrification of their fleet, energy efficiency, and transportation safety. This indicates government involvement with international obligations of cutting CO2 emissions, compliance with consumer and road safety laws and regulations. Sustainability is of high importance for states globally and it is becoming more and more regulated. However, Scania does not have to worry about big power politics or national security to the same extent. To solve the urgent government issues, governmental stakeholders need new technology and right now that sits within tech companies, such as Ericsson. Developments in infrastructure, information security, industrial policies, R&D policies, digital compliance, and others show that as with any technology development matter there is going to be a tight correlation of technical standardization and political intervention.

From the theory the companies operate worse in public affairs in their secondary markets, that is something that can be observed with the cases chosen for this research, for both have been involved in some misconducts and violations of law (i.e., the Foreign Corrupt Practices Act for Ericsson, and for Scania the EU Commission Antitrust case on being a member of a company cartel). When it comes to Scania the decentralization can be a success factor but can also limit the success in cases of misalignment. Further, Scania's focus on their biggest market shares means that they neglect their secondary markets and that they mainly try to influence regulations within their specific transport industry in Sweden and the EU. However, Scania's local importance should not be overlooked, as this gives them the opportunities to cooperate with smaller governmental stakeholder entities to fulfil their objectives within their industry e.g., to sell buses and trucks to regional agencies and operators.

### **Further research suggestions**

In the terms of unresolved matters, one must reflect on the notion that there is no common universal theory for the complex and interdisciplinary field of public affairs (that is including elements of culture, economics, politics, marketing etc.). One can be certain that there are angles for further research. For example, knowing that the framework of theoretical concepts is tested on two cases, then perhaps it cannot be fully generalised and that maybe the framework itself has too many elements in it. And when it comes to the analysis then possibly the new way of distance work gives way for systematization of the public affairs management, where seemingly the virtual meetings have been rediscovered.

In correlation to previous research, to evaluate the strategic management of public affairs better, future research could be to develop a balanced scorecard for efficiently measuring companies' performance. This will pinpoint the most important dimensions for the companies to succeed with public affairs operations. The dimensions, in a large scale, could include: how should companies appear to their stakeholders, to achieve their vision; how should they collaborate with their stakeholders, to satisfy them; what business and communication process do they need to excel at to achieve their objectives and vision; how will they strengthen their ability to change and improve (Catalyst, n.d.).

Further, other aspects did appear when analysing the cases with the framework. Most evident was the cross-industry collaboration. Through tight cooperation, companies are able together to influence the government stakeholder more extensively. The use of the unit as a crisis function was something that theory exemplified as a problem for public affairs operations. In this research, this was not evident as a feature. However, the interviews highlighted this as something problematic, handled by corporate communications and not fully integrated into the public affairs operations. These areas could be a future topic of research and of importance for covering the missing components within the research field.

## REFERENCES

- Bitonti, A. & Harris, P. (2017). Chapter 20: Public Affairs in Europe, in P. Harris & C. S. Fleisher (eds), *The SAGE Handbook of International Corporate and Public Affairs*, SAGE, pp. 370-388
- Bowman, E. H. (1990). Strategy changes: Possible worlds and actual minds, Perspectives on Strategic Management (J. W. Fredrickson, ed.), *Harper Business*, New York
- Carroll, A. B. & Buchholtz, A. K. (2017). Business and Stakeholder Management, *CENGAGE Learning, Boston*, p. 135
- Davidson, S. (2015). 'Everywhere and nowhere: Theorising and researching public affairs and lobbying within public relations scholarship', *Public Relations Review*, 41(5): 615–27
- Donaldson, T. & Preston, L. E. (1995). The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications, *The Academy of Management Review*, Vol. 20, No. 1 (Jan., 1995), pp. 65-91
- Esaiasson, P., Gilljam, M., Oscarsson, H., & Wängnerud, L. (2012). *Metodpraktikan*, Wolters Kluwer
- Fleisher, C. S. (2003). The development of competencies in international public affairs. *Journal of Public Affairs*, 3(1): 76–82
- Grunig, J. E. (1992). *Excellence in Public Relations and Communication Management*, Lawrence Earlbaum Associates Publisher
- Harris, P., & Fleisher C. S. (2017). *The SAGE Handbook of International Corporate and Public Affairs*, *SAGE Publications*
- Harsanyi, F. M. & Schmidt, S. (2012). Creating a public affairs function in countries without a public affairs culture. *Journal of Public Affairs*, 12(1), pp. 86–97
- Judd, E. (2008). *Good Guanxi: Managing Government Relations in China*. The Foundation for Public Affairs: Washington, DC
- Judd, E. (2009). *The Jugaad Principle: Managing Government Relations in India*. The Foundation for Public Affairs: Washington, DC
- Judd, E. (2010). *Opening Doors in Brussels: Managing Government Relations in the EU*. The Foundation for Public Affairs: Washington, DC
- Pamar, B., Freeman, R. E., Harrison, J.S., Purnell, A.C., De Colle, S. (2010). Stakeholder Theory: The State of the Art, in *The Academy of Management Annals* 3(1), June 2010, pp. 403-445
- Salancik, G. R. & Pfeffer, J. (1978). The External Control of Organizations: A Resource Dependence Perspective, *Stanford Business Classics series*

