Corporate Social Responsibility in Denmark and the US

A comparative analysis of the CSR communication on the corporate websites of the LEGO Group and Mattel, Inc.

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Abstract

It is a widespread perception that understandings of CSR and thereby also CSR practices differ across countries due to different cultural and institutional frameworks, i.e. national business systems. What is perceived and valued as CSR in one country might not be CSR in another because of different political, cultural and economic norms and traditions. With this in mind, the aim of this thesis was to explore more specifically how CSR is approached in Denmark and the US.

First, a general review of some of the most dominant theories and perspectives of CSR was done and a common contemporary conceptualisation of CSR was established, which formed the theoretical framework for the thesis.

Secondly, a descriptive analysis of the contexts for CSR in each country was conducted. These included Matten & Moon's (2008) national business systems, international institutions, and the general market conditions for businesses.

Finally, an empirical analysis of the CSR communication on the corporate websites of the Danish toy manufacturer the LEGO® Group and the American Mattel, Inc was conducted. The purpose of this analysis was to see how CSR was approached in practice and in what ways or to what extent the above three contexts influenced the CSR communication and practices of the two case companies.

Based on Nigel Roome’s four main CSR agendas: Responsible business practices, Consumer responsibility, Sustainable enterprise, and Philanthropy and community involvement, the empirical analysis identified what the two case companies communicated in terms of content and topics and how, meaning to what extent. Based on the extent of communication and the theory by Lynch & Horton (2004) concerning the organisation and structure of websites, the prioritisation of topics was established. The presence, extent, and prioritisation of topics would help reveal the approach to CSR taken by each company.

The results of the analysis showed that the two case companies communicated the same in terms of topics and overall aim of their CSR activities. All of Roome’s four CSR agendas regarding the issues of employment practices, the environment, philanthropy and community involvement, and product safety were present on each website. Both case companies applied a strategic approach to CSR by integrating social and environmental considerations into their daily business, and both companies based their CSR
on a stakeholder approach. This indicated a common perception of what CSR entails in the two companies and suggested that both companies followed a common international approach to CSR.

The approach to each specific agenda, and the extent to which it was communicated, however, differed. In the LEGO Group, references to compliance with national and international standards and legislation were made frequently and the UN Global Compact had been adopted which guided the actions and communication of the company. This indicated an influence of the Danish national business system which was generally found to rely on legislation and international standards and agreements. In contrast, Mattel did not refer to legislation except for in the case of the issue of product safety. Instead, the company applied self-established standards which had no international or common reference. This was explained by the liberal American national business system which is characterised by a small state, less government intervention and a preference for less regulation from authorities.

As regards the extent of the CSR communication by each company, the LEGO Group communicated its CSR commitment more extensively and in more detail on the website than Mattel. This was, however, explained by a different communication strategy of the two companies.

While the LEGO Group seemed to present its entire CSR commitment on the website, Mattel had chosen to communicate its CSR commitment extensively in its CSR report and only include a brief summary of its CSR activities on the website in relation to each topic with links to the CSR report. Only in the case of the agenda of philanthropy, did Mattel communicate more extensively than the LEGO Group on the website. The great emphasis on this particular topic by Mattel reflected the influence of the US national business system in which philanthropy has always been an important part of CSR due to the low involvement of the state in relation to social issues.

In conclusion, while the LEGO Group and Mattel are both operating on an international market and thereby follow an international approach in their communication, they are still influenced by the national context from which they originate.
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1 Introduction

Originating from the United States of America (Carroll 1999; Matten & Moon 2005:338), the idea of corporations explicitly stating and communicating their responsibilities towards society and their stakeholders (Corporate Social Responsibility), specifically in terms of economic, social and environmental issues, has spread to become an increasingly important and, to some extent, even an imperative part of the way organisations worldwide present themselves and their way of doing business today.

Although debates over Corporate Social Responsibility (CSR) have been going on in the US for half a century now (Carroll 1999), it is not until recently, i.e. within the last couple of decades, that they have gained momentum in societies outside the US (Matten & Moon 2008:404-406; Matten & Moon 2005:335-338).

In Western Europe, in particular, the concept of explicit CSR is fairly new although the involvement in issues associated with CSR is not. The reason for this is that many of the issues which are traditionally associated with CSR have been an “implicit” part of the European business practices due to the specific legal, political and cultural systems in Europe which have handled many of these issues (Matten & Moon 2005:335-336,338; Idowu 2009:11-13). Therefore, there has never been a reason, need or expectation for European companies to explicitly state their responsibilities or commitments to certain societal issues. These were simply implicit in the national institutional framework.

The concept of Corporate Social Responsibility, which includes the question of the role and responsibilities of corporations in relation to society, has been discussed immensely by scholars and practitioners for more than half a century in the US and for the last couple of decades in Europe. The common denominator is that CSR cannot be defined in a single universal way as it is highly bound to the culture and national context of the institutional framework in which it is situated. What is considered important in the field of CSR in one country is not necessarily the same in another country which makes CSR such a complex concept (Idowu & Filho 2009:1,3-7; Idowu 2009;14; Roome 2005:317,319-323,330-331). In addition, CSR is also characterised by being a dynamic concept which changes over time according to current trends in societies (Roome 2005:319-321). In this respect, the understanding of CSR is found in the common features of all the different CSR approaches across countries as well as the common features of the theoretical writings within the subject.
However, with the rise of the new economy where the world and markets of a company are no longer limited to national borders, businesses are more susceptible to global events and demands outside the national context of companies.

Major incidents and corporate scandals within the global business environment throughout times such as the Union Carbide explosion in Bhopal, India in 1984, the Enron scandal in United States of America in 2001 (Idowu & Filho 2009:1), and Shell’s Brent Spar oil platform in 1995 (Morsing et al. 2008b:13), to name a few, have brought the question of businesses’ reliability, trustworthiness, values, conducts and responsibilities into the spotlight of the consumer and the general public. As a result, an increased pressure for transparency and accountability in companies has emerged from society (Idowu 2009:2).

In the age of globalisation, companies can no longer hide or survive with irresponsible or unethical behaviour (Idowu & Filho 2009:2; Roome 2005:320). Nor can they afford it (Werther & Chandler 2006:52). Easy access to and the speed with which information about the deeds and atrocities of businesses travel in the modern world have forced corporations worldwide to consider their actions more thoroughly and take responsibility for the impacts these may have on society (Lindgreen et al 2009:254; Werther & Chandler 2006: 55).

In Denmark, CSR has traditionally been characterised by a strong political engagement and encouragement for CSR initiatives in the private sector. The concept of Corporate Social Responsibility was more or less introduced by the social-democratic government in 1994 with then Minister of Social Affairs Karen Jespersen’s campaign labelled “It concerns us all”. Times of high unemployment and in particular long term unemployed cost the state a lot of money and led the government to recognise its inabilities to cope with the problems of the welfare state alone. Focus was on limiting the social exclusion of the work force by means of “the inclusive labour market strategy” (Morsing 2005:26-30).

In the US, CSR has traditionally consisted of discretionary acts of companies due to the tradition of less government intervention in this country (Matten & Moon 2005:335; Matten & Moon 2008:407-408).
1.1 Aim

As it appears from the above, the way CSR is understood and practiced differs across countries due to different socio-economic, institutional, and cultural systems. These systems constitute the national context within which a company is situated and which affects business behaviour and communication. The content and manner of the CSR communication as well as the extent to which CSR is communicated by a company is therefore expected to differ accordingly.

With this in mind, the purpose of this thesis is to explore more specifically how CSR is approached in Denmark and the United States of America, respectively.

The answer to the above question will be based on a descriptive analysis of the context for businesses in Denmark and the US as well as an empirical analysis of the CSR communication on the corporate websites of two case companies – one from each country. The case companies are the Danish toy manufacturer LEGO Group and the American, Mattel, Inc..

In relation to the above, the following questions will be answered:

- What constitutes the contextual frameworks for CSR in Denmark and the US?
- How is the CSR communication of the two case companies affected by the contextual frameworks?
- Which topics are communicated and how are these prioritised in each company?
- Is there a divergence or convergence in the CSR communication of the two case companies?

1.2 Theory and methodology

In order to answer the question of how CSR is approached in Denmark and the US, it is important to gain an initial understanding of what CSR is, how it can be defined as well as the ongoing debates which surround it. An initial introduction to the concept of CSR in general will therefore be provided based on a general review of existing literature on the subject. This introduction will form the theoretical framework for the entire thesis and the empirical analysis, in particular.

Secondly, a descriptive analysis of the contextual framework for CSR in Denmark and the US will be conducted. This analysis will include Matten & Moon’s (2008) definition of national business systems (Cf. section 3.1) but will not be limited to it as other factors inside and outside the national context may affect business practices as well. Hence, the broad term “contextual framework” (Cf. chapter 3 for elaboration).
The contextual framework analysis will partly serve as a means to answer the overall question in itself. However, at the same time it also forms the foundation for the empirical analysis of the CSR communication on the corporate websites of the two case companies.

Based on the general theoretical framework for CSR and the results of the contextual framework analysis, the empirical analysis will serve as an example of how CSR is approached in practice in Denmark and the US, respectively. Nigel Roome’s four CSR agendas will be applied as a means to identify the topics communicated by each case company (Roome 2005:321). Concurrently, inspired by Constance Kampf’s approach to analysing websites, the manner in which these topics are presented will be determined (Kampf 2008:45-46). The latter will disclose the priority given to each topic by the two companies, which will help reveal their approach to CSR. The prioritisation of topics will also be defined with a view to Lynch & Horton’s (2004) theory about prioritisation and structuring of information on a website (Lynch & Horton in Moreno & Capriotti 2009:162). In addition to the above, the purpose of the empirical analysis will be to explore how and to what extent the contextual framework for each case company has affected their respective CSR communication on their corporate websites.

Finally, based on the results of the empirical analysis, the question of whether there is a divergence or convergence between the CSR communication of the two companies will be answered, i.e. do the two companies actually differ as theory states they should?

1.3 Structure

The thesis is divided into six main chapters with each their subsections. Chapter 1 outlines the thesis in terms of first an introduction which states the foundation for the aim of the thesis and places it in the complex context of Corporate Social Responsibility. Next, the specific aim of the thesis is introduced followed by the methodology and theory applied to answer this aim. The data subject to the empirical analysis in chapter 4 is described and finally, the scope and perspective of the thesis are delimited.

In chapter 2, a general introduction to the concept of CSR including what it means and how it can be understood is provided in order to identify the overall theoretical framework for the thesis and the empirical analysis, in particular.
Chapter 3 then narrows down the focus to concern CSR in the two specific countries in question, i.e. Denmark and the US. In this chapter, the contextual framework for CSR in each country is identified which will serve as a foundation for the empirical analysis of the CSR communication on the corporate websites of the two case companies – the LEGO Group in Denmark and the American Mattel, Inc., This analysis will be conducted in chapter 4 as a means to answer the overall aim and research questions stated in Chapter 1.

The results of the analysis will then be discussed in chapter 5 and put into perspective in relation to chapters 2 and 3.

Finally, the results of the entire thesis in relation to the overall aim will be stated in the conclusion in chapter 6.

1.4 Reflection on data

1.4.1 Selection and description of data

Denmark and the United States of America were chosen as the two countries of interest for this thesis based on the fact that they are quite the opposites of each other as regards their national business systems (Cf. chapter 3). In this respect, differences in the CSR communication of each company are to be expected. In addition, CSR is said to originate in the US which makes this country particularly interesting to include in a comparative analysis of CSR approaches across countries in order to see how the concept is adopted in countries outside its country of origin. Denmark is chosen based on my personal affiliation with this country but also because of a personal interest in expanding my knowledge of CSR in the country within which I expect to pursue a career in the near future.

The empirical data of the thesis consists of the CSR communication on the corporate website of one case company from each country of interest. The case companies selected are the Danish toy manufacturer LEGO® Group¹ and the American Mattel, Inc. (hereafter “Mattel”). The two companies will be described in further details below. The empirical analysis is purely based on data derived from each website on 22 March 2010. Any subsequent changes to the content of the websites as a result of the dynamic nature of the online media are not included.

¹ According to the LEGO Group policy on the usage of its brand name, the first time the LEGO brand name is mentioned it must be accompanied by the Registered symbol ® (The LEGO Group 2009a:19). Throughout the thesis, the company name is otherwise referred to without the registered symbol.
The data subject to analysis is derived primarily from the specific section on each website which relates to CSR. In both case companies, this section is titled Corporate Responsibility (CR) and not Corporate Social Responsibility\(^2\) (Cf. Appendix 2.1; Appendix 3.1\(^3\)). However, in the case of Mattel, the individual sections titled “Diversity” (Appendix 3.4) and “Philanthropy” (Appendix 3.5-3.11) are also included in the analysis as they relate directly to the concept of CSR in spite of how Mattel chooses to define it. In both cases, the above sections were found under the category “About Us”.

As regards the CR section on the LEGO Group website, the specific content in the last two subcategories “Freight security” and “Legal notice” (Appendix 2.12 and 2.13) will not be subject to analysis. Although they are part of what the LEGO Group defines as their corporate responsibilities, the content of these sections do not fall within the general understanding of CSR content in the same way which the rest of the categories in this section do.

In addition to the analysis of the CSR communication on the corporate websites, a brief discussion and review of the latest CSR report of each company will be included in chapter 5 in relation to the discussion of the results of the analysis. However, the content of the reports will not be part of the main analysis which only focuses on the actual website/webpage communication of the two case companies.

### 1.4.2 Selection and description of case companies

The LEGO Group and Mattel, Inc. are both large multinational companies (MNCs) in terms of revenue and employees. Although they operate in a global market, they are, however, both still headquartered in the same national context from which they emerge. The CSR communication and practices of the companies are therefore still rooted in the specific national culture and context of their home country. The question is, however, how and to what extent the CSR communication and approach to CSR in the companies are influenced by the national context or the emerging international context.

The companies chosen are business-to-consumer (B2C) companies within the same industry of toy manufacturing. The choice of B2C companies is made based on the assumption that these companies are more extensive in their CSR communication to their stakeholders through the corporate websites due to the close relations with the end-user, compared to business-to-business companies (B2B). The size of

\(^2\) For an explanation of why the companies exclude the term “social”, see section 4.6.4

\(^3\) Appendix 2.1 refers to Appendix 2 (the LEGO Group website), text 1. Appendix 3.1 refers to Appendix 3 (Mattel website), text 1, etc.
the companies is also found to be important for the extent of the CSR communication as it is assumed that large companies invest in, and communicate more about CSR initiatives than small and medium sized enterprises (SMEs) (Lindgreen et al. 2009:264). This assumption is first of all based on the perspective that large companies have more resources available to engage in CSR, whether economically speaking or in terms of social capital, compared to SMEs. Secondly, large companies tend to attract more attention from the media (Lindgreen et al. 2009:264), which makes the companies and their operations more visible to the public and other relevant stakeholder groups. As a result of this, these companies are more vulnerable to criticism and are inclined to pay extra attention to their image to which CSR can be a means (Lindgreen et al. 2009:262, 264).