- Schofield, J.W. (2009). Case Study Method, *Sage Publications*
- Schwandt, T. A. (2007). Cross-Case Analysis, *The SAGE Dictionary of Qualitative Inquiry*, 3rd Edition
- Scott, M. G. (2018). Somehow I Manage, *Createspace Independent Publishing Platform*
- Sekaran, U. & Bougie, R. (2016). Research Methods For Business- A Skill Building Approach, *Wile* 5th Edition p. 251-267
- Sofaer, S. (1999). Qualitative methods: what are they and why use them? *Health Serv Res.* 1999 Dec; 34(5 Pt 2), p. 1101–1118
- Viney, H., Baines, P. & Stegen, L. (2017). Chapter 6: Public Affairs and Marketing, in P. Harris & C. S. Fleisher (eds), *The SAGE Handbook of International Corporate and Public Affairs*, SAGE, pp. 115-125
- Windsor, D. (2017). Chapter 2: Theoretical Lenses and Conceptual Models for Understanding Public Affairs, in P. Harris & C. S. Fleisher (eds), *The SAGE Handbook of International Corporate and Public Affairs*, SAGE, pp. 40-55

### **Electronic references**

- BBC. (2019). Sweden's Ericsson to pay over \$1bn to settle US corruption probe, BBC, 7 December 2019, Available online: <https://www.bbc.com/news/world-us-canada-50695438> [Accessed 5 April 2021]
- Bryan-Low, C. (2006). Vodafone, Ericsson Get Hung Up In Greece's Phone-Tap Scandal, *The Wall Street Journal*, 21 June 2006, Available online: <https://www.wsj.com/articles/SB115085571895085969> [Accessed 10 April 2021]
- Catalyst. (n.d.). Balanced Scorecard Development, *Catalyst*, Available online: <https://www.catalystconsulting.co.uk/services/strategic/balanced-scorecard-development/> [Accessed 3 April 2021]
- CNN. (2002). Spy scandal ripples at Sweden's Ericsson, CNN, 8 November 2002, Available online: <https://edition.cnn.com/2002/TECH/biztech/11/08/ericsson.spy.reut/> [Accessed 10 April 2021]
- Dagens Industri. (2017). Scania och Swedfund investerar tillsammans i etanolbussar i Indien, *Dagens Industri*, 4 July 2017, Available online: <https://www.di.se/nyheter/scania-och-swedfund-investerar-tillsammans-i-etanolbussar-i-indien/> [Accessed 21 April 2021]
- DOD. (2020). DOD Announces \$600 Million for 5G Experimentation and Testing at Five Installations, *US Department of Defense*, 8 October 2020, Available online: <https://www.defense.gov/Newsroom/Releases/Release/Article/2376743/dod-announces-600-million-for-5g-experimentation-and-testing-at-five-installati/> [Accessed May 4, 2021]

- DOYLE, A. (2020). What Is a Semi-Structured Interview?, *Careers*, 27 June 2020, Available online: <https://www.thebalancecareers.com/what-is-a-semi-structured-interview-2061632#:~:text=A%20semi%2Dstructured%20interview%20is,straightforward%20question%20and%20answer%20format> [Accessed 8 April 2021]
- Dua, A., Heil, K., & Wilkins, J. (2010). How business interacts with government: McKinsey Global Survey results, Available online: <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/how-business-interacts-with-government-mckinsey-global-survey-results> [Accessed 23 January 2021]
- Dua, A., Nuttall, R., & Wilkins, J. (2011). Why good companies create bad regulatory strategies, June 1, 2011, *McKinsey & Company*, Available online: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/why-good-companies-create-bad-regulatory-strategies> [Accessed 23 January 2021]
- Ericsson. (2018). Annual Report, Ericsson, Available online: <https://www.ericsson.com/48fa18/assets/local/investors/documents/financial-reports-and-filings/annual-reports/ericsson-annual-report-2018-en.pdf> [Accessed 30 March 2021]
- Ericsson. (2019). Annual Report, Ericsson, Available online: <https://www.ericsson.com/495c1f/assets/local/investors/documents/2019/ericsson-annual-report-2019-en.pdf> [Accessed 30 March 2021]
- Ericsson. (2020). Annual Report, *Ericsson*, Available online: <https://www.scania.com/content/dam/group/investor-relations/annual-review/download-full-report/scania-annual-and-sustainability-report-2020.pdf> [Accessed 30 March 2021]
- Ericsson. (2020). Ericsson and UNICEF launch global partnership to map school internet connectivity, Available online: <https://www.ericsson.com/en/press-releases/2020/8/ericsson-and-unicef-launch-global-partnership-to-map-school-internet-connectivity> [Accessed 23 April 2021]
- Ericsson. (n.d. a) Company facts, *Ericsson*, Available online: <https://www.ericsson.com/en/about-us/company-facts> [Accessed 30 March 2021]
- Ericsson. (n.d. b). About us, *Ericsson*, Available online: <https://www.ericsson.com/en/about-us> [Accessed 15 March 2021]
- Ericsson. (n.d. c). Public Policy and Government Affairs, *Ericsson*, Available online: <https://www.ericsson.com/en/public-policy-and-government-affairs> [Accessed 15 March 2021]
- Ericsson. (n.d. d). Take the road untraveled, *Ericsson*, Available online: <https://www.ericsson.com/en/cases/2017/scania-connected-transportation> [Accessed 25 April 2021]

- European Commission. (2017). Antitrust: Commission fines Scania €880 million for participating in trucks cartel, *European Commission*, 27 September 2017, Available online: [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_17\\_3502](https://ec.europa.eu/commission/presscorner/detail/en/IP_17_3502) [Accessed 20 April 2021]
- Financial Times. (2020). Nic Fildes, Available online: <https://www.ft.com/content/93484b09-9eeb-4fb8-93cb-3c859a4be116> [Accessed on 21 April 2021]
- Flodmark. (2021). Lifelong learning for Scania employees, *Scania*, 24 March 2021, Available online: <https://www.scania.com/group/en/home/newsroom/news/2021/lifelong-learning-for-scania-employees.html> [Accessed 22 April 2021]
- Indonesian Embassy in Stockholm. (2020). The Trial Launch of the Disabled, Elderly, and Environmentally-friendly Low-Entry Scania Bus from Sweden in Bandung, March 11, 2020, *Indonesian Embassy in Stockholm*, Available online: <https://kemlu.go.id/stockholm/en/news/5457/the-trial-launch-of-the-disabled-elderly-and-environmentally-friendly-low-entry-scania-bus-from-sweden-in-bandung-march-11-2020> [Accessed 22 April 2021]
- Malmqvist, M. (2018). Ericsson larmar till regeringen – Sverige ligger efter på 5g, *ComputerSweden*, 12 January 2018, Available online: <https://computersweden.idg.se/2.2683/1.695925/ericsson-larm-5g> [Accessed 29 April 2021]
- Marchi, A., Nuttall, R., & Parekh, E. (2016). How to reinvent the external-affairs function: McKinsey Global Survey results, Available online: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-to-reinvent-the-external-affairs-function>, [Accessed 18 January 2021]
- Milne, R. (2021). Why Ericsson took on its own government to defend rival Huawei, 27 January 2021, *Financial Times*, Available online: <https://www.ft.com/content/0aee2e6c-3083-4d5b-a9d0-ea3ab2b7a35c> [Accessed 6 April 2021]
- Mukherjee, S. (2021). Sweden's Ericsson core profit beats forecast, patent fight casts shadow, *Reuters*, 21 April 2021, Available online: <https://www.reuters.com/business/media-telecom/ericsson-q1-core-profit-beats-forecast-2021-04-21/> [Accessed 21 April 2021]
- Mukherjee, S. (2021). Sweden's Scania admits 'misconduct' in India after contract-for-bribes report, *Reuters*, 10 March 2021, Available online: <https://www.reuters.com/business/autos-transportation/swedens-scania-admits-misconduct-india-after-contract-for-bribes-report-2021-03-10/> [Accessed 15 April 2021]
- Musters, R., Parekh, E. & Ramkumar, S. (2013). Organizing the government-affairs function for impact, November 1, 2013, *McKinsey & Company*, Available online: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/organizing-the-government-affairs-function-for-impact> [Accessed 30 January 2021]

- Regeringens proposition 2020/21:60, Stefan Löfven & Matilda Ernkrans, Forskning, frihet, framtid - kunskap och innovation för Sverige Available online: [https://www.riksdagen.se/sv/dokument-lagar/dokument/proposition/forskning-frihet-framtid---kunskap-och\\_H80360](https://www.riksdagen.se/sv/dokument-lagar/dokument/proposition/forskning-frihet-framtid---kunskap-och_H80360) [Accessed 21 April 2021]
- Regeringskansliet. (2017). Sverige och Agenda 2030 — Exempelsamling, Available online: <https://www.regeringskansliet.se/49f007/contentassets/309173a5a3314a8eb2c19f35f942ce28/sverige-och-agenda-2030--exempelsamling.-pdf> [Accessed 21 April 2021]
- Rolfer, B. (2018). The example of Scania: Successful health programme in the spirit of the Global Deal, *Embassy of Sweden in Lusaka*, 21 Aug 2018, Available online: <https://www.swedenabroad.se/en/embassies/zambia-lusaka/news--events/news/swhap/> [Accessed 20 April 2021]
- Saab. (2020). Available online: <https://www.saab.com/sv/newsroom/press-releases/2003/saab-ericsson-ibm-och-boeing-i-samarbete-infor-framtidens-nya-forsvarslosningar> [Accessed 23 April 2021]
- Scania. (2018). Annual & Sustainability Reports, Available online: <https://www.scania.com/content/dam/group/investor-relations/financial-reports/annual-reports/2018-en-scania-annual-and-sustainability-report.pdf> [Accessed 30 March 2021]
- Scania. (2019). Annual & Sustainability Reports, Available online: [https://www.scania.com/content/dam/group/investor-relations/financial-reports/annual-reports/Scania\\_AnnualReport\\_2019-English.pdf](https://www.scania.com/content/dam/group/investor-relations/financial-reports/annual-reports/Scania_AnnualReport_2019-English.pdf) [Accessed 30 March 2021]
- Scania. (2020). Annual & Sustainability Reports, Available online: <https://www.scania.com/content/dam/group/investor-relations/annual-review/download-full-report/scania-annual-and-sustainability-report-2020.pdf> [Accessed 30 March 2021]
- Scania. (n.d. a). Scania, Financial History, Available online: <https://www.scania.com/group/en/home/investors/company-overview/financial-history.html> [Accessed 15 March 2021]
- Scania. (n.d. b). Scania, About us, Innovation Research and Collaboration, Available online: <https://www.scania.com/group/en/home/about-scania/innovation/research/collaborations.html> [Accessed 15 March 2021]
- Scania. (n.d. c) Scania, News-Events, Available online: <https://www.scania.com/scaniasodertalje/sv/home/nyheter-event/regeringen-har-utsett-scanias-vd-till-ledamot-av-agenda-2030-del.html> [Accessed 15 March 2021]
- Scania. (n.d. d). Code of Conduct, Available online: <http://www.svtstatic.se/image-cms/svtse/1615389869/svts/article30453992.svt/BINARY/scania-code-of-conduct.pdf> [Accessed 10 April 2021]