Although some studies have failed to find a relation between CSR differences across industries (Maignan & Ralston 2002:505), other researchers state that:

...the industry in which an organisation competes does have an impact on the attitudes or behaviours associated with corporate social responsibility (Pinkston & Carroll 1996: 203).

In this thesis, I share the stance of the latter as I believe, e.g. the oil and chemical industry have their own specific topics of importance as well as a differing need to communicate CSR, compared to, e.g. window manufacturers.

With this in mind, the overall type of industry was somewhat irrelevant in the selection of the case companies. However, for the purpose of the validity of the analysis, it was an important criterion that both companies were from the same industry in order to exclude the question of whether the results of the analysis regarding the practice and communication of CSR would be due to industry specific differences.

In addition to the fact that two companies are from the same industry, they operate in the same markets with the same type of products (toys), addressing the same target group of customers (Mattel, Inc. 2008:6; The LEGO Group 2009b:12). This creates an even better platform for comparison in the analysis as regards the topics communicated and the extent to which the contexts of each company influence the CSR communication (Cf. chapter 3). Based on the above similarities between the two case companies, I expect to find some degree of similarity in the content communicated by each company in terms of topics and the prioritisation of these.
1.4.3 Presentation of the LEGO Group

The LEGO Group is a privately held company based in Billund, Denmark. It is a well-reputed company most commonly known worldwide for its classic LEGO brick which is the foundation for all of the company’s products (The LEGO Group 2010).

Founded in 1932 by carpenter Ole Kirk Christiansen, the company started out by making wooden toys (The LEGO Group 2009a:8). The company’s name “LEGO” was established in 1934 and is formed by the first two letters of the Danish words LEG GODT, which means “play well” (The LEGO Group 2009a:3). The LEGO brick was, however, not launched until in 1958 (The LEGO Group 2009a:9). Today, “LEGO” encompasses both the name and the spirit of the company (The LEGO Group 2009a:3).

Passed on through generations from father to son, the company has stayed in the hands of the Kirk Christiansen family and is today owned by the founder’s grandson Kjeld Kirk Christiansen⁴ and his children (The LEGO Group 2009a:8).

With sales in 130 countries and more than 8,000 employees worldwide, the LEGO Group is the world’s fifth-largest manufacturer of toys (The LEGO Group 2010).

Based on the philosophy that children learn and develop through play and that “good play” enriches a child’s life – and its subsequent adulthood (The LEGO Group 2009a:3), the company has developed and markets a wide range of products for children of all ages from pre-schoolers to young children (The LEGO Group 2009a:9-10,12). The vision of the LEGO Group is to “invent the future of play” (The LEGO Group 2009b:13).

While concept and product development primarily take place at the company’s headquarter in Billund, LEGO bricks are manufactured ...at the Group’s own factories in Denmark, Eastern Europe and Mexico, and by external suppliers abroad. (The LEGO Group 2009a:7)

1.4.4 Presentation of Mattel, Inc.

Mattel, Inc. (hereafter “Mattel”) is the American toy manufacturer behind some of the most widely recognised toy brands in the world. The product range includes, among others, the well-known Barbie® and Fisher-Price® brands as well as Disney Classics, Polly Pocket® and Hot Wheels® to name a few.

⁴ The fact that Kristiansen is spelled with a “K” instead of “Ch” is not a mistake. See references for further details.
Headquartered in El Segundo, California, the company …designs, manufactures, and markets a broad variety of toy products worldwide…(Mattel, Inc., 2008:3) for children of all ages from infants and preschoolers to young boys and girls (Mattel, Inc. 2008:6).

The company was founded in 1945 by the couple Ruth and Elliot Handler together with Harold “Matt” Matson (Mattel, Inc. 2010a). The name Mattel is formed by the combination of two of the founders’ names, i.e. “Matt” and “El” (from Elliot) (Wikipedia 2010). It started out as a small garage workshop making wooden picture frames from the Handlers’ own garage in Southern California (Mattel, Inc., 2009:4). However, in a sustainable spirit of not wasting any materials, Elliot Handler developed a successful side-business of making doll house furniture out of the scraps of the picture frames (Mattel, Inc. 2009:4; Mattel, Inc. 2010a). Harold Matson soon sold his part to the Handlers who then turned the company focus into making toys based on the success of the doll house furniture (Mattel, Inc. 2010a). And so the toy manufacturer Mattel was born.

Today, Mattel is the world’s largest designer, manufacturer and marketer of toy products in terms of sales (The LEGO Group 2009a:8). The company employs 29,000 people with operations in 43 countries and territories and sells products in more than 150 nations around the world (Mattel, Inc. 2009:4). The company’s vision is to provide …the world’s premier toy brands—today and tomorrow (Mattel, Inc. 2008:3).

Mattel products are primarily manufactured in company-owned facilities located in China, Indonesia, Thailand, Malaysia, and Mexico but also third-party manufacturers are used. Production of Mattel’s core products are, however, concentrated in Mattel’s own manufacturing facilities (Mattel, Inc. 2008:5).

1.5 Delimitations
Although CSR applies to any type of organisation whether non-profit or for-profit (Idowu 2009:24), this thesis only focuses on CSR in for-profit organisations. Unless otherwise stated, the term “organisation” will therefore be used interchangeably with the synonymous terms “company”, “corporation” and “businesses” in the sense of for-profit organisations throughout the thesis.
In the absence of access to all the facts and figures of the CSR approach in the two case companies, the CSR communication on the corporate website of these two companies is seen as a reflection of the specific CSR approach of each company. It is acknowledged that the companies may engage in more activities than the ones communicated or that they may communicate more than they actually engage in. It is also acknowledged that the companies may not even do what they say they do. However, neither the specific CSR activities nor the credibility of the CSR communication are the focus in this thesis, and hence neither of these aspects will be considered further.

By definition, it is a voluntary act for companies to engage in CSR activities (Marrewijk 2003:102) and in the majority of countries also to communicate about it. In Denmark, however, companies are recently required by law to communicate whether or not they are conducting CSR and if so, what their activities are in this area (Cf. section 3.3.2.1). There are, however, no universal rules or legislation for companies as to which CSR activities to engage in or how to communicate about them – only voluntary guidelines and standards (Cf. section 3.4.2). It is therefore up to businesses themselves to define what CSR means to them and how they will approach and communicate it. Based on that fact, it would, to some extent, make sense to determine the approach to CSR in a given country based on the sum of all CSR activities by a representative number of companies in that country (‘bottom-up approach’). Although this method seems to be the most applied by researchers in the current literature regarding cross cultural differences in CSR (Maignan & Ralston 2002; Hartmann et al. 2007; Sotorrío & Sanchez 2008), this thesis employs a different approach.

As stated in the Aim and chapter 3, the view of this thesis is that all business practices in relation to CSR are influenced by the given national and international context for a company. Instead of determining the approach to CSR in a given country as constituted by the various CSR activities of the companies (‘bottom-up-approach’), this thesis employs a ‘top-down’ approach. This approach aims to determine the national approach to CSR in a given country based on the current national and international institutional context (collectively: contextual framework) in which a company is embedded.

Although the specific CSR approach of companies may influence and help redefine the overall national approach, the view in this thesis is that the overall contextual framework for a business in a given country is the first and foremost determiner of CSR in that country (Cf. chapter 3).
The methodology applied in this thesis is therefore not a qualitative analysis of the CSR communication of multiple corporate websites. Rather, it is a contextual analysis followed by a specific example of how CSR is communicated and thereby approached and practiced in two selected companies from two different countries. As one of the purposes of the analysis is to explore the implications which the national business system and the general context for a company have on the CSR communication, one case company from each country of interest is considered enough.

1.5.1 Definition of Corporate Citizenship

Based on the fact that one of the case companies uses the concept of Corporate Citizenship in reference to its corporate social responsibility commitments, this concept will be elaborated on below. It will, however, only be introduced briefly in this delimitation section, as Corporate Citizenship is considered to be one of the many overlapping concepts to CSR which have emerged in the vast amount of varying conceptualizations and developments of CSR (Matten & Moon 2005:335). In addition, Corporate Citizenship constitutes an entire field of research in itself with a variety of theories, interpretations, perspectives and conceptualisations of the concept (Andriof & McIntosh 2001). A thorough discussion of this concept therefore falls outside the scope of this thesis.

Corporate Citizenship is a term which is increasingly adopted by companies and applied in the business and academic literature in reference to businesses’ social and environmental responsibilities towards society in general and/or a company’s stakeholders (Matten & Crane 2005:166). Corporate Citizenship is therefore most often used as a synonym for CSR (Carroll & Buchholtz 2008:60, Carroll 1998 in Matten & Crane 2005:168-169) despite its own theoretical discussions and conceptualisations as stated above.

In relation to this thesis, Corporate Citizenship is understood as the perception of companies as ‘citizens’ of the society in which they are placed or operate (Matten & Crane 2005:169). Like private citizens, companies have certain duties or responsibilities in and towards society which they must fulfil on an equal basis as any private citizen ...in order to be perceived as good corporate citizens (Carroll & Buchholtz 2008:60-61). In this respect, Corporate Citizenship places the corporation at level with private citizens as a depiction of the company similar to citizens in society (Matten & Crane 2005:169,173,174). The message of the concept seems to be that ‘we (corporations) are part of society just like you (private citizens) and we acknowledge those responsibilities and expectations which follow such status.’
2 Theoretical framework for Corporate Social Responsibility

As stated in the introduction, Corporate Social Responsibility (CSR) is a complex concept which is difficult to pin down in a single universal definition due to its culturally and contextually bound nature (Cf. chapter 1). It is a highly contested concept among both scholars and practitioners to which the vast amount of academic and business literature on the subject bears witness (Andriof & McIntosh 2001; Bendell 2001; Carroll 1999; Dahlsrud 2008; Garriga & Melé 2004; Habisch et al. 2005; Idowu & Filho 2009; Maignan & Ralston 2002; Marrewijk 2003; Matten & Crane 2005; May et al. 2007, etc.). The three-letter acronym has given rise to an enormous ongoing debate about what the concept of CSR entails, how it can be defined or conceptualised as well as theoretically approached.

Corporate Social Responsibility is often described as an umbrella concept which embraces a variety of overlapping concepts such as Business Ethics, Sustainability, Corporate Citizenship, Corporate Philanthropy, Corporate Governance, Corporate Social Performance, Corporate Social Responsiveness, and environmental responsibility (Matten & Moon 2005:335; Lindgreen et al. 2009:252) to name a few. Each of these concepts has their own extensive theoretical framework (Carroll 1999:288) and because of this, a myriad of definitions and conceptualisations of the concept of CSR exist.

In addition, CSR is a highly dynamic concept, which changes in content over time in accordance with contemporary issues of importance in a given society (Roome 2005:320) and in line with the ongoing theoretical conceptualisations of it. What CSR is, therefore more or less depends on the perspective and context in which it is seen. Common features within the general theoretical writings of CSR can, however, be found.

The fact that CSR can be approached from a variety of angles and that understandings of it are shaped by diverse cultural and socio-economic backgrounds makes CSR a too diffuse and complex concept to describe fully. A general discussion of some of the common features and dominant theories and conceptualisations within the field of CSR will therefore be provided below as a means to gain an insight into what this concept means and how it can be approached.
2.1 What is Corporate Social Responsibility?

In its basic form, Corporate Social Responsibility refers to the idea that in particular large organisations within the business sector, i.e. corporations (Freeman & Ramakrishna 2006:25), because of their increased power in and impact on societies around the world (Neergaard 2006:149-150), have or should have a broader set of responsibilities towards society in general which go beyond the narrow economic interest and legal obligations of the firm (Carroll 1999 & 1991; Griffin & Vivari 2009:237; Lindgreen et al. 2009:251,253). What these responsibilities consist of and to whom a corporation more specifically is perceived to be responsible is, however, a matter of discussion.

Although the demand for CSR traditionally is concerned with large companies, the concept of CSR applies to all businesses and organisations and has spread to become an important issue for any company regardless of size (Neergaard 2006:19; EU Commission 2001:3,7).

2.1.1 The shareholder view

Traditionally speaking, a company was considered to be socially responsible and to meet the expectations of society by contributing to the general economy and creating wealth for society. The primary role and responsibility of a company was to produce goods and services, provide jobs, and be profitable by any means possible regardless of the human and environmental consequences as long as it was within the realm of the law (Idowu & Filho 2009:1-2).

Representing this basic view on businesses’ responsibilities, the widely cited American economist Milton Friedman (1970) argues that the only social responsibility of business is to increase profits for its owners or shareholders while ...conforming to the basic rules of society... in terms of obeying the law and following current ethical customs (Friedman 1970:70). According to Friedman, social activities in terms of donating money to good causes and dealing with other social issues are considered to be a waste of shareholders’ money and a distraction from the core purpose of a company (Friedman 1970:69-70; Andriof & McIntosh 2001:13). As opposed to the more contemporary stakeholder view and instrumental approach to CSR, as stated below, Friedman’s view implies that shareholders do not perceive social engagement as a way to achieve profits.
The above classical view of a company’s responsibilities is widely cited as a stark contrast to contemporary understandings of CSR. It does, however, still play a role in defining CSR as it forms the foundation for contemporary conceptualisations and understandings of CSR.

2.1.2 The stakeholder view
Based on the contemporary literature on CSR, companies are considered to be responsible to a broader group of stakeholders than just the owners of a company, i.e. the shareholders (Marrewijk 2003:96). This perception builds on Freeman’s stakeholder management theory which defines a stakeholder as \( \text{*any group or individual who can affect or is affected by the achievements of the firm’s objectives*...} \) (Freeman 1984 in Neergaard 2006:26). In order to profit and survive, which is still considered the primary goal and responsibility of a company (European Commission 2001:4), businesses need to identify and act in accordance with the demands and expectations of its stakeholders (consumers, employees, investors, governments, suppliers, local community members, NGOs, etc.) (Neergaard 2006:26,80; Lindgreen et al. 254). In this respect, the responsibilities of a company are defined by its stakeholders.

2.1.3 Societal view
According to the broadest view on CSR, companies are an integral part of the society in which they are placed and operate. Their actions are considered to affect society in general and thus companies are considered accountable for their impacts on society as a whole. Businesses should \( \text{*serve constructively the needs of society – to the satisfaction of society*} \) (CED 1971 in Marrewijk 2003:97) in order to gain ‘license to operate’ (Marrewijk 2003:96-97; Thomsen & Nielsen 2007:28). Companies presenting CSR in this approach are considered ‘\textit{good corporate citizens}’ (Waddock 2004 in Thomsen & Nielsen 2007:28). When talking about the responsibilities of corporations towards society, this includes a company’s stakeholders in its original sense but broadens the perspective to also include other elements like the environment and the general wealth and quality of life in the societies in which corporations operate.