- Sithole-Matarise, E. (2021). Truckmaker Scania says semiconductor shortage threaten production: *Dagens Industri, Reuters*, 10 March 2021, Available online: <https://www.reuters.com/article/us-scania-cv-production-idUSKBN2B227N> [Accessed 15 April 2021]
- SR. (2010). Scania accused of Saddam-era bribery in Iraq, Available online: <https://sverigesradio.se/artikel/4150383> [Accessed 19 April 2021]
- Svenskt Näringsliv. (2020). Spetsforskning i Sverige, Available online: [https://www.svensktnaringsliv.se/bilder\\_och\\_dokument/ypryr9\\_spetsforskning-i-sverige\\_200115pdf\\_1139390.html/BINARY/Spetsforskning-i-Sverige\\_200115.pdf](https://www.svensktnaringsliv.se/bilder_och_dokument/ypryr9_spetsforskning-i-sverige_200115pdf_1139390.html/BINARY/Spetsforskning-i-Sverige_200115.pdf) [Accessed April 23, 2021]
- SVT. (2021). Scania levererade lyxbuss till ministerns dotters bröllop, Available online: <https://www.svt.se/nyheter/granskning/ug/scania-levererade-lyxbuss-till-ministerns-dotters-brollop> [Accessed 15 April 2021]
- Swanborn, P. (2010). Case Study Research: What, Why and How?, *SAGE*, First Ed., Available: <https://methods-sagepub-com.ludwig.lub.lu.se/book/case-study-research-what-why-how> [Accessed 22 January 2021]
- Swedish Armed Forces. (n.d.). LASTBILAR, *FÖRSVARSMAKTEN*, Available online: <https://www.forsvarsmakten.se/sv/information-och-fakta/materiel-och-teknik/mark/lastbilar/> [Accessed 22 April 2021]
- Teknikföretagen. (2020). Ett innovations-system i världsklass, Available online: <https://www.teknikforetagen.se/globalassets/rapporter/forskning-och-innovation/ett-innovationssystem-i-varldsklass---teknikforetagens-forslag-infor-regeringens-forsknings-innovations-och-hogre-utbildningsproposition-2020.pdf> [Accessed 22 April 2021]
- Traton Group. (n.d.). Brands, *Traton Group*, Available online: <https://traton.com/en/company/brands.html> [Accessed 2 May 2021]
- United States Department of Justice. (2019). Ericsson Agrees to Pay Over \$1 Billion to Resolve FCPA Case, 6 December 2019, Available online: <https://www.justice.gov/opa/pr/ericsson-agrees-pay-over-1-billion-resolve-fcpa-case> [Accessed 23 April 2021]
- Wannberg, J. (2017). Nytt samarbete om personal mellan Försvarmakten och Scania, *Försvarmakten*, 2 October 2017, Available online: <https://www.forsvarsmakten.se/sv/aktuellt/2017/10/nytt-samarbete-om-personal-mellan-forsvarsmakten-och-scania/> [Accessed 23 April 2021]
- White, D. (2016). Business Collaboration with Government: Does Reward Outweigh Risk?, *Stanford Social Innovation Review*, November 14, 2016, Available online: [https://ssir.org/articles/entry/business\\_collaboration\\_with\\_government\\_does\\_reward\\_outweigh\\_risk#bio-foote](https://ssir.org/articles/entry/business_collaboration_with_government_does_reward_outweigh_risk#bio-foote), [Accessed 18 January 2021]

WSJ. (2020). Stu Woo, Available online: <https://www.wsj.com/articles/ericsson-emerges-as-5g-leader-after-u-s-bruises-huawei-11591095601> [Accessed 23 April 2021]

## APPENDIX

Table 2.2.1.1. Concepts of Government Relations and Political Relations

	<b>GOVERNMENT RELATIONS (GR)</b>	<b>POLITICAL RELATIONS (PolR)</b>
<b>Targets</b>	Governmental representatives at multiple levels	Organizational employees or associated employees
<b>Tactic</b>	Political lobbying	Political education, internal advocacy
<b>Functions</b>	<ul style="list-style-type: none"> <li>a) International/transnational government relations</li> <li>b) Federal or national government relations</li> <li>c) Provincial/state/canton government relations</li> <li>d) Municipal or local government relations</li> <li>e) Regulatory affairs/compliance</li> </ul>	<ul style="list-style-type: none"> <li>a) Associations/organization partnerships</li> <li>b) Constituency building/grassroots activity</li> <li>c) Political action committees (PACs)</li> <li>d) Political education</li> <li>e) Political risk assessment/analysis</li> </ul>
<b>Performers</b>	Corporate lobbyists, contracted lobbyists, association or coalitional lobbyists, designated organizational representatives such as senior executives, managers, or corporate legal counsel.	The PA professional, employees, members, customers, owners

Source: (Craig S. Fleisher, The Different Relations that Constitute Public Affairs Practice, 2017, p.30)

Table 5.1. Framework Analysis of the Selected Cases

Analysis variables	Scania	Ericsson
<b>Organizational - Level 1</b>		
<b>Operational organization</b>	<ul style="list-style-type: none"> <li>● IVORY COAST SOCIAL HEALTH PROGRAM - a collaboration with SIDA (decentralized),</li> <li>● LIFELONG LEARNING - decentralized - (coordinates education)</li> <li>● CEO CHAIRMAN OF AGENDA 2030 - Centralized (single executive)</li> <li>● BIOGAS IN INDIA - decentralized (a team operating abroad in collaboration with Swedfund to handle the public affairs operations)</li> <li>● BUSES IN INDONESIA - decentralized (indicates that through the Embassy of Indonesia, the public affairs operation is being handled by a specific issue manager, on a specific policy-related issue)</li> <li>● INTERVIEWS SCANIA - (decentralized but with some central coordination from the HQ in less mature markets)</li> </ul>	<ul style="list-style-type: none"> <li>● ERICSSON 5G LEADER - centralized (CEO works as a spokesperson)</li> <li>● ERICSSON TENSION - centralized (CEO works as a spokesperson)</li> <li>● ERICSSON &amp; UNICEF PARTNERSHIP - centralized (Heather Johnson, Vice President of Sustainability and Corporate Responsibility works as a spokesperson)</li> <li>● HUAWEI -, centralized, (CEO acts as a spokesperson)</li> <li>● ERICSSON 5G ROLLOUT IN SWEDEN - centralized (Vice president and head of Government &amp; Industry Relations acts as a spokesperson)</li> <li>● INTERVIEWS ERICSSON - decentralized and dispersed (as it is broken down into different elements, we can see that it is quite residual. However, should be aligned and coherent throughout the company)</li> </ul>
<b>Level of operation</b>	<ul style="list-style-type: none"> <li>● IVORY COAST SOCIAL HEALTH PROGRAM - enterprise level (trying to position the values), also institutionalized (a pattern of behaviour) “We were invited as we have a reputation as a good employer, and we showed interest at an early stage in being involved in this work. I am convinced that a good dialogue with our employees is part of the explanation of why we are a successful company,”</li> <li>● MILITARY TRUCKS - institutionalized</li> <li>● CEO CHAIRMAN OF AGENDA 2030 - Enterprise, department &amp; individual (indicates the values</li> </ul>	<ul style="list-style-type: none"> <li>● ERICSSON 5G LEADER - enterprise and corporate level (positioning values and behaviours of the organization)</li> <li>● ERICSSON TENSION - enterprise and corporate level</li> <li>● SAAB, ERICSSON, IBM, AND BOEING I SAMARBETE INFÖR FRAMTIDENS FÖRSVARSLÖSNINGAR - institutionalized</li> <li>● SPETSFORSKNING I SVERIGE - institutionalized enterprise and department level (Swedish government understand the perks with tax reductions for specific researchers during a project)</li> <li>● ERICSSON &amp; UNICEF PARTNERSHIP - enterprise</li> </ul>

	<p>concerning the stakeholder, shows tendencies of what policies and processes are regarded within the PA function and competence and skills for handling this business conduct)</p> <ul style="list-style-type: none"> <li>● BIOGAS IN INDIA - enterprise and department (shows a level of awareness and the importance of clean energy and the value of engaging in these issues, also confirm the policies and processes developed in the company)</li> <li>● BUSES IN INDONESIA - institutionalized (through embassies, Scania are having an institutionalized relationship and clear pattern of behaviour with governmental stakeholder)</li> <li>● INTERVIEWS SCANIA - (Showing awareness of the benefits of controlling the level of operations. On an enterprise level, they are reflecting the values of the company. On a corporate level, decentralized operations are evident. Scania is showing awareness of what policies and processes to deploy at the department level. Individual expertise is in focus to utilize the public affairs operations)</li> </ul>	<p>and department level (reflecting the values of the stakeholder, which they operate with. On the department level it indicates the specific policies and process they engaged with)</p> <ul style="list-style-type: none"> <li>● HUAWEI - enterprise: (is this beneficial for Ericsson to engage in this and does it reflect their values?) department: (the policies and processes they employ within the units' function and individual level.</li> <li>● ERICSSON 5G ROLLOUT IN SWEDEN - enterprise and individual (reflecting the values and issues important for the company and the stakeholder, also needed competence for handling this kind of matter)</li> <li>● INTERVIEW ERICSSON - (the interview indicates that it is needed throughout the organization, bottom-up, to have the right individuals with the best skills, deploy the right policies and processes within the right department and unit, at a corporate level, the structure is needed to handle the specific legislation or issues concerning each unit, department or country origin, and last, on enterprise-level, the purpose and the value in connection to Ericsson and society is of high importance to upkeep)</li> </ul>
<b>Environment analysis - Level 2</b>		
<b>Environment stakeholder analysis</b>	<ul style="list-style-type: none"> <li>● IVORY COAST SOCIAL HEALTH PROGRAM - target trends, engaging the stakeholder and shows social responsibility</li> <li>● RESEARCH INFRASTRUCTURE - target issues in the immediate environment and engages the stakeholder participation</li> </ul>	<ul style="list-style-type: none"> <li>● ERICSSON 5G LEADER - foresee trends and events within the American market as well as other influenced markets by the US.</li> <li>● PREPOSITION 202160 - Ericsson and Scania have worked as a referral body to adjust and supply support to the proposition of government</li> </ul>