In practice, the stakeholder and societal views are most often used interchangeably or applied in combination (Carroll 1991:40,43; Carroll 1999) as stakeholders constitute an important part of what is referred to as “society” (Carroll & Buchholtz 2008:27). Unless otherwise stated, this will be the case throughout this thesis.
2.1.4 Carroll’s pyramid of Corporate Social Responsibility

Building on the above three perceptions of what a company’s responsibilities are and to whom, Carroll (1991) defines Corporate Social Responsibility as a construct of four main elements:

*The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time.* (Carroll 1979 in Carroll 1999:283)

This definition of CSR is one of the most recognised and most cited within the CSR literature (Matten & Moon 2005:337; Schwartz & Carroll 2003:504). Although the above conceptualisation of CSR is formed on the basis of American CSR literature (Carroll 1999), the definition does seem to hold some universal truth - at least regarding the first three elements.

Apart from including the economic interest and legal obligations which a company is generally acknowledged to have (Friedman 1970:70; Carroll 1991:40; Carroll 1999; EU Commission 2001:6), Carroll (1991) extends the view of a business’s responsibilities towards society to go beyond these basic elements by including ethically correct behaviour, and most defining for this model: voluntary discretionary acts of companies (philanthropic responsibility).

Portrayed in a pyramid (Cf. Figure 1 below), the economic responsibility of a company, i.e. to produce goods and services and be profitable is the founding element upon which all other responsibilities of a business rest, and it is a prerequisite for CSR activities (Carroll 1991:40-41; Matten & Moon 2005:337). The legal responsibility of a company refers to businesses’ obligation to conduct their business within the realm of the law. The ethical component entails the responsibility for a company to go beyond the law by also acting in accordance with the unwritten ... *standards, norms, and expectations that reflect...* what the stakeholders of a company regard as right and fair (Carroll 1991:41).

Finally, the discretionary element embodies the desire that companies are good corporate citizens (Cf. section 1.5.1) and improve the quality of life by voluntarily contributing resources to the community in the form of, e.g. financial and/or product/service donations for good causes, employee time, voluntary discretionary engagement in programs, etc. (Carroll 1991:42). These philanthropic actions or responsibilities are, however, not a responsibility or expectation in an ethical or moral sense but merely desired. Hence, the discretionary and voluntary focus of this element (Carroll & Buchholtz 2008:43-44).
Although depicted at the top of the pyramid, the philanthropic component is not to be seen as the most important or most valued responsibility. On the contrary, it is actually *less important than the other three categories...* but is *highly desired and prized...* by society (Carroll 1991:42).

![Figure 1: The pyramid of corporate Social Responsibility. (Adapted from Carroll 1991:42)](image)

In short, for a company to be socially responsible it must be profitable, obey the law, be ethical and be a good corporate citizen (Carroll 1991:42). CSR is the sum of all four elements and a company must adhere to all of these elements simultaneously in order to be socially responsible (Carroll 1991:42; Carroll & Buchholtz 2008:46). They are by no means sufficient on their own.

### 2.1.5 The international definition of CSR

Building on the first three elements of Carroll’s pyramid and the above three views on CSR, the European Union defines CSR as:

...*a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis* (EU Commission 2001:6)
In contrast to Carroll’s more American view on CSR in terms of the philanthropic responsibilities which have come to be equated with CSR in the US (Griffin & Vivari 2009:237), the EU definition specifies social and environmental concerns as the prime areas of responsibilities for companies to deal with on a voluntary basis while following their economic purpose. CSR is about the voluntary decision of companies to ...contribute to a better society and a cleaner environment (EU Commission 2001:4) by managing their impacts on society within the economic, social and environmental areas, i.e. People, Planet and Profit (Elkington 1997 in Marrewijk 2003:103).

Although the above quoted sentence sounds similar to Carroll’s discretionary element, the above EU definition does not directly include or encourage any form of philanthropic activities towards the community. Instead, the means to achieve the above is a strategic one whereby companies should voluntarily integrate CSR initiatives and considerations into their core business strategy (EU Commission 2001:4). A European report from 2008 perfectly explains the EU definition of CSR as follows:

...the fact that CSR is the integration of social and environmental concerns within business operations means that CSR is not just philanthropy. The emphasis is on how enterprises do their daily work; how they treat their employees, how they produce goods, how they market them, and so on. CSR is not so much about what enterprises do with their profit, but how they make that profit (EU Commission 2008:107).

The quotation shows the strategic emphasis on CSR in a European context in which case the EU believes that companies should contribute to a better society and cleaner environment by making a profit in a socially responsible way – not just by giving it away.

The last important element worth noticing is that CSR in an EU or international sense is based on a dialogue with stakeholders which, among other things, could include partnerships with various institutions such as trade unions, public authorities, non-governmental organisations, and business representative organisations (Marrewijk et al. 2003 in Neergaard 2006:22; European Commission 2008:107). In lack of a theoretically defined universal definition of CSR and because companies increasingly operate in an international arena, the EU perspective seems to be the internationally prevailing conceptualisation of CSR (Neergaard 2006:20).
2.1.6 Explicit CSR

In addition to the above, Matten & Moon (2005) defines CSR as explicitly stated voluntary corporate policies which describe the responsibilities which an organisation has towards society (Matten & Moon 2005:336-338). These policies entail voluntary initiatives, programmes and strategies in which the organisation is engaged in order to ...address issues perceived by the company and/or its stakeholders as part of their social responsibility (Matten & Moon 2005:341). The contemporary global focus on and understanding of the concept of CSR seems to build on this notion as it is acknowledged that socially responsible companies did exist before the recent rise of CSR as an increasingly important concept (Idowu 2009:11-12; Neergaard 2006:29; Matten & Moon 2005:336). Some of the differences from the past to the present are the increased external demand for business in general to act socially responsibly and in particular the focus on communicating these actions which the contemporary concept of CSR entails (Morsing & Beckmann 2006a:118).

2.1.7 Contemporary perception of CSR

With the above in mind, a common contemporary perception of CSR can be established as follows:

Corporate Social Responsibility basically concerns the expectations and demands to organisations, especially within the business environment, to conduct their business in a responsible manner with respect to the people affected by the organisation’s actions and the planet, i.e. the environment (Lindgreen et al. 2009:253). It is expected that organisations follow their basic economic goal while minimizing the negative and maximizing the positive impacts which the organisation’s actions have on society (Idowu 2009:16). In other words, organisations should act responsibly, just and fair in all they do and try to minimize the negative consequences which their operations might have for stakeholders, society and the world at large. In this respect, organisations are also expected to take responsibility for the impacts they have on society, be it social or environmental (Roome 2005:322; Idowu 2009:16).

2.2 Why CSR?

As is the case with almost everything regarding CSR, there is a variety of reasons which lead to the answer of this question. These reasons can, however, roughly be divided into two basic aspects which, on the one hand, refer to why CSR has become such a popular or important issue on the world agenda, and, on the other hand, why companies engage in CSR activities.
As stated in the introduction in chapter 1, the rise of public demands for CSR can be seen as a result of poor or even antisocial behaviour of companies (Fisher & Lovell 2003:263) which have been perceived to follow their economic goal at the expense of others and/or the environment (Carroll & Buchholtz 2008:19,31). The traditional economic focus of a company which includes making as much money as possible for the owners or shareholders of a company ...regardless of whose feelings or interests are injured in the course of doing so... (Idowu 2009:1-2), have caused businesses to become the target of increased scrutiny and criticism (Carroll & Buchholtz 2008:33-36). It is widely acknowledged that businesses, in particular large (multinational) corporations, hold great power in terms of their economic, political, social and environmental influence and impacts on the societies in which they are founded and operate (Carroll & Buchholtz 2008:30; Werther & Chandler 2006:53) and that they ...must exercise this power carefully (Carroll & Buchholtz 2008:30).

Power invokes responsibility, and this is the central reason that calls for corporate responsiveness have been prevalent in recent years (Carroll & Buchholtz 2008:30)

Based on the view that CSR in the contemporary form is something which is expected or demanded by society (Pinkston & Carroll 1996:199-200) either in the specific form of stakeholders to a company or by society at large (Nielsen & Thomsen 2007:28; Carroll 1991:39-44), Corporate Social Responsibility can be compared to any other product or commodity which a company sells to meet the demands of its ‘customers’. In this respect, CSR is an external demand which a company must fulfil in order to gain or keep their ‘license to operate’ and prosper in a given society.

The engagement in CSR can, however, also be seen in the light of a company’s own interest due to the interdependency between businesses and society. As businesses depend on a healthy society in order to prosper and a healthy society requires successful business, it can be ...in the best interest of business to contribute to the health of society in which they operate...(Danko et al. 2008:42) by means of CSR activities.

In terms of why companies adopt CSR, Marrewijk simply states that ...they either feel obliged to do it; are made to do it or they want to do it (Marrewijk 2003:99).
2.2.1 Drivers for CSR

Based on Maignan & Ralston (2002:500) and Neergaard (2006:25), there are basically three reasons which drive a company to engage in CSR activities: a value-driven, performance-driven and stakeholder-driven approach. Although each approach can be applied in their individual form in theory, this is, however, rare in practice. Neither of these excludes one or the other and most often a company is driven by a mixture of them.

In the **value-driven** approach, businesses are considered to be... *self-motivated to have a positive impact on the society which they are part of regardless of external social pressures calling for CSR initiatives* (Maignan & Ralston 2002:498). Companies practice CSR because it is ethically correct, i.e. the right thing to do (Neergaard 2006:25). Doing good and what is right and taking responsibility for company actions reflects the personal values of the leader(s) and is a natural part of the company's identity (Griffin & Vivari 2009:238; Maignan & Ralston 2002:498).

In a **performance-driven** company, CSR is seen as a strategic instrument to enhance the general performance of a company and to achieve its economic objectives in terms of profits and sales volume (Maignan & Ralston 2002:498). Although no clear-cut connection between a company's CSR activities and its economic performance has been established (Griffin & Vivari 2009:237, Lindgreen et al. 2009:255), engaging in CSR activities and, more importantly, communicating about it, is seen as a smart thing to do as it is considered to benefit the company in a variety of ways.

Being a socially responsible firm is found to positively affect a company's image and increase its competitiveness (Neergaard 2006:25; Lindgreen et al. 2009:262) insofar it is communicated to the stakeholders and/or society (Morsing 2003:14-149). In this respect, engaging in CSR and the communication of it can also help a company to gain legitimacy and support among stakeholders (Maignan & Ralston 2002:499).

Treating employees well including providing healthy and safe working conditions and facilitating employee volunteer programs can increase employee morale, loyalty, and productivity, which is positive for the economic objective of an organisation (Leonard 1997 in Lindgreen et al. 2009:255; Griffin & Vivari 2009:238). CSR engagement can result in a company being "the employer of choice" which can help
attract potential employees and strengthen the commitment of current ones (Lindgreen et al. 2009:255). In the same way, a positive image and reputation resulting from CSR activities may result in customer satisfaction and loyalty and thereby the potential of increased sales (Lindgreen et al. 2009:256).

The final main driver for CSR is the stakeholder-driven. This approach to CSR entails that companies engage in CSR initiatives because it is expected of them and demanded by the stakeholders of the company and members of society in general (Neergaard 2006:25), who define appropriate behaviour for the company (Maignan & Ralston 2002:498). This approach is closely related to the stakeholder view on CSR (Cf. section 2.1.2.1) and together with the performance-driven approach it is the one which is most often referred to in the extensive literature on the subject of CSR. In this approach, the communication of CSR is also important in order for a company to meet stakeholder demands for transparency and accountability. CSR is basically seen as a response to stakeholder pressure.

With the general contemporary understanding of CSR and the overall theoretical framework for the concept established, the next chapter will describe the various contexts that influence which approach companies in Denmark and the US take in their commitment to and communication of CSR.
3 Contextual framework analysis for CSR in Denmark and the US

As appears from chapter 1, this thesis takes its point of departure in the fact that the practices, values, norms, structure and governance of a company are highly influenced by the national societal context in which the organisation is embedded. That is, organisations, and in this case the content of their CSR commitment and the communication of it, in particular, are ultimately bound by the culture, values, norms, beliefs, regulations, institutions, expectations, etc. of the country from which the organisation originates and in which it is headquartered (Matten & Moon 2008:406-410; Chen & Bouvain 2009:302-303; Kampf 2007:41, 45-55).

However, due to globalisation, specifically in terms of the economy and trade, the ...given “institutional environment” that influences and constrains organisations has changed (Chen & Bouvain 2009:303). Modern businesses, and multinational corporations (MNCs), in particular, are no longer limited to the influence of their respective national context. International institutions5 (Chen & Bouvain 2009:303) as well as the global market conditions for a company’s products constitute a general international context which also influences the conduct of businesses (see Fig. 1). For the purpose of this thesis, the conceptualisation of “international context” is, however, limited to refer only to international institutions. It does not include the global market conditions as these are seen as a separate influential factor to a company which differ according to the nature of the business as well the target audience and markets of a company.

![Figure 2: The three contexts which influence CSR in a company](image)

In relation to CSR, this means that the content and manner of a company’s CSR communication are influenced by all of the above three aspects at the same time, i.e. the national context, the international

5 The European Union, the UN, WTO, OECD, etc.
context, and the global market conditions relating to the company, which also influence each other. These three aspects thereby constitute what in this thesis is termed “the contextual framework” for businesses in terms of their approach to and communication of CSR. The national and international contexts for CSR will be described below whereas the third aspect of the contextual framework, i.e. the global market conditions, will be dealt with in chapter 4 in relation to the empirical analysis of the specific case companies.

3.1 The National Business Systems Approach

As a means to establish the contextual framework for businesses in relation to their approach, practice and communication of CSR in Denmark and the US, respectively, Matten & Moon’s adoption of the National Business System Approach (NBS) will be used (Matten & Moon 2008:407).

According to the above authors, CSR is interpreted, approached, and communicated differently across regions and individual countries depending on the specific national business system of the given country (Matten & Moon 2008:405-409).

National Business Systems are defined as being shaped by ...historically grown national institutional frameworks (Matten & Moon 2008:407) which are constituted by the following four key features: the political system, the financial system, the education and labour system, and the cultural system (Whitley 1999 in Matten & Moon 2008:407).

Political systems are described as basically concerned with the role of the state in society in terms of its power and size and the degree of its engagement in economic and social activities. Codified laws and regulations also belong to this element (Matten & Moon 2008:407). The element of financial systems generally refers to the sources of capital which companies rely on in their respective countries but also includes the element of corporate ownership (Matten & Moon 2008:408). The education and labour systems generally include practices and policies in relation to ...the regulation and production of human resources... which translates into the organisation and regulation of the labour market (Matten & Moon 2008:408). In relation to this element of the NBS in the US and Denmark, the latter will be the focus in this thesis.
Finally, **cultural systems** embody the general values, norms and beliefs of a society but in particular in terms of the relations between society, business, and government (Matten & Moon 2008:408).

The way these four systems are shaped in a specific country ultimately affects the approach to and the communication of CSR in the organisations situated in that country.

### 3.2 Implicit vs. explicit CSR

The overall differences between US and Denmark can briefly be described through the distinction of implicit vs. explicit CSR. The notion of CSR as explicit corporate policies, as described in chapter 2, derives from the US (Matten & Moon 2005:338) and reflects *American traditions of participation, self-help and small or at least indirect government* (Matten & Moon 2005:335).