	<ul style="list-style-type: none"> <li>● TRUCKS &amp; BUSES IN IVORY COAST - target sustainability efforts and engages the stakeholder</li> <li>● TRUCKS &amp; BUSES IN INDONESIA- (work with the stakeholder in socially responsible and environmentally friendly solutions (dealing with issues in the stakeholder environment)</li> <li>● INTERVIEWS SCANIA - evaluate the stakeholder market thoroughly, mainly in the biggest market of operations, EU.</li> </ul>	<p>spending in innovation and research between 2021-2024</p> <ul style="list-style-type: none"> <li>● SAAB, ERICSSON, IBM, AND BOEING I SAMARBETE INFÖR FRAMTIDENS FÖRSVARSLÖSNINGAR - in collaboration with these companies and the Swedish armed forces, Ericsson has been able to analysis the needs and issues concerning military defence, thus gaining defence contracts)</li> <li>● ERICSSON &amp; UNICEF PARTNERSHIP - they foresee issues within the undeveloped world. Supranational governments need help with solving these issues.</li> <li>● ERICSSON 5G ROLLOUT IN SWEDEN - they foresee the issues of Sweden lagging behind in the development of 5G. Is of big concern for both Ericsson and the Swedish government</li> <li>● INTERVIEW ERICSSON - evaluating the governmental stakeholder environment extensively, dependent on getting signals from the market areas.</li> </ul>
<p><b>What stakeholders to target and handle</b></p>	<ul style="list-style-type: none"> <li>● MILITARY TRUCKS - supply for the army that in the cases of competition (Volvo) asks for upkeep relations with the governmental stakeholder.</li> <li>● TRUCKS AND BUSES IN INDONESIA AND IVORY COAST - international governments where they foresee the lack of adequate transport vehicles.</li> <li>● RESEARCH INFRASTRUCTURE - targeting cities and regions in Sweden handling communication infrastructure through government collaboration)</li> <li>● INTERVIEWS SCANIA - understands the need of targeting the most relevant</li> </ul>	<ul style="list-style-type: none"> <li>● ETT INNOVATIONSSYSTEM I VÄRLDSKLASS - Ericsson is targeting the government politics of research and innovation (U2019/02263/UH)</li> <li>● ERICSSON &amp; UNICEF PARTNERSHIP - targeting the supranational entity of the UN.</li> <li>● ERICSSON 5G ROLLOUT IN SWEDEN - top officials, in this matter the Swedish Minister of digitalization</li> <li>● INTERVIEW ERICSSON - target stakeholders regarding the different fields of the business, to ensure that the most valuable cooperation can exist. Also, larger company collaboration with other companies indicates a higher</li> </ul>

	actors within transport, electrification, and energy on a national and international level)	achievement ratio and a stronger position of negotiation.
<b>Organizational environment analysis</b>	<ul style="list-style-type: none"> <li>● INTERVIEWS SCANIA - to tackle the new political landscape, Scania has now reorganized the Communications department centrally. However, the public affairs unit has now been split between, sustainability &amp; public affairs and partnership. This is since sustainability is too large and to achieve its objectives Scania needs to collaborate with governmental and private actors more extensively</li> </ul>	<ul style="list-style-type: none"> <li>● INTERVIEW ERICSSON - while handling the internal reorganization, taking part the last 10 years, they struggled within the mobile industry. The company itself understood that for survival within the industry and collaboration with governmental stakeholders, they needed to scale down and focus on the specific technology for being world leaders on 5G in the future.</li> </ul>
<b>Stakeholder relations - Level 3</b>		
<b>Government relations (GR) and/or Political relations (PoIR)</b>	<ul style="list-style-type: none"> <li>● IVORY COAST SOCIAL HEALTH PROGRAM - GR (targets: government representatives, functions: supranational government relations to operate abroad with SIDA)</li> <li>● MILITARY TRUCKS - GR, (target: government procurement, tactic: political lobbying, function: national government)</li> <li>● TRUCKS AND BUSES - GR, (targets: Governmental representatives at multiple levels function: regional level)</li> <li>● RESEARCH INFRASTRUCTURE - GR, (function: national government)</li> <li>● TRUCKS &amp; BUSES IN IVORY COAST - GR, (function: national government performers: designated organizational representatives such as senior executives, managers, or corporate legal counsel)</li> <li>● BIOGAS IN INDIA - GR, (targets: Governmental representatives at multiple levels, functions: national government)</li> </ul>	<ul style="list-style-type: none"> <li>● ERICSSON TELIA 5G - GR (functions: national government and local government)</li> <li>● ERICSSON 5G LEADER - GR (performers and tactics: political lobbying and corporate lobbyist)</li> <li>● ERICSSON CORE PROFIT - GR, (targets: governmental representatives, tactics: political lobbying, functions: regulatory affairs, performers: legal counselling. Ericsson still earns more than forecasted, despite the legal issues in the US, patent-related court proceedings against Samsung, and the Huawei scandal in Sweden)</li> <li>● ERICSSON TENSION - GR, (functions: transnational government relations performers organizational representatives such as senior executives)</li> <li>● ETT INNOVATIONSPROJEKT I VÄRLDSKLASS - PoIR, (targets: organizational employees, tactics: political education, function: cooperation with other</li> </ul>