In contrast, CSR issues in a European context have traditionally been an implicit part of the cultural, political and legal framework. Here formal and informal institutions have decided and assigned the responsibilities of corporations towards society to corporations in the form of laws and regulations as well as through generally accepted norms and values (Matten & Moon 2005:336,338,342). Because of this implicitly bound nature of CSR issues in the institutional framework (Danko et al. 2008:45-46; Matten & Moon 2005 and 2008), there has traditionally been no need for European businesses to publicly communicate CSR.

Whenever it is stated in the current literature that the concept of CSR is fairly new in Europe, it is therefore the explicit form of CSR which is meant (Matten & Moon 2005:335-336, 338). However, in spite of trends in Europe towards the more American way of explicit CSR, it is argued that the way CSR is understood as well as the content and manner of the CSR communication still differ greatly due to basically different cultures, beliefs, values and differences in the national institutional systems (Matten & Moon 2005:341,349).

### 3.3 The national contexts for CSR

For the purpose of establishing the national context for CSR in Denmark and the US, this section contains first a comparative description of the national business systems in the US and Europe in general, and hereby Denmark, with regards to the above four elements of NBSs. Secondly, each country will be
described separately in terms of more specific CSR approaches and CSR elements which are deemed characteristic for each country on a national level.

3.3.1 The national business systems for CSR in Denmark and the US

In terms of Europe and the US, it is generally acknowledged that the national business systems of these two regions differ (see below) (Matten & Moon 2008; Kampf 2007:47-48; Matten & Moon 2005). At the same time, it is, however, also recognised that the structure and content of these four systems in the US and Europe are changing and may even be converging to some extent in some areas (Matten & Moon 2008: 411-412, 415-417; Matten & Moon 2005:343-347). These changes do, however, only seem to explain the increase in the adoption of voluntary CSR activities and the explicit communication of CSR in companies outside the US (Cf. the Introduction and chapter 2). Although some similarities may be found due to slightly converging frameworks for businesses, it is maintained that the understanding of CSR and the nature of CSR approaches still differ due to essentially different business systems, cultural values, norms and belief systems.

Political systems

One of the major differences in the national business systems between Denmark and the US is the size and role of the government in society and the expectations as to what its responsibilities are. These elements probably affect the national CSR agenda the most.

In Europe, and hereby Denmark, the power and the involvement of the state in society is considerably greater than in the US (Lijphart 1984 in Matten & Moon 2008:407) due to the European history and culture of social welfare states (Morsing & Beckmann 2006a:118). In European countries, the government generally plays a larger economic and social role in society, compared to the US (Heidenheimer et al. 1990 in Matten & Moon 2008:407). The state is traditionally expected to take care of general social and societal issues and is to some extent considered responsible for the well being of the people. Business is to a greater extent controlled through regulation and laws, and companies as well as citizens are considered to contribute to society through high taxations (Kampf 2007:47-48). The latter ultimately enables a system within which neither citizens nor corporations need to worry about the social welfare of society or themselves. The state is expected to be and is also accepted as the regulator of societal structures and as the main provider of social services including, among others, nationalised health care for every citizen regardless of income, and pensions, etc. (Matten & Moon 2008:407). As a result of this,
such social issues as well as mandatory measures for corporations are not part of explicit CSR issues in a European context as they are an implicit part of the institutional framework (Danko et al. 2008:46; Matten & Moon 2005:341). They are in that sense automatically expected to be followed by companies who are also trusted to do so (Morsing et al. 2007:90-91).

In spite of a tradition of great reliance on legislation, European corporations are still left with a great leeway of possibilities to demonstrate or perform social responsibility. They are in fact highly encouraged to do so as laws and regulations do not cover every aspect of business and societal issues (The Danish Government 2008:17), and because governments are facing increasing difficulties in upholding the social responsibilities towards society on their own (Matten & Moon 2005:346-347). In addition, European corporations are increasingly engaged in business operations in foreign countries which may not possess the same standards, laws, values and regulations as the European national business systems. This also causes European companies to be more explicit about their social responsibilities and take a stance in terms of what they perceive to be their responsibility.

Because of the traditionally large role of the government in society, European governments tend to be far more involved in setting the national agenda for CSR by means of strong encouragements and incentives towards companies to engage in CSR (Matten & Moon 2005:347; Idowu 2008:18-20; The Danish Government 2008:41; Morsing 2005:26-31). In addition, the active role of the state in terms of its social responsibility in European societies results in different issues being the focus of attention in European CSR, compared to the US.

In comparison, the American political system could be characterised as the complete opposite to the above. In the US, freedom and greater individualistic responsibility prevails and the role and power of the government is preferred to be kept at a minimum (Kampf 2007:48). The government is not expected to take care of the social welfare of people, and so health insurance and other social commodities are traditionally, although currently undergoing change, left for the individual citizen and the local community to ensure as well as dealt with on a corporate level (Danko 2008:46; Matten & Moon 2008:407, Morsing & Beckmann 2006a:117). Because of a more passive government, there is greater scope for corporate activity and discretion in the US in terms CSR (Matten & Moon 2008:407). In addition, minimal legislative control on businesses is preferred which results in self-regulation of businesses to be the norm and businesses setting their own standards and principles to follow (Kampf 2007:47). If encouragements are
made from a governmental level, these often seem to be characterised by the creation of incentives to employers to provide social benefits via tax reductions (Matten & Moon 2008:408).

In spite of a tradition of greater reliance on corporate self-governance rather than (social) legislation, a legal framework does, however, exist in the US which regulates elements of (implicit) corporate social responsibilities in terms of social and environmental issues (Matten & Moon 2005:342). Without stating a complete list, legislation concerning e.g. pollution and hazardous waste control, the workplace (e.g. workers’ rights, trade unions, equal employment opportunities, etc.), and product safety for consumers, among other things, does exist which may influence a corporation’s CSR policies (Tschopp 2005:57; Matten & Moon 2005:342; EEOC 2009).

In light of the above features of the US political system, the US government is less likely to impose direct pressure on corporations to engage in CSR (Danko 2008:45) as opposed to the more visible and interfering governments in Europe.

**Financial systems**

The way corporations are owned and financed also play a role in terms of the nature of CSR and the extent to which it is communicated. In the US, *the stock market is the central financial source for companies* (Matten & Moon 2008:408) which means that American companies traditionally have had to provide *...a high degree of transparency and accountability* to a dispersed set of shareholders and investors (Matten & Moon 2008:408). In contrast, European companies are traditionally *...embedded in a network of a small number of large investors* in which banks and other professional investment groups, i.e. stakeholders other than shareholders, play a major role (Matten & Moon 2008:408). Traditionally, European companies have therefore only had to communicate and be accountable to a small group of ‘national experts’ to whom the implicit social responsibility of a company has been considered sufficient.

However, changes towards more American conditions have occurred within the financial system. The fact that European companies are increasingly seeking their capital on international stock markets, have given rise to a need for more explicit CSR communication, transparency and accountability on the part of European businesses (Matten & Moon 2008:415-416).
Education and labour systems

In line with the political system, the way the educational system and, in particular, the labour market are organised and regulated in Denmark and the US strongly influences the nature and content of CSR in each country.

In Europe, education is a responsibility of the state and therefore not an issue for corporations as it is part of the institutional framework. In contrast, reflecting a small state and the major role of corporations in the local community, the issue of education and support for local schools is traditionally part of American explicit CSR, usually in terms of philanthropic activities (Matten & Moon 2008:408,414).

As regards the organisation and regulation of the labour system, this too fosters major differences in terms of CSR.

In the US, labour issues and worker’s rights are to a large extent dealt with on a corporate level making issues such as ...fair wages, working time and conditions, health care, redundancy, and protection against unfair dismissal... a historical part of American corporation’s explicit CSR strategies (Matten & Moon 2008:412). In Denmark, labour market issues are dealt with on a national rather than corporate level in which case collective bargaining and negotiation between the labour market’s two major parties are the key elements; i.e. The Danish Confederation of Trade Unions (LO) on one side which represents the employees, and The Confederation of Danish Employers (DA) on the other side (Mølvadgaard & Nielsen 2006:39). In addition, employees in Europe are generally protected by employment regulations if an issue arises (Danko et al. 2008:46). Altogether, the above shows how CSR in Denmark and Europe for that matter traditionally have been far less a matter of corporate discretion than in the US.

Cultural systems

In terms of values, norms and beliefs about the relations between business, government and society, the American business system for CSR is characterised by a relative scepticism about big government (King 1973 in Matten & Moon 2008:408), and the idea that the social responsibility lies in the hand of the wealthy businessperson (Heald 1970 in Matten & Moon 2008:408). This creates a stronger incentive for an American ethic of stewardship and of “giving back” to society (Matten & Moon 2008:408), compared to the European culture of nationalised social welfare.
In the US, corporations are more distant to the state due to the structure and value of the political system, which provides US companies with a greater possibility of choosing how to contribute to society. Because of this as well as the prominence of business self-regulations, US companies need to demonstrate their place in the community more extensively in terms of CSR by means of, for example, conspicuous CSR communication (Kampf 2007:48). In addition, as a result of the political system, US companies have traditionally played a significant role in the development of American cities and communities and have to a far greater extent than European companies been expected to play a leadership role in the communities in which they operate (Maignan & Ralston 2002:510).

In Denmark, companies are seen as ...a partner to the state and a contributor to society via the structures set by the state (Kampf 2007:48). Cooperation between businesses via representative organisations and other social and political stakeholders as well as participation of businesses ...in the design, review and re-design (Morsing & Beckmann 2006b:25) of institutional systems are key elements of the Danish societal model. As a result of this, Danish companies have a more defined place and role in the (national) community ...working toward the common welfare (Kampf 2007:48), compared to American companies. Danish companies, therefore, traditionally do not need to establish their place in society by means of extensive CSR communication.

However, with Danish companies, in particular MNCs, increasingly operating in a global market with global shareholders and stakeholders demanding insight and transparency in the CSR activities of corporations, this creates a need for explicit CSR communication from the Danish companies as well. The increase in the communication and conduct of explicit CSR policies also reflects a need for Danish companies to establish their place in the global market community which is characterised by fierce competition.

Summarising the above, European institutional frameworks are characterised by government-led ...coordinated approaches to economic and social governance through a partnership of representative social and economic actors (Matten & Moon 2008:410). In contrast, the US national business system is characterised by a liberal market in which ...institutions encouraging individualism and providing discretion to private economic actors... prevail (Matten & Moon 2008:410).
3.3.2 CSR in Denmark

As a result of the national business system, CSR in Denmark has always been characterised by a great deal of government involvement in the form of a general political encouragement for businesses to engage in CSR. This is reflected in numerous government-led initiatives, forums, partnerships, councils, and guidelines, etc., promoting and supporting CSR in Danish companies (Morsing et al. 2008b:14,16-17; Morsing 2005:26-31; The Danish Government 2008).

In fact, the concept of Corporate Social Responsibility as defined in chapter 2 was more or less introduced in Denmark in the mid-1990s by the then Danish social democratic Minister of Social Affairs, Karen Jespersen. With the launch of the government campaign “It concerns us all” in 1994, Karen Jespersen was the first to call for corporate assistance in tackling social issues which until then traditionally had been handled by the government. Focus was on “the inclusive labour market strategy” which was aimed at integrating socially excluded and marginalised groups of people in the Danish labour market and thereby create greater social cohesion in society. With this strategy, Karen Jespersen put the social responsibility of businesses on the Danish societal agenda and constructed the original Danish national agenda for CSR (Morsing 2005:26-27).

The inclusive labour market strategy was the predominant perception of CSR in Denmark throughout the 1990s and the beginning of the millennium (Morsing et al. 2007:92). However, due to general changes in Danish business and societal issues, and the political sphere, the Danish agenda for CSR has changed to encompass a much broader spectrum of social and environmental responsibilities for corporations in society (The Danish Government 2008:20). Focus is now more on businesses’ behaviour in their international operations, corporate environmental management, and combating global climate challenges (The Danish government 2008:7,16,35). In relation to the former CSR area, the current Danish government particularly focuses on employees and working conditions, and CSR in the supply chain (Danish Commerce and Companies Agency 2010d and 2010e). As regards the latter, reduction of energy consumption and green house gas emissions are central elements of the government’s CSR agenda (The Danish Government 2008:16).
3.3.2.1 **Business-driven social responsibility**

As opposed to the original CSR focus of the government in the 1990s which was to get companies to actively and voluntarily engage in solving internal labour market and other social challenges in Denmark, i.e. help the government, the current Danish government’s CSR agenda is based on an international approach and focuses on the strategic aspect of CSR. The underlying perception is that:

*Focusing on social and environmental considerations can be profitable for businesses [specifically in terms of increased competitiveness] and at the same time it can help address national and global challenges (Danish Commerce and Companies Agency 2010c and 2010a).*

The contemporary approach to CSR promoted by the government is referred to as *business-driven social responsibility* (The Danish Government 2008:6). The cornerstone of this approach is that the CSR activities of a company must be aligned with the core competences of the company and be an integrated part of a company’s business strategy. In that way, *...business and society each reap the optimum benefits from CSR* (The Danish Government 2008:6).

In its *Action Plan for Corporate Social Responsibility* from May 2008, the Danish government promotes CSR in Danish companies by emphasising the economic gain of committing to and not least communicating social responsibility (The Danish Government 2008; Danish Commerce and Companies agency 2010a). In doing so, the government agenda reflects the performance-driven approach to CSR (Cf. section 2.2.1).

The overall aim of the government’s Action Plan is to help Danish businesses reap greater benefits from being socially responsible and to market Danish companies internationally based on their strong position within CSR activities. The government’s goal is to make *...Denmark and Danish businesses internationally renowned for responsible growth* (The Danish Government 2008:4). To that end, the government aims to strengthen the efforts of CSR and, in particular, business-driven CSR in Danish companies through a range of initiatives (The Danish Government 2008:4,6-7).

In addition, the Danish government encourages Danish businesses, in particular those with international business activities, to comply with internationally recognised principles and standards such as the UN Global Compact⁶, in particular (see below) (The Danish Government 2008:21). In March 2009, 120

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⁶ The UN Global Compact has been integrated into Danish law requiring Danish companies to ensure that their activities in Denmark comply with the Global Compact’s 10 principles. The recommendation of the government on this matter therefore only applies to international activities of Danish businesses (The Danish government 2008:12,21).
Danish businesses had joined the UN Global Compact (Danish Commerce and Companies Agency 2010f) since its launch in July 2000 (UN Global Compact Office 2008:1).

**Mandatory CSR reporting**

One of the government’s initiatives to strengthen CSR in Danish businesses includes legislating on CSR reporting which has a direct implication for the content and manner of Danish companies’ CSR communication.

By means of an amendment to the Danish Financial Statements Act in December 2008, the Danish government made it mandatory for the 1,000 largest Danish companies to report on their CSR commitment in their annual reports beginning from the financial year 2009. Although it is still voluntary for Danish companies to engage in CSR, they are now required by law to openly communicate whether or not they are CSR active and if so, in what ways, and how they implement their CSR policies in practice. The law also requires them to report on an evaluation of their CSR work during the financial year in terms of what has been achieved through CSR initiatives, and what the company’s expectations or plans are for future CSR initiatives (Danish Commerce and Companies Agency 2010b; The Danish Government 2008:21).