	<ul style="list-style-type: none"> <li>● TRUCKS &amp; BUSES IN INDONESIA - GR, (target: governmental representatives at multiple levels, functions: international/transnational government relations, performers: association or coalitional lobbyists, uses i.e., Embassy of Latvia)</li> <li>● INTERVIEWS SCANIA - GR &amp; PolR, (targets: governmental representatives and organizational representatives, tactics: political lobbying &amp; internal advocacy, functions: international/transnational government relations and organization partnerships &amp; political risk assessment, performer: Corporate lobbyists, contracted lobbyists, networks etc.)</li> </ul>	<p>companies e.g., networks to affect the government's research politics (U2019/02263/UH this includes grassroots activity, performers could also be members of the association)</p> <ul style="list-style-type: none"> <li>● PREPOSITION 202160 - GR and PolR, (targets: governmental representatives &amp; associated employees, tactics: could be political education, functions: as supranational and national governments, performers: networks and member associations)</li> <li>● SAAB, ERICSSON, IBM OCH BOEING I SAMARBETE INFÖR FRAMTIDENS NYA FÖRSVARSLÖSNIGAR - GR &amp; PolR (target: the political representatives, tactic: political lobbying, function: of national government, Political action committees (PACs), Political education, Political risk assessment/analysis, performers: PA professionals and networks and corporate lobbyist)</li> <li>● SPETSKOMPETENS I SVERIGE - GR (targets: governmental representatives, tactic: political lobbying, function: national government, performer: representatives such as senior executives)</li> <li>● ERICSSON &amp; UNICEF PARTNERSHIP - GR, (function: supranational government relations, performers: designated organizational representatives such as senior executives, managers, or corporate legal counsel)</li> <li>● ERICSSON 5G ROLLOUT IN SWEDEN - GR, (targets: governmental representatives at multiple levels, tactic: political influencing, functions: national government relations,</li> </ul>
--	--	---

		<p>performers: VP - senior executives)</p> <ul style="list-style-type: none"> <li>● INTERVIEW ERICSSON - GR &amp; PolR, (targets: governmental representatives and organizational employees as party politicians, tactics: political lobbying and internal advocacy, functions: international and national governments &amp; organization partnership, performers: designated organizational representatives such as senior executives, managers, or corporate legal counsel &amp; networks and members of associations)</li> </ul>
<b>Measurement and the contribution of the unit - Level 4</b>		
<b>Measurement of PA unit work and its contribution</b>	<ul style="list-style-type: none"> <li>● ANNUAL REPORTS</li> <li>● STRATEGY DOCUMENTS</li> <li>● INTERVIEWS SCANIA - (except for annual reports and documents it is very difficult for Scania to measure the contribution of the PA unit except for sustainability matters)</li> </ul>	<ul style="list-style-type: none"> <li>● ANNUAL REPORTS</li> <li>● STRATEGY DOCUMENTS</li> <li>● INTERVIEWS ERICSSON - (strategic objectives for each unit and based on this, some activities can be measured quarterly)</li> </ul>
<b>The evolution of the public affairs function</b>	<ul style="list-style-type: none"> <li>● There are elements in the LIFELONG LEARNING (LLL) for the leadership function that are shown from investing in collaboration with the government and higher education institutions. This shows the prioritization of the LLL and the benefits that come from working with government actors. There is an increased mandate from the Swedish government for universities in Sweden to engage in the LLL.</li> <li>● MILITARY TRUCKS - maturity lies in the leadership function (level 4)</li> <li>● BIOGAS IN INDIA- international expansion and international marketing engagements</li> <li>● INTERVIEWS SCANIA - in general, it's of most</li> </ul>	<ul style="list-style-type: none"> <li>● ERICSSON 5G LEADER - leadership function (level 4). Forerunner on the international market. Indicates a mature relationship with governments around the world.</li> <li>● SVERIGE OCH AGENDA 2030 - Ericsson is becoming a part of Agenda 2030, indicate a developed leadership and cooperation with governmental bodies internationally.</li> <li>● ERICSSON 5G ROLLOUT IN SWEDEN - leadership function, Ericsson leads the process of keeping Sweden and the company as a forerunner of the development of 5G.</li> <li>● INTERVIEW ERICSSON - It is driven by the company's needs. In summary, there are internal company needs you to handle and make it into a</li> </ul>

	importance to expand globally for the public affairs unit to evolve and mature.	coherent language. At the same time, this does not happen in a vacuum, as the company and the governmental stakeholders are collaborating and relying on each other, the evolution and need for PA increases and become more important.
<b>Different areas for PA management engagement - Level 5</b>		
<b>The different areas of public affairs operations and future expansion</b>	<ul style="list-style-type: none"> <li>● IVORY COAST SOCIAL HEALTH PROGRAM - health program, social dialogue, geographically.</li> <li>● LIFELONG LEARNING-educational, “The main topic was sustainable transport systems and how research is coordinated within this area.”</li> <li>● MILITARY TRUCKS - products, R&amp;D</li> <li>● CEO CHAIRMAN OF AGENDA 2030 - (innovation, research, R&amp;D, education, social aspects)</li> <li>● RESEARCH INFRASTRUCTURE - innovation, research, R&amp;D</li> <li>● TRUCKS &amp; BUSES IN IVORY COAST - product, innovation, education, marketing</li> <li>● BIOGAS IN INDIA - innovation, product, marketing</li> <li>● TRUCKS &amp; BUSES IN INDONESIA- innovation, product, marketing</li> <li>● INTERVIEWS SCANIA - health programs and Swedish agency missions abroad are important to take part in. However, most of the focus is on R&amp;D within Sweden but also the EU to be a forerunner on transport and electrification and in the future be a more relevant global actor.</li> </ul>	<ul style="list-style-type: none"> <li>● ERICSSON TELIA 5G - product, service, R&amp;D, marketing</li> <li>● ERICSSON 5G LEADER - geographically (geopolitical?), product, innovation,</li> <li>● ERICSSON TENSION - product,</li> <li>● ETT INNOVATIONSSYSTEM I VÄRLDSKLASS - product, R&amp;D, education, social aspects</li> <li>● PREPOSITION 202160 - R&amp;D - Torbjörn Lundahl (director of research Ericsson) saw a lack of investments in digital programs when comparing with the ones in the transport area.</li> <li>● SAAB, ERICSSON, IBM OCH BOEING I SAMARBETE INFÖR FRAMTIDENS NYA FÖRSVARSLÖSNIGAR - product and R&amp;D</li> <li>● SPETSFORSKNING I SVERIGE - R&amp;D and education (gaining the best researchers in the world for a 1–2-year project)</li> <li>● INTERVIEWS ERICSSON - it should fit the purpose, values, and aims of the company. They take part in different areas, but it's mostly dependent on the relevant expertise they have, i.e., digitalization is needed for the world to be sustainable, so there is the focus of contribution.</li> </ul>