The obligation for major companies to report on their CSR commitments is part of the government’s Action Plan to increase focus on CSR in Danish businesses and to improve the competitiveness of Danish companies in the global community through CSR (Danish Commerce and Companies Agency 2010b). The idea of legislating within CSR communication is to improve CSR reporting and motivate companies to actively consider their social responsibility (The Danish Government 2008:21).

Although not specifically stated anywhere by the government, the statutory requirement for reporting on CSR could be seen as a direct result of the EU Commission’s recommendation that

*...Directives on annual reports should be amended to promote the inclusion of non-financial information in the annual report* (Buhmann 2003:252).

In general, as it will appear from below, the contemporary Danish CSR agenda promoted by the government draws heavily on the European Union as well as the international approach to and perception of CSR (Cf. sections 2.1.5 and 3.4.1).
3.3.3 CSR in the US

Rooted in the Anglo-Saxon culture *in which liberty is the primary value, but where freedom requires taking voluntary responsibility* (Segal 2004 in Lenssen & Vorobey 2005:364), CSR in the US is a natural part of a corporation’s role in society. Because of the culture of a small state and minimal government intervention both in terms of social issues as well as legislative control on businesses, it is far more expected of businesses to contribute actively and voluntarily to the welfare of society, or at least the local community within which the company is situated. This does, however, not mean that every American company necessarily conducts CSR (Griffin & Vivari 2009:247-248), but it has fostered a long tradition of corporate philanthropy (Kampf 2007:47), which is also how CSR is traditionally understood in the US (Griffin & Vivari 2009:237).

Unlike in Denmark, there is no overall governmental guidance or incentives to do CSR in the US (Griffin & Vivari 2009:241), which together with the focus on the voluntariness and discretion of companies makes it difficult to define the exact nature of CSR in the US (Griffin & Vivari 2009:246-247). Instead of one common approach from the government, issues, programs and regulation relating to CSR seems to be scattered among various agencies which each are responsible for their own jurisdiction (Griffin & Vivari 2009:241,244), e.g. The Environmental Protection agency (EPA), the Occupational Health and Safety Administration (OHSA), the Equal Employment Opportunity Commission (EEOC) and the Consumer Product Safety Commission (Carroll 1991:39). In the few cases where the federal government has taken some actions in terms of CSR initiatives these tend to ...address a specific issue, and isolate this from a comprehensive concept of a socially responsible company (Griffin & Vivari 2009:244).

*Without CSR standards mandated by the federal government, CSR behaviour varies from industry to industry and within industries* (Griffin & Vivari 2009:241).

In spite of this, some common characteristics of American CSR do, however, exist. First of all, because of the greater reliance on companies to contribute directly to society, community involvement in the form of in particular investments, i.e. charity, and/or employee volunteering programs\(^7\), seems to be a distinct feature of American CSR (Griffin & Vivari 2009:237-238). As a result of the general political and cultural system, CSR is often referred to in terms of Corporate Citizenship (Cf. section 1.5.1) which:

\(^7\) Volunteer programs or corporate volunteerism refers to programs in which companies encourage employees to volunteer in the community rather than come to work for a certain number of days each year (Griffin & Vivari 2009:238)
...reflects the position and placement of corporations in a society and how the firm interacts with governments, special interest groups, civil society and other corporations (Griffin & Vivari 2009:237).

The practice of CSR in the US is characterised by being a matter of choice within a market driven economy (Griffin & Vivari 2009:235). CSR discussions have therefore traditionally and predominantly been focused on the financial returns of CSR (Griffin & Vivari 2009:237). Although, the notion that “the business of business is business” (Cf. The shareholder view) still prevails in the US (Griffin & Vivari 2009:241), it is increasingly recognised that addressing the interests and needs of stakeholders other than shareholders (Cf. The stakeholder view) is important in order to create business value (Griffin & Vivari 2009:241).

In lack of an overall common agenda or perception of CSR in the US, it is therefore argued that CSR is best understood as the sum of these stakeholder systems and demands (Griffin & Vivari 2009:235). In line with the stakeholder view (Cf. section 2.1.2), a company’s CSR commitment could or should therefore be based on the demands of these groups.

In terms of working with their CSR efforts, the use of partnerships with, e.g. NGOs, other corporations or organisations, as well the government or policy makers in general, is prevalent among US companies. This should be seen in the light of minimal governmental intervention and legislation on businesses in which case partnerships become a way to avoid or be at the forefront of regulation (Idowu 2009:15; Griffin & Vivari 2009:237). Partnering with stakeholders groups and, in particular, the above mentioned helps identifying important or relevant issues for a company to be concerned with in their CSR policies (Griffin & Vivari 2009:246). Such partnerships are at the same time a way for companies to mitigate, prevent or respond to criticism or demands from stakeholders before an issue would result in financial consequences for the company.

As regards CSR reporting, US companies score surprisingly low on this matter in terms of prevalence, compared to Europe (Griffin & Vivari 2009:245). In 2005, only 36% of the 100 largest US companies reported on their social and environmental performance, whereas 84% of the European 100 companies
did so (Context UK 2005 in Hartmann et al. 2007:377). On the other hand, ...the American general public takes the lead in actually reviewing this information and reading reports (Hartmann et al. 2007:377).

3.4 The international context for CSR

With companies, in particular multinational corporations, operating on an increasingly global scale, the national context for CSR is no longer the only one affecting businesses actions and approaches to CSR. In terms of an international context for CSR, supranational bodies like the European Union (EU) and the United Nations (UN), in particular, play a large role in setting the international agenda for CSR and affecting the CSR approaches of corporations worldwide. In this respect, the EU plays a particular role in affecting the understanding of and approach to CSR in European countries, such as Denmark, whereas the UN exceeds the EU and affects the CSR agenda in both European countries and the world at large including the United States of America.

3.4.1 The European Union

With the European Union’s overall approach to CSR defined in chapter 2, this section will elaborate on the more specific goals and focus areas that characterise the European Union’s CSR agenda in order to demonstrate whether or not and to what extent these focus areas have affected the approach to and communication of CSR in the two case companies in the empirical analysis. Due to Denmark being a member of the EU and thus subject to EU directives, legislation, and political objectives and strategies there is an inevitable overlap of agendas in terms of focus areas and approaches to CSR. The question of whether the Danish company, i.e. the LEGO Group’s communication of CSR is influenced by either the international context in terms of the EU, or the Danish national agenda, therefore becomes somewhat irrelevant or at least difficult to answer. The point to remember is simply that great consensus between the two agendas exists and that the LEGO Group communication is affected by both.

The overarching goal of the European Union, which is reflected in various communications from the EU Commission, is sustainable development within both the economic, social, and environmental area. Focus is on social cohesion, environmental protection and fighting climate change. CSR is in this connection seen as a means to achieve these objectives as well as sustainable development (EU Commission:2006:3-4). In its Green Paper on CSR in 2001, the EU commission argues that ...

The key element of the European agenda is strategic CSR which entails integrating social and environmental considerations into the very fabric of the company’s business strategy and daily activities (Cf. the Danish government’s business-driven approach). CSR is emphasised as a voluntary act which should be conducted in dialogue with stakeholders (EU Commission 2006:2).

The EU Commission wants to promote the competitiveness of the European economy by among other things to call on EU companies to publicly demonstrate their commitment to sustainable development, economic growth and more and better jobs. The EU Commission wants the European companies to increase their commitment to CSR as a means to make Europe the pole of excellence on CSR (EU Commission 2006:2).

With CSR being one of the key elements to achieve the EU objective of sustainable development, the EU Commission is keen on promoting and strengthening CSR in European companies. In line with the Danish government’s agenda, the EU Commission argues that "going beyond legal compliance can contribute to a company’s competitiveness" (EU Commission 2001:6). CSR should therefore not be seen as a substitute to regulation or legislation concerning social rights or environmental standards (EU Commission 2001:7) but as a supplement to these. Per definition CSR is about going beyond legal obligations and requirements in order to heighten standards within social and environmental issues (EU Commission 2001:3).

Part of the EU agenda for CSR is also to promote CSR globally. In this connection, the European Commission supports various international guidelines and principles for multinational corporations including the UN Global Compact (EU Commission 2006:8).

In conclusion, the European and Danish CSR agendas are quite similar. In fact, the Danish agenda for CSR is to a high degree derived directly from the European agenda as a result of the EU Commission’s recommendations and requirements for Member state actions on CSR (EU Commission 2006)
3.4.2 UN initiatives

As regards the role of the UN in terms of CSR, the United Nations constitutes *the world's only truly global political forum for CSR*. The UN does not regulate or legislate but acts *as an authoritative convener and facilitator of CSR issues and initiatives* (UN Global Compact 2009).

The two probably most recognised and widely used UN initiatives are the UN Global Compact and the Global Reporting Initiative (GRI) (Chen & Bouvain 2009:301), which each has direct implications for a company’s CSR communication.

**The UN Global Compact** is the world’s largest voluntary and internationally accepted policy framework for how businesses can assume social responsibility (The Danish Government 2008:12; UN Global Compact 2010b). It is a network-based initiative compiled by a multi-stakeholder forum of relevant social actors which includes companies, governments, labour and civil society organisations, and the United Nations (UN Global Compact 2009). The Global Compact consists of ten fundamental and universally accepted principles for corporate social responsibility in the areas of human rights, labour conditions, the environment, and anti-corruption (Cf. Appendix 1). The ten principles are broadly formulated and based on international conventions (UN Global Compact 2010a; The Danish Government 2008:12).

Companies choosing to accede to the UN Global Compact commit to adopt the ten principles and continuously integrate them in the business strategy and daily activities of the company (The Danish Government 2008:13). As part of demonstrating their commitment to the UN Global Compact and its principles, companies adhering to the Compact are required to produce an annual *Communications on Progress (COP)* report. Except for three mandatory elements regarding the content, the format of the COP is otherwise optional (UN Global Compact 2010c).

**The Global Reporting Initiative (GRI)** is an *international standard for reporting on CSR performance* (Griffin & Vivari 2009:240). Formed by the Coalition for Environmentally Responsible Economics (CERES) and United Nations Environmental Programme (UNEP) in 1997 (Chen & Bouvain 2009:301), the GRI *provides a way for corporations to measure and publish their performance concerning social and environmental issues* (Griffin & Vivari 2009:240).
In addition to the above initiatives regarding corporate social responsibility, a myriad of international standards and guidelines for CSR exist, which companies voluntarily can adhere to and seek inspiration from in relation to their work on CSR (Danish Commerce and Companies Agency 2010g; Tschopp 2005:56). The EU and the Danish government both urge businesses to follow the UN Global Compact and international standards and guidelines concerning socially responsible behaviour of companies (EU Commission 2006:8; The Danish Government 2008:21)
4 Analysis of the LEGO Group and Mattel, Inc.’s CSR communication

In the following, the empirical analysis of the CSR communication from the corporate websites of LEGO Group and Mattel, Inc. will be conducted. In addition to the two previous chapters, the analysis serves as a means to answer the overall question of the thesis, i.e. how CSR is approached in Denmark and the US, respectively. The purpose of the analysis is to provide an example of how CSR is communicated and thereby approached in practice in the two countries. The aim is to establish how and to what extent the communication of the two case companies is effected by either of the three contexts established in chapter 3 (Cf. Figure 2, p. 27). This will be done concurrently throughout the analysis and constitutes the answer as to why the companies communicate as they do. The analysis will also identify which of the theoretical approaches established in chapter 2, the companies follow.

Based on Roome’s (2005) four main CSR agendas, the analysis will identify what the two companies communicate, i.e. the content and topics, and how they do this, specifically in terms of the manner in which the topics or agendas are presented and thereby prioritised. In this case, the expression “manner” applies to the extent of the communication of topics, i.e. length and the degree of details. As another means to identify the prioritisation of topics or agendas, Lynch & Horton’s (2004) theory concerning the organisation of websites will be applied. According to this theory, the more important an aspect or subject is to a company, the further up the hierarchy on the website it will be placed (Lynch & Horton 2004:162). The presence, manner, and prioritisation of the communicated topics help reveal the approach to CSR taken by each company.

An analysis of the specific rhetorical means, strategies, and tools as well as the visual elements which the companies have used to communicate their CSR commitment is not within the scope of this thesis and will therefore not be part of the analysis.

4.1 Roome’s four CSR agendas

As demonstrated in the previous chapters, the concept and content of Corporate Social Responsibility is highly dynamic, complex, and contextually bound (Cf. chapters 2 and 3) with a vast amount of issues and demands to which companies might respond. Within the overall field of CSR, Roome (2005), however, identifies four main focus areas, or “agendas” as he labels them, which characterise the ...broad debate
The agendas are by Roome referred to as: Responsible business practices, Consumer responsibility, Sustainable enterprise, and Corporate philanthropy and community involvement (Roome 2005:321). The agendas will be explained below in relation to the analysis of the presence and content of them on each website. The agendas are highly general and are argued to differ in presence, prioritisation and specific content across countries depending on the particular national business system (Roome 2005: 323-331), as well as 
[the social and environmental context, circumstances, and concerns both past and present...](Roome 2005:324). Within the highly fragmented field of CSR, these four agendas provide a common frame of reference for analysing and comparing CSR practices in companies across countries and within different national business systems.

### 4.2 Agenda 1: Responsible business practices

Overall, this agenda refers to:

> ...demands on companies and their management to set and uphold practices, which contribute to the development of high standards in business (Roome 2005:321).

On its own, this general statement could apply to all of the agendas. It is, however, more specifically linked to activities concerning employment, fair treatment of employees, non-discrimination, health and safety at the work place, salaries and labour conditions in the supply chain, and the like (Roome 2005:320-321).

As regards the CSR communication of the LEGO Group and Mattel, both companies address the agenda of Responsible business practices on their corporate websites. Overall, the two case companies address the same issues of employment practices, employee health and safety, and fair and respectful working environments. The aim is the same within these areas, i.e. to ensure safe and healthy working environments and that employees are treated fairly and with respect (Appendix 2.5-2.9; Appendix 3.2). However, the way the companies communicate this in terms of placement on the website, the content, and the extent to which it is communicated differs.

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8 Although Roome’s four CSR agendas are presented in a book concerning CSR across Europe, it is not explicitly stated whether they are limited to European debates and practices concerning CSR, or whether they are based on the international debate about CSR. Based on Kampf’s (2007) use of the agendas in a comparative analysis of CSR in Denmark and the US, this thesis applies the latter view.
On the Mattel website, the company’s actions in relation to employees, the treatment of these, and labour conditions are generally addressed in the subsection titled “Responsible Manufacturing” (Appendix 3.2) in the main category of “Corporate Responsibility” (Appendix 3.1). The overall agenda of Responsible business practices is, however, also addressed in an independent main section called “Diversity” (Appendix 3.4), which is ranked alongside the “Corporate Responsibility” category in the top menu. This will be further dealt with below.

On the LEGO Group website, issues in relation to Agenda 1 are addressed in the majority of the individual subsections in the main section of “Corporate Responsibility”. These subsections are the: “Health and Safety Policy”, “People & Culture Policy”, “Responsibility Policy”, “Code of Conduct”, “ICTI CARE Process”, and the section titled “Global Compact” (Cf. Appendix 2.5-2.10). Whereas the first four of the subsections are LEGO Group policies, the latter two sections (“ICTI CARE Process” and “Global Compact”) are references to international frameworks concerned with employee health and safety standards and issues, as well as labour conditions, which the LEGO Group has joined and complies with.

Based on Lynch & Horton’s (2004) theory concerning the organisation of websites (Cf. above), the agenda of Responsible business practices is ranked third by the LEGO Group. This perception is based on the location of the “Health and Safety Policy”, which is the first primary section in which the agenda is addressed on the website (Cf. Appendix 2.5). This prioritisation does, however, not correspond to the extent to which this agenda is communicated throughout the website, as well as to the company’s own ‘ranking’ of its responsibilities in the “Responsibility Policy”. In this, the agenda of Responsible business practices, indicated by the “Our People” and “Our Business Partners and Suppliers” paragraphs, is ‘ranked’ second (Cf. Appendix 2.7).

In the “Corporate Responsibility” menu on Mattel’s website, the “Responsible Manufacturing” section (Appendix 3.2), which is concerned with the agenda of Responsible business practices, is located second after “Product Safety” (Appendix 3.1). Although the former is communicated more extensively than the latter, the prioritisation of Responsible business practices as number two seems to correspond to the company’s ranking of the other agendas within the “Corporate Responsibility” menu (Cf. Agenda 2 and 3 below)

Visit: [www.mattel.com](http://www.mattel.com) > About Mattel > About Us to see the top menu
The presence of labour related issues throughout the entire “Corporate Responsibility” section on the LEGO Group website, as well as the inclusion of these issues in several of the LEGO Group’s globally applicable corporate policies indicates a higher priority of these issues, compared to the website of Mattel. In addition, the issues of labour conditions, employee health and safety, and standards in the supply chain are communicated in more detail on the LEGO Group website than on the one of Mattel.

As regards the above issues, Mattel only refers to these in general terms as part of the company’s self-established principles for manufacturing. No concrete measures or procedures initiated within the particular areas are presented:

*Mattel’s Global Manufacturing Principles (GMP) represents the company’s ongoing commitment to responsible manufacturing around the world. Mattel’s GMP have remained some of the most detailed and comprehensive standards in the consumer product industry by addressing a spectrum of social compliance issues, from employee health and safety, environmental management and ensuring that employees are treated fairly and with respect, to the cultural ethnic and philosophical differences of the countries where Mattel operate.* (Cf. Appendix 3.2)

In contrast, the LEGO Group’s communication of their policies in relation to employee and labour conditions includes several specific measures initiated in order to achieve company objectives within the various issues. In relation to employee health and safety for example, workplace assessments, health promoting initiatives, and the focus of minimizing stress among employees are mentioned. In addition, compliance with the international health and safety management system OHSAS 18001 is emphasised (Cf. appendix 2.5). In the “People & Culture Policy”, the fair treatment of employees is explained in which case equal opportunities, employee rights, and respect for the fundamental human and labour rights are emphasised (Cf. Appendix 2.6).

In terms of conditions in the supply chain, this issue is directly addressed by the LEGO Group in its “Responsibility Policy”, the “Code of Conduct” section, and the “ICTI CARE Process” section (Cf. appendix 2.7-2.9).

*The LEGO Group’s ethical standards are laid down in our Code of Conduct. We select business partners and suppliers based on a spirit of mutual trust and openness and who adhere to the principles laid down by the LEGO Group (Responsibility Policy - Appendix 2.7).*

The Code of Conduct and the specific issues it addresses as well as to whom it applies and specific implications in connection with it are then elaborated on in the separate section titled “Code of Conduct” (Cf. Appendix 2.8). In this section, the LEGO Group emphasises its commitment to ensuring high
standards of labour conditions in the supply chain, in particular, as well as within the company itself. Again international conventions and standards are emphasised as central elements in the LEGO Group’s approach to responsible business practices:

*The LEGO Group does business in a responsible way. We see it as our responsibility to ensure that our vendors’ actions comply with our high standards. As early as 1997 the LEGO Group drew up a set of guidelines - a Code of Conduct - outlining what it expected of itself and of its vendors. The reason for defining the Code was that vendors in many countries regrettably fail to ensure compliance with ILO and other conventions. The LEGO Group’s Code of Conduct is therefore in several respects stricter than the general standard observed in many of our vendor countries. (Code of Conduct - Appendix 2.8)*

In addition to its own Code of Conduct, the LEGO Group stresses its commitment to fair and safe working conditions in the supply chain by referring to its participation in the ethical manufacturing program of the International Council of Toy Industries, the so-called ICTI CARE Process (Cf. appendix 2.9). In that connection, it is explained that LEGO Group vendors are obligated to follow the ICTI’s Code of Business Practices, and it is mentioned which factories are covered.

In contrast to the LEGO Group website, supply chain considerations on the Mattel site are only mentioned briefly in relation to which Mattel factories are audited according to the Mattel GMP:

*For more than a decade the Sethi International Center for Corporate Accountability (ICCA), conducted independent audits of Mattel owned-and-operated facilities in all countries where we manufacture toys, as well as vendors... (Appendix 3.2)*

Although Mattel also refers to the ICTI CARE Process (ICP) and emphasises the company’s support of this, Mattel simply explains what the ICP is about rather than stating more specific information about the implementation of the ICP within the corporation (Cf. Appendix 3.2). Nonetheless, the reference to the ICTI CARE Process works as an underpinning of Mattel’s commitment to safe and fair workplace environments. At the same time, it endorses Mattel’s own Global Manufacturing Principles and auditing procedures:

*In 2009, Mattel transitioned its social responsibility independent audit program to the toy industry’s ICTI CARE Process (ICP). The ICP is the product of an approach that Mattel has long supported, and through the ICP, the toy industry is working together to address social compliance issues and improvements at factories that make toys. The ICP is based on a code of ethical operating practices similar to GMP. Designed to promote safe and just working conditions in toy factories around the world, the ICP provides toy companies with a unified approach to responsible manufacturing, promoting safe and humane workplace environments (Appendix 3.2).*

Although the LEGO Group’s policies regarding employment issues and labour standards are self-established, compliance with national and international legislations and standards are generally
emphasised as the fundamental element (Cf. Appendix 2.5-2.7). This clearly demonstrates the influence of the Danish national CSR agenda as well as the international context in terms of the recommendations of the Danish government and the EU Commission (Cf. chapter 3).

The fact that the LEGO Group has joined the UN Global Compact and Mattel has not, further stresses the influence of the Danish national and, in particular, the international context on the LEGO Group’s approach to CSR, compared to Mattel. Furthermore, the LEGO Group’s adherence to the UN Global Compact might explain the great emphasis on labour standards and conditions, and employee issues on the LEGO Group website as the majority of the ten UN Global Compact principles, which the company has committed to implement, are concerned with human rights and labour issues (Cf. Appendix 2.10).

In contrast to the LEGO Group regarding the approach to ensuring safe and healthy working environments in which ...employees are treated fairly and with respect... (Cf. Appendix 3.2), Mattel primarily refers to its own set of standards and principles, i.e. Mattel’s Global Manufacturing Principles which have no common frame of reference. Instead, and perhaps as a result of this self-regulation, independent auditing of Mattel’s compliance with its GMP is emphasised on the website (Cf. appendix 3.2).

As regards Mattel’s Global Manufacturing Principles which are the only standards communicated in relation to employees, among other things, these seem to apply only to manufacturing facilities and manufacturing workers and do not seem to include every Mattel offices or employees (Appendix 3.2 and 3.3):

Mattel’s Global Manufacturing Principles (GMP) represents the company’s ongoing commitment to responsible manufacturing around the world (Responsible Manufacturing - Appendix 3.2).

...ongoing commitment to fair treatment of manufacturing workers (CEO letter – Appendix 3.3)

In general, Mattel’s CSR focus is on the manufacturing of its products and not on the entire way of how Mattel does business. The latter does not seem to be communicated by Mattel and more importantly, it does not seem to be included in any standards, policies, or oversight processes.

In contrast, the LEGO Group’s policies, and in particular the one in relation to employee safety and health, apply to all employees within the LEGO Group whether manufacturing workers or office people.
All LEGO Corporate Policies and Standards are in nature global and are adhered to by all LEGO employees (Appendix 2.3).

The LEGO Group plan and carry out all activities in a safe way for all employees (Appendix 2.5)

The reference to the high standards of Mattel's principles, as stated in the below sentence, demonstrates a leadership role within the field and brings greater reliability to Mattel's approach to the issues included in the GMP:

Mattel's GMP have remained some of the most detailed and comprehensive standards in the consumer product industry... (Appendix 3.2).

The indication of leadership within the field of CSR and the implementation of self-established principles or standards demonstrate the influence of the US context in terms of the tradition for self-regulation due to the political system, and the role that companies are expected to take in relation to social issues (Cf. chapter 3).

Diversity

Within the issue of employment, Mattel has chosen to dedicate an entire section to the particular issue of diversity, which according to Kampf (2007) also relates to Agenda 1 (Kampf 2007:49,50). The elevation of this one particular issue concerning employees to a separate main section in the top menu demonstrates a greater emphasis on and thereby higher prioritisation of this one particular issue within the Agenda 1, compared to the less communicated issues of employee health and safety, and general labour standards on the Mattel website. In addition, the fact that the issue of diversity is not dealt with in the “Corporate Responsibility” section, and the fact that it has its own values or policies in terms of how Mattel integrates diversity in the organisation (People, Perspectives, Partners, Products, Appendix 3.4) suggests that Mattel does not view the issue of diversity as a responsibility per se. Instead, in terms of content and approach to the issue of diversity, Mattel focuses on the strategic and economic advantage of a diverse workforce:

We understand that a culture rich in diversity is key to business success. It allows us to better understand the business opportunities in various markets around the world, and develop products that resonate with consumers in diverse cultures. (Appendix 3.4)

Diversity and inclusion are an integral part of our business strategy, and help ensure that we are able to continue meeting our customers’ evolving needs. (Appendix 3.4)
Recruitment of racial minorities such as in particular black people and Hispanics are highlighted as one of the ways in which Mattel encourages diversity and inclusion in the organisation within the US (Cf. Appendix 3.4). The particular mentioning of these groups demonstrates a high influence of the American societal context in which racial discrimination historically has always been an issue, in particular due to the history of slavery, but also because of a high immigration rate from Hispanic countries. In Denmark, racial minorities and in particular those of the American context are not an issue, rather discrimination due to ethnical background or religion could be seen as one.

In contrast to Mattel, the issue of diversity is not treated directly on the LEGO Group website. Instead, focus is more broadly on non-discrimination of employees based on ...ethical background, race, religion, gender, age disabilities or sexual orientation (Appendix 2.6). The issue is only mentioned in one single sentence as part of one of the LEGO Group policies, and it seems to relate more to compliance with laws regarding the treatment and rights of employees rather than being a social or self-established responsibility per se (People & Culture Policy - Appendix 2.6). At the same time, the non-discrimination text could be part of the LEGO Group’s communication of its adherence to the UN Global Compact and the company’s support of human and labour rights (Cf. Appendix 2.10).

4.3 Agenda 2: Consumer responsibility

The second agenda which Roome identifies within the field of CSR is called Consumer responsibility and is concerned with:

...the responsibilities to consumers to provide products and services that are safe, usable and functional and come from safe and reliable supply chains (Roome 2005:321).

In terms of the two case companies, this agenda is addressed in two primary parallel sections on each website titled “Product Safety” (Mattel - Appendix 3.1) and “Product Quality and Safety” (The LEGO Group – Appendix 2.2) in each company’s main section of Corporate Responsibility. Additionally, the issue of product quality and/or safety is mentioned in the letter from the CEO in the “Citizenship Report” section on the Mattel website (Appendix 3.3) and in the “Responsibility Policy” section on the LEGO Group website (Appendix 2.7).

On both websites, the two primary sections concerning the issues of product quality and safety appear as the first element in the “Corporate Responsibility” section, preceded only by a small section on each website that introduces the companies’ general approach to and values of responsibility (Cf. Appendix 2.1
and 3.1). According to Lynch & Horton (2004), this placement indicates a high prioritisation by each company of the issues featured in agenda 2.

In support of this, both case companies directly emphasise their commitment to and prioritisation of product safety and/or quality in the text:

Mattel:

At Mattel the safety of our toys is our number one priority (Product Safety - Appendix 3.1)

Toy safety has been and will continue to be the highest priority at Mattel (Robert A. Eckert, CEO - Appendix 3.3).

The LEGO Group:

To the LEGO Group, quality means product quality and ethical values of high standards (Product Quality and Safety - Appendix 2.2)

“Quality is firmly rooted in our fundamental beliefs, our mission statement, our strategic goals and our values” (Product Quality and Safety - Appendix 2.2)

“We care for the safety, play and development of children. Quality is therefore a key value for the LEGO Group, not only with regard to the safety of our products but in every aspect of the way we do business” (Responsibility Policy - Appendix 2.7)

As indicated in the above quotations, Mattel focuses on the issue of safety in its products, whereas the LEGO Group focuses on quality...in everything it does (Appendix 2.2). Product safety is thereby communicated as an implicit result of the LEGO Group’s strong commitment to high standards of quality.

The great importance which each company attach to the Consumer responsibility agenda, whether directly or indirectly seems to be a natural result of the nature of each company as consumer product manufacturers.

In terms of the overall motivation to committing to product safety and/or quality, Mattel seems to be driven by an obligation to take responsiblity within these issues due to its significant position in the market place:

We create and produce some of the world’s most beloved toys and brands for children, and we know that with this comes the responsibility to ensure quality and safety (Appendix 3.1).

In contrast, the LEGO Group presents its commitment to product safety as an integral part of the company’s values and culture (Cf. above quotations).

The reference to leadership by Mattel can be explained by the US national business system and the expectation or tradition for American companies to take a leadership role in society (Cf. chapter 3).
When it comes to demonstrating their commitment to ensuring product safety, the two companies also do this in somewhat different manners. As was the case in Agenda 1, Mattel communicates its actions and procedures in relation to the consumer responsibility agenda in quite brief and general terms. The company states that it employs *strict standards that extend from product design to manufacturing through distribution*, and that it applies:

...internal operating procedures that are designed to meet or exceed compliance with regulations and laws enforced by the US Consumer Safety Commission (CPSC), and their regulatory counterparts around the world (Appendix 3.1).

However, none of the above standards, procedures, or regulations are described in detail on the website. Instead, a link to Mattel’s Global Citizenship Report 2009 with the text *Learn more about our approach to product safety* is provided (Cf. Appendix 3.1). This indicates that there is more to Mattel’s communication of product safety than what is stated on the website. As a more specific means to demonstrate Mattel’s commitment to being a responsible organisation that behaves in an ethically correct manner, the company emphasises a case of voluntary product recalls in 2007 (Appendix 3.3). The product recalls are, however, not explained further on the website either.