The table is based on the author's research of the theory, the interviews with Scania and Ericsson, and the publicly available information and documents.

Figure 5.1.1. Scania's Public Affairs Domain (The graphic image is based on the author research of publicly available information and interview)

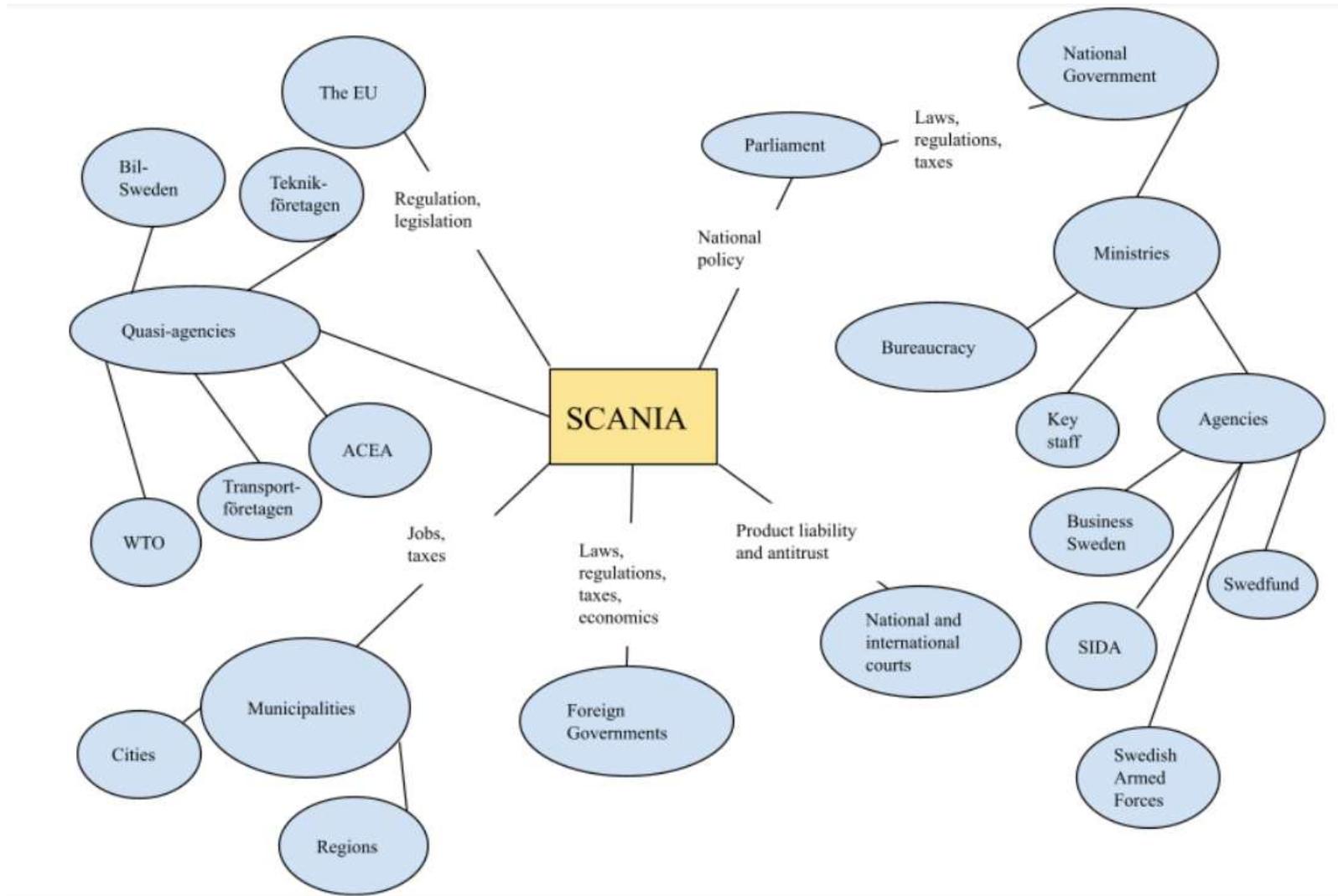


Figure 5.2.1. Ericsson's Public Affairs Domain (The graphic image is based on the author research of publicly available information and interviews)