Similar to Mattel, the LEGO Group refers to compliance with national and international toy standards and regulations as a minimum. The company is, however, far more specific than Mattel in terms of explaining what its procedures and measures taken to ensure product safety consist of, and how they exceed official regulations. By focusing on the consumer’s perception of quality and his/her expectations of safety and by chairing the European Committee for standardisation of toy safety, the LEGO Group communicates a commitment to quality and safety beyond the official standards and requirements (Appendix 2.2). In addition, the LEGO Group has *opted to ensure that its products not only satisfy standards for plastics used in making toys but also the regulations that govern food packaging...* (Appendix 2.2). The latter indicates more strict regulations for the materials used in LEGO products and thereby increased product safety. In terms of quality, the company emphasises the use of specially developed plastics for the LEGO Group and continuous testing of the plastics (Cf. Appendix 2.2).

The reference to the US Consumer Safety Commission by Mattel as its primary reference for regulations demonstrates the influence of the US context from which the company originates. In addition, Mattel links to regulatory bodies including the EU but with no specific information about which standards are met. In
comparison, the LEGO Group refers first and foremost to the European Toy Directive as a natural result of Denmark’s membership of the European Union. Countering Mattel’s reference to regulatory bodies around the world, the LEGO Group specifically refers to the American market in terms of compliance with general American regulations (Federal Code of Regulations). The company, however, takes a step further than Mattel by mentioning a specific American standard which the company’s products comply with (ASTM standard F963) (Appendix 2.2). The explicit focus on American regulations suggests a prioritisation of this market by the LEGO Group. The focus is thereby explained by the global market conditions for the company, in which the American market seems to be the largest or at least the most important to the LEGO Group.

4.4 Agenda 3: Sustainable enterprise

The third overall agenda within the debate of CSR is labelled Sustainable enterprise and includes the expectation that companies

...strive to ensure that their economic activities do not jeopardise the capacity of the environment to sustain the demands and pressures arising from those activities while taking account of social well-being and social concerns (Roome 2005:321).

In other words, the sustainable enterprise acknowledges the ...wider environmental and social implications of the company’s activities (Roome 2005:320) and strives to take actions to improve these matters.

As was the case with the two previous agendas, both case companies address the agenda of Sustainable enterprise in their CSR communication on their respective website. Overall, the two companies communicate the same in terms of an aim to reduce their environmental impact (Cf. Appendix 2.4 and 3.1). Some of the actions taken to achieve this are even similar, but the manners in which they are communicated and the specific focus of each company in terms of the concept of sustainability differ.

On the Mattel website, the agenda of Sustainable enterprise is addressed in the initial section titled “Playing Responsibly” in the main category “Corporate Responsibility”. In this section, the environment is presented as one of the three main areas of the Mattel Corporate Responsibility mission: ...to positively impact our people, products and our planet... (Cf. Appendix 3.1). Furthermore, the agenda is very briefly addressed in the section “Responsible Manufacturing” as part of Mattel’s Global Manufacturing Principles (Appendix 3.2). However, the most important section concerning this agenda is the section titled
“Sustainability” in which the agenda is most thoroughly addressed (Cf. Appendix 3.2). Finally, the issue of the company’s environmental impact is briefly mentioned in the letter from the CEO in the “Citizenship Report” section on the Mattel website (Appendix 3.3).

Similar to Mattel, the LEGO Group communicates the agenda of Sustainable enterprise in the initial section titled “Corporate responsibility”. In this section, the environment is directly communicated as one of the main issues on which the company strives to make a positive impact (Cf. Appendix 2.1). In the subsection titled “Environmental Policy”, the company then addresses the issue in further details in terms of its objectives and approach to the environmental issue (Cf. Appendix 2.4). Additionally, the environment appears in the sections “Responsibility Policy”, “Code of Conduct”, and “Global Compact” (Cf. Appendix 2.7, 2.8 and 2.10).

As regards the prioritisation of the Sustainable enterprise agenda, the LEGO Group addresses this as the second of the four agendas in the form of the “Environmental Policy” section. According to Lynch & Horton (2004), this indicates a higher prioritisation of this subject by the company, compared to, e.g. employment issues and labour conditions (Cf. section 4.2). However, in the “Responsibility Policy”, the LEGO Group lists “Our Planet” as the third element of attention after consumers and customers, and employees, business partners and suppliers (Cf. Appendix 2.7). Furthermore, considering the widespread communication of issues in relation to employees and labour conditions, the agenda of Sustainable enterprise seems to be communicated less than the agenda of Responsible business practices. This also suggests a lower priority as number three, compared to the one indicated by the physical placement on the website.

Represented by the “Sustainability” section, Mattel primarily presents the issues of sustainability and the environment as the third and last element in the “Corporate Responsibility” section. Following the sections of “Product Safety” and “Responsible Manufacturing”, which have been ranked first and second, respectively (see above), the placement of the third agenda implies a prioritisation of it as number three. To some extent, this is supported by the less amount of information given in the “Sustainability” section, compared to, e.g. “Responsible Manufacturing”.
On the Mattel website, the objective of sustainability is directly communicated and emphasised in one of the company’s main values, which guide Mattel’s entire commitment to corporate responsibility:

**Play to Grow by committing to a sustainable future through efforts to work smarter and reduce our impact on the environment.**

The above statement implies that Mattel understands the concept of a sustainable enterprise as a combination of an internal perspective in relation to the sustainability of the company in terms of economic performance (efforts to work smarter), and an external perspective in relation to sustainability of the natural environment (reduce impacts). The internal/external focus is then further emphasised in the “Sustainability” section in which Mattel refers to the implementation of *eco-efficiencies*\(^{10}\) in the manufacturing and distribution process (Appendix 3.2):

*Beyond design, we are always exploring opportunities to gain efficiencies and reduce environmental impact through the manufacturing and distribution of our products* (Appendix 3.2)

What these efficiencies more specifically consist of is, however, not explained further on the website.

In contrast to Mattel, the LEGO Group seems to be solely focused on the issue of *not jeopardising the capacity of the environment* (Roome 2005:321) in which case protection of natural resources and reducing climate impacts are emphasised (Appendix 2.4). The LEGO Group does not seem to be motivated by or focused on economic gains in the communication of the company’s commitment to improving its environmental performance. Instead, the LEGO Group’s approach to the objective of sustainability seems only to reflect external expectations to the company combined with an internal drive to take part in solving some of the major issues that face the world (Cf. Appendix 2.10). The fact that the LEGO Group does not use the term sustainability directly in its communication of the Sustainable enterprise agenda could be explained by the company’s commitment to the UN Global Compact, which only operates with the term environment.

Overall, the commitment to the UN Global Compact highly influences the LEGO Group’s communication of the environmental issue and reveals a great influence of the international context. The three principles from the Global Compact that are concerned with the environment are stated directly in the “Environmental Policy” as the guiding principles or foundation for the company’s actions and initiatives in relation to the environment. Furthermore, the Environmental Policy is directly linked to the UN Global Compact.
Compact as part of the LEGO Group’s commitment to integrate the Global Compact principles in the company’s daily work (Appendix 2.4).

In addition to the UN Global Compact, the LEGO Group emphasises national and international standards and regulations as a minimum requirement for the company’s activities, standards and policies in relation to the environment (Appendix 2.4). In this connection, certification of production sites according to the international environmental management standard ISO 14001 is mentioned. The emphasis on legislation and standards was also the case in relation to the issues of product quality and safety, the health and safety of employees, the working environment and general labour conditions (Cf. Agenda 1 and 2 above). In its “Responsibility Policy” which summarises the LEGO Group’s CSR approach, the company even emphasises that it has made it its

...explicit policy to comply with the letter as well as the spirit of all laws, rules and regulations applicable in the countries in which [the company] conduct[s] business (Appendix 2.7).

The major emphasis on compliance with laws and regulations and the explicit communication of it by the LEGO Group could be seen as a result of the Danish national/European business system in which a strong tradition of faith in legislations and regulations by external authorities rules (Cf. section 3.3.1).

Except for in the case of product safety, Mattel does not refer to national or international legislations and standards in relation to the three agendas currently reviewed. Instead, the company refers to its self-established Global Manufacturing Principles, which reflects the American national business system and the tradition of resistance towards legislations and external regulation of companies (Cf. section 3.3.1).

In terms of the actions which each company communicates to undertake in relation to being a sustainable enterprise, Mattel mainly focuses on

...minimising its footprint throughout the value chain – from design to manufacturing through disposal of products and waste (Appendix 3.2).

The specific areas in which the company communicates to implement sustainability efforts are product design, packaging, manufacturing and distribution. In connection to this, employee initiatives are emphasised as an important contribution to the sustainability activities of the company.

In terms of the approach to achieving the overall goal of the LEGO Group, i.e. to protect natural resources and reduce climate impacts, the LEGO Group specifically states ...energy consumption, materials, waste,
Procurement and new technology as primary focus areas (Appendix 2.4). The LEGO Group is thereby more specific than Mattel in listing how and in which areas the company seeks to improve its environmental performance.

In contrast to the limited focus of Mattel, the LEGO Group integrates *environmental considerations in all relevant processes and activities* (Appendix 2.4). Similar to Mattel, this includes activities in relation to the product life cycle and employee involvement. The latter is, however, more extensively communicated by the LEGO Group as specific procedures are listed for how employees can report observations of circumstances which they consider unreasonable or harmful to the environment. In fact, LEGO employees have the *right and duty to call attention to* any such circumstance (Appendix 2.4).

In addition and as opposed to Mattel, the LEGO Group emphasises environmental activities in its supply chain. In connection to this, the company specifically seeks to *ensure and influence the environmental awareness and practices* of its suppliers by means of defined environmental standards which are included in the LEGO Group Code of Conduct (Appendix 2.4 and 2.8). The greater focus on the behaviour of suppliers, compared to Mattel, could be explained by the influence of the Danish and/or European CSR agenda which specifically emphasise and encourage supply chain management in relation to CSR activities (Cf. section 3.3.2).

Although Mattel also includes environmental management in its Global Manufacturing Principles which, among others, apply to vendors and suppliers, this is only mentioned briefly and not emphasised directly in relation to the issue of sustainability (Appendix 3.2).

**General observations in Agenda 1-3**

The above analysis of the first three of Roome’s four CSR agendas shows that both case companies present all three agendas. In general, they even communicate the same issues within each agenda, although, to some extent in different ways and with different prioritisation and degree of detail. Generally speaking, the LEGO Group appears to communicate its CSR approach and activities in more detail and more extensively than Mattel except for the particular issue of diversity. While Mattel limits its communication to general terms, the CSR communication of the LEGO Group provides specific information about which policies the company has, what they consist of, how they are implemented, and to some extent also what the company plans to do in the future.
This general difference in communication between the two companies, and in particular the extensiveness of the LEGO Group communication, could be explained by the mandatory reporting requirement imposed by the Danish Government, to which the LEGO Group is subject (Cf. section 3.3.2). Furthermore, the commitment to the UN Global Compact by the LEGO Group appears to influence the entire communication of the three agendas. In connection to this, the extensive and detailed communication by the company could be seen as part of the company’s demonstration of how it integrates the principles of the UN Global Compact.

In addition to the above, the differences in the extent of communication between the two companies seem to be based on a generally different choice of strategy for communicating their CSR commitment. At the end of each section under the “Corporate Responsibility” menu, Mattel includes a link to its CSR report – the 2009 Global Citizenship Report, with the text “Learn more about...” and then the specific topic in question (Cf. Appendix 3.1-3.2). This reference indicates that there is more to Mattel’s approach to each agenda or topic than what is presented directly on the website. Instead of communicating its entire CSR commitment, actions and procedures directly on the website, it seems Mattel has chosen to do this in its report instead. This could be due to the fact that Americans are perceived to read CSR reports more than Europeans (Cf. section 3.3.3).

In contrast, the LEGO Group seems to present its entire general CSR commitment directly on the website. Although links to its CSR reports are provided at the beginning of the “Corporate Responsibility” section (Appendix 2.1), these are not referred to or integrated in the following subsections as in the case of Mattel.

4.5 Agenda 4: Corporate philanthropy and community involvement

The last main agenda which Roome identifies as being present in the debate and practice of CSR is called Corporate philanthropy and community involvement (Roome 2005:321). This agenda entails partnerships with charities and charitable giving in the form of companies’ contribution of their knowledge, technologies, products, services and other resources to a wide range of social ills (Roome 2005:321).

Examples of such social ills are:

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11 Only once at the end of the “Product Quality and Safety” section does the LEGO Group refer to a report for further information but without a direct link. As the reference is to a sustainability report and not a Progress Report which the most recent reports are called, it seems this text is out dated and it is therefore not considered.
...regeneration of communities and neighbourhoods, illiteracy, the provision of education and training, alleviation of illness and disease, the improvement of living conditions, poverty or social inequities and the provision of, or access to, these human needs (Roome 2005:321-322).

Both case companies communicate the agenda of Philanthropy and community involvement on their respective website. However, major differences between the two case companies spring to mind in terms of placement on the website, the extent to which the agenda is communicated, and the prioritisation of it.

On the LEGO Group website, the agenda of Philanthropy and community involvement is included in the subsection “Charity” which is placed at the end of the “Corporate Responsibility” category (Cf. Appendix 2.11). The agenda is thereby presented as the last of the four main CSR agendas, which in itself indicates a low priority given to this agenda. In addition, the communication of the agenda is rather limited compared to the other agendas on the LEGO Group website. Altogether, this suggests that the agenda of Philanthropy and community involvement is prioritised the least by the LEGO Group.

As regards Mattel, the agenda of Philanthropy and community involvement is represented in one of the main values of the company, which is presented in the initial section “Playing Responsibly” within the “Corporate Responsibility” menu:

   Play with passion by volunteering in our communities and helping underserved children experience the joy of play (Appendix 3.1)

However, the agenda of Philanthropy and community involvement is not communicated further in the “Corporate Responsibility” section on the website. Instead, the communication of the agenda is elevated to an independent main section titled “Philanthropy” in the top menu, equal to the level of the CR section. Within the website of Mattel, this placement indicates a higher priority given to this issue compared to the other three of Roome’s agendas, which are located in the “Corporate Responsibility” section (Cf. Lynch & Horton 2004). The volume of text and the extent of details presented in the “Philanthropy” section of Mattel (Cf. Appendix 3.5-3.11) support this perception and also suggest that the company attaches greater importance to the issues of philanthropy and community involvement than the LEGO Group.

12 Visit: www.mattel.com > About Mattel > About Us to see the top menu
In terms of actions, the LEGO Group only refers to charity and only in the form of product donations. Focus is on helping children *...who due to illness or their social status have limited possibilities for play experience* (Appendix 2.11). In particular children *...confined to public hospitals and other major institutions* are mentioned (Appendix 2.11). The community involvement part of the agenda is not communicated as part of the LEGO Group’s CSR commitment. The reason for this could be that the need for such activities does not exist to the same extent in Denmark due to the national business systems. In the Danish welfare state, Danish companies already contribute to society through high corporate taxes, and public authorities exist to ensure the social welfare of the citizens (Cf. chapter 3). The fact that the LEGO Group includes charity in its CSR communication in spite of the above could simply be explained by the corporate values of the LEGO Group.

In contrast to the LEGO Group, Mattel lists and describes several programs for philanthropic activities and community involvement initiatives. These include, among others, product donations, financial contributions, partnerships with charitable organisations, employee volunteerism and matchmaking gifts, etc.. The company has even funded a hospital, the Mattel Children’s Hospital (Appendix 3.9:2). The overall philanthropic mission of the company is to *...make a meaningful difference in the lives of children in need globally*... (Appendix 3.5:1).

Just like the American context prescribes it, Mattel communicates its efforts as “giving back” to society (Cf. section 3.3.1; Appendix 3.5:1). In addition, the company specifically focuses on areas such as education, illiteracy and health in its philanthropic and community involvement activities (Cf. Appendix 3.6). Altogether, this demonstrates a strong influence on Mattel’s CSR communication by the established national framework for CSR in the US and clearly reveals the American nature of Mattel.

The major emphasis on philanthropy and community involvement by Mattel corresponds well with the American context for CSR and the American national business system in which philanthropy and community involvement traditionally have played a major role (Cf. section 3.3.1 and 3.3.3).

As indicated above, the aim of the philanthropic or charitable activities by each company is the same, i.e. helping children in need. This does, however, not cause surprise given the nature of the two companies as toy manufacturers and children being the livelihood of the companies.

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13 Appendix 3.9.2 = Appendix 3.9, p. 2
4.6 Additional elements

In addition to the topics and focus areas which the companies communicate, the general approach to CSR by each company can also be determined by the underlying motivations and understanding of CSR, which can be detected in the communication.

4.6.1 Stakeholder approach

Following each their national context as described in chapter 3 as well as the general theoretical perception of CSR (Cf. chapter 2), both case companies apply the stakeholder approach to CSR and base their CSR activities on stakeholder interests and concerns. These issues are in both cases identified in dialogue with stakeholders (Mattel 2009:2; The LEGO Group – Appendix 2.7) as the theory, and in particular the EU definition of CSR, prescribes (Cf. chapter 2).

In the case of the LEGO group, the stakeholder view is established as the first element under the Corporate Responsibility section:

Ever since the founding of the company in 1932, the LEGO Group has considered it important to take part in the improvement of issues that concern the “world” inside the LEGO Group as well as in relation to our stakeholders outside the LEGO Group - being the child and its parents, the retail shops, vendors and the society in general (Cf. Appendix 2.1).

In addition, evidence of the stakeholder approach appears in the “Product Quality and Safety” section in which case ...responsibility towards employees, customers, suppliers, consumers [and] the local environment is communicated (Appendix 2.2). Finally, the stakeholder approach is communicated and elaborated on in the “Responsibility Policy” in which dialogue with stakeholders is directly emphasised:

We listen to the concerns of all of our stakeholders and enter into open dialogue to improve our products and/or change the way we do business (Appendix 2.7).

On Mattel’s website, the stakeholder approach is implied in the company value “Play Together” (Appendix 3.1). However, it is more directly communicated in the letter from the CEO in the section “Citizenship Report” (Appendix 3.3). In the latter case, dialogue in the form of feedback from stakeholders and reporting from the company is emphasised, just as theory prescribes (Cf. chapter 2)

Play Together by working with employees, partners, vendors, and regulators to bring the world safe toys that grow-ups trust and children love (Appendix 3.1).

...we will continue to seek opportunities for open dialogue with our stakeholders and communicate our progress and challenges through ongoing reporting and transparency. In the meantime please share your feedback with us (...) and tell us what’s important to you. (Robert A. Eckert, CEO of Mattel - Appendix 3.3)
Except for the above examples, the stakeholder approach is generally communicated more implicitly than on the LEGO Group website. The stakeholder approach appears mainly from the sum of the CSR communication in terms of the specific sections on the website in the “Corporate Responsibility” menu and the additional “Diversity” and “Philanthropy” menus. In this case, “Product Safety” refers to consumers, “Responsible Manufacturing” and “Diversity” imply employees, and “Sustainability” indicates the company’s commitment to the environment and the world at large (Cf. Appendix 3.1-3.2 and 3.4). The “Philanthropy” menu addresses the community as a stakeholder group (Appendix 3.5).

The company’s concern for stakeholders’ interests and interaction with these groups is, however, most distinctly expressed in its latest CSR report, the 2009 Global Citizenship Report. In addition to listing the specific stakeholder groups of importance to the company (Mattel 2009:8), it clearly appears from the report that Mattel bases its CSR issues and communication on stakeholder concerns:

We began our reporting process with an assessment of the social, environmental, and economic issues that are of greatest importance to our stakeholders (Mattel 2009:2)

We value open dialogue and interaction with stakeholders to help identify ways to improve our practices, as well as to respond to emerging issues (Mattel 2009:8).

4.6.2 Strategic CSR

By integrating social and environmental concerns into their daily business operations both case companies follow the strategic approach to CSR as defined by the European Union (Cf. section 2.1.5). However, while Mattel also communicates a slightly performance-driven approach in line with the one advocated by the Danish government (Cf. section 3.3.2.1), the LEGO Group does not focus on this aspect in its CSR communication.

On Mattel’s website, evidence of the strategic approach to CSR can be found in the “Responsible Manufacturing” section, in the communication of the company’s commitment to sustainability (Cf. Appendix 3.2), and in the communication of diversity (Appendix 3.4). In the former, Mattel states that: …how we achieve success is just as important as the success itself [sic] (Appendix 3.2), and that the company strives to ensure that its products …are manufactured in a responsible and ethical manner (Appendix 3.2). In relation to the issue of sustainability, Mattel emphasises …personal commitment in business and everyday practices as an important element (Appendix 3.2). The above demonstrates a
focus on the daily behaviour and actions of the company in relation to CSR, which is identical to the European Union/international understanding of CSR defined in chapter 2 (Cf. section 2.1.5).

The strategic approach to CSR is further emphasised in the “Sustainability” section in which the company integrates environmental considerations into its value chain from product design to manufacturing through distribution and disposal of products (Cf. Appendix 3.2). Especially the company’s focus on implementing eco-efficiencies in the manufacturing and distribution process (Cf. section 4.4) demonstrates a strategic and, in this case, also a business-driven approach to CSR (Cf. section 3.3.2.1). In that connection, environmental concerns are combined with economic advantages for the company making at least the environmental responsibility sound business. A hint of the performance-driven approach to CSR is thereby revealed (Cf. section 2.2.1). This approach also appears in the communication of diversity in the organisation in which case diversity is directly emphasised as part of Mattel’s business strategy and regarded as ...key to business success (Cf. section 4.2; Appendix 3.4).

The focus on children in Mattel’s philanthropic and community involvement activities and in particular the act of donating toy products demonstrates an obvious alignment of CSR activities with core competences of the company, cf. business-driven social responsibility (section 3.3.2.1).

On the LEGO Group website, evidence of a strategic approach is found in the sum of all its corporate responsibility policies which aim to ensure:

...that all activities (...) are planned and executed with respect towards the surrounding environment (Appendix 2.4)

...that all activities of the LEGO Group are planned and executed in accordance with a healthy and safe working environment (Appendix 2.5).

and ...that all processes and activities concerning employees of the LEGO Group are planned and executed in a responsible and consistent way (Appendix 2.6),

The above statements indicate that social and environmental concerns are taken into consideration in all of the company’s plans and actions, which corresponds to the European Union’s approach to and definition of CSR.

The strategic approach is distinctly communicated in the “Product Quality and Safety” section and the “Environmental Policy”. In the former, quality is communicated directly as ...rooted in [the] fundamental
beliefs, (...) mission statement, (...) strategic goals and (...) values of the company (Appendix 2.2) and permeates all of the LEGO Group's actions. Although quality seems to be a company value more than a social responsibility per se, it can be argued to fall under the Consumer responsibility agenda of CSR as defined by Roome (Cf. section 4.3). In that way, it can be considered a corporate (social) responsibility which is integrated in the business strategy and operations of the company.

As regards environmental considerations, these are more clearly communicated in a strategic sense as the company states that it strives to improve its environmental performance through daily business (Cf. Appendix 2.4). Like Mattel, environmental concerns are taken into consideration through the entire product life cycle ...from development, through production, distribution, in the daily use and disposal of products (Appendix 2.4). In addition, the LEGO Group emphasises that environmental considerations are integrated in ...all relevant processes and activities (Appendix 2.4), and that employees ...at all levels... are engaged in assuming ...responsibility for – and participate in – environmental activities (Appendix 2.4).

The commitment to the UN Global Compact and the consequent detailed corporate policies regarding employee health and safety and labour conditions reflect the integration of social considerations into the daily business of the LEGO Group (Cf. Appendix 2.5-2.10). In particular the focus on supply chain conditions, the company’s efforts in that matter in the form of its Code of Conduct, and the selection of suppliers based on adherence to principles and standards laid down by the LEGO Group demonstrate the company’s strategic efforts in terms of its social responsibilities (Cf. Appendix 2.4,2.7-2.8).

In spite of the above evidence of a strategic approach to CSR in terms of the integration of social and environmental concerns into the daily operations of the LEGO Group, the company differs significantly from Mattel in terms of the underlying motivation and argument to engage in CSR. While Mattel communicates an economic argument or benefit for the company in relation to some of its CSR activities (see above), the LEGO Group does not. Instead, the latter focuses on how it can contribute to solving some of the major challenges that face the world, particularly within the areas of human rights, labour standards, the environment and the fight against corruption (Appendix 2.10) ‘for the greater good of the world at large’.

The strategic approach by the LEGO Group is therefore not communicated in the sense that CSR activities are profitable for the company as promoted by the Danish government, rather the CSR
commitment of the LEGO Group is presented as a natural part of the company’s values and beliefs. Except for the donation of products in relation to charity, which demonstrates that the LEGO Group aligns core competences with some of its CSR activities, the business-driven social responsibility agenda of the Danish government is not present in the LEGO Group communication.

The above differences can be explained by the different forms of ownership and to some extent stakeholders in the two companies. While the economic argument by Mattel reflects the American context for CSR and a need to please its shareholders (Cf. chapter 3), the LEGO Group does not have shareholders as it is a family-owned business (Cf. section 1.4.3). In addition, based on the perception that CSR is mostly about soft values and ‘doing good’ in the eyes of the general European and international public, an openly communicated performance-driven approach to CSR would not be expected to be well received by these groups.

4.6.3 Values as drivers

As indicated above, the underlying motivation to engage in CSR activities by the LEGO Group seems to be value-driven (Cf. section 2.2.1). Evidence of this is, among other places, found in the first section on the LEGO Group website in which the concern for stakeholder interests is linked to the history, general values, and culture of the company:

Ever since the founding of the company in 1932, the LEGO Group has considered it important to take part in the improvement of issues that concern the “world” inside the LEGO Group as well as in relation to our stakeholders outside the LEGO Group... (Appendix 2.1)

The value-driven approach is further supported by the motto and value of the founder, “Only the best is good enough” (Cf. Appendix 2.1-2.3, 2.7), which governs the way the LEGO Group operates and permeates all of its CSR activities. Because of the above, quality is emphasised as a key value to the company and as ...firmly rooted in [the] fundamental beliefs, (...) mission statement, (...) strategic goals and (...) values of the company (Appendix 2.2).

Ever since it was founded in 1932, the LEGO Group has focused on quality in everything it does. To the LEGO Group quality means product quality and ethical values of high standards. (...) The trust that the outside world displays towards the LEGO Group has been achieved by refusing to compromise on quality – whether product quality or responsibility towards employees, customers, suppliers, consumers or the local environment (Appendix 2.2).

The perception that CSR is communicated as a natural part of the company’s values and beliefs is also demonstrated in the below statement by the LEGO Group:
Corporate responsibility is about living the values and principles that govern the way we operate as an organisation and how we behave as individuals towards our stakeholders (Appendix 2.7).

In addition, the decision to join the UN Global Compact in 2003 and thereby commit to the ten principles of socially and environmentally good business conduct is directly communicated as a ...natural next step in the process of social commitment that is so deeply rooted in the company (Appendix 2.10).

Although Mattel lists four values which govern the way it operates, i.e. Play Fair, Play Together, Play to Grow and Play with Passion (Appendix 3.1), these do not seem to be fundamentally rooted in the company or reflect personal values of the leader in the same way as in the communication of the LEGO Group. Instead of communicating an inner deeply felt natural belief to act responsibly because of its values, Mattel refers to its position as a leader within the industry as the reason for its corporate responsibility commitment. In addition, these commitments seem to be based on external demands from stakeholders and society rather than internal values.

Examples of this are found in the communication of product safety (Cf. section 4.3; Appendix 3.1) and in the “Responsible Manufacturing” section (Appendix 3.2):

- We create and produce some of the world’s most beloved toys and brands for children, and we know that with this comes the responsibility to ensure quality and safety (Product Safety - Appendix 3.1).

- As a global leader in the toy industry, we believe that how we achieve success is just as important as the success itself [sic] (Responsible Manufacturing - Appendix 3.2).

In the former statement, the text ...with this comes the responsibility to ensure quality and safety... implies that quality and safety is something expected of a company of Mattel’s size and leading position and that the commitment to it does not come from the inside of the company. Again in the latter statement, the importance of how the company achieves success is linked to its status as a ...global leader in the toy industry... To some extent, this implies that if the company did not have the grand position it has, the same emphasis or focus on responsible manufacturing was not necessary. In the communication of the LEGO Group, its social commitment and responsible behaviour is presented as coming from the inside of the company and being present at all times regardless of the size of the company.

The fact that Mattel refers to ...opportunities to gain efficiencies... in the “Sustainability” section (Appendix 3.2), and thereby hints at a performance-driven approach (Cf. above) further supports the perception that Mattel is not value-driven in the same way that the LEGO Group is, and which theory prescribes (Cf.
section 2.2.1). Only in relation to the philanthropic activities, which is reflected in the last value, does Mattel’s commitment seem to be communicated as a fundamental value of the company:

> This philanthropic drive is part of who we are as a company. Mattel has a long history of actively supporting its communities around the world with a global commitment to children in need (Appendix 3.5).

The above tradition and strong commitment by Mattel to engage in philanthropic activities and community involvement can, however, also be seen as merely reflecting the general tradition for philanthropic activities and community involvement which characterise the American society and national business system (Cf. section 3.3.3).

Based on the above and as opposed to the LEGO Group, the four values which Mattel lists therefore seem to be a description of how the company fulfils the responsibility which is expected of it from external sources, rather than why it engages in it in the first place. Mattel thereby seems to be more stakeholder and performance-driven rather than value-driven, compared to the LEGO Group.

### 4.6.4 Corporate Citizenship and Corporate Responsibility

In line with the general national framework for CSR in the US (Cf. section 3.3.3), Mattel uses the concept of Corporate Citizenship as reference to its CSR commitments. It is applied in the title of the company’s CSR report, referred to in the letter of the CEO, which is published on the website (Cf. Appendix 3.3), and it is further emphasised in the “Diversity” section, which is also a statement from the CEO:

> Moving forward as one inclusive organization, Mattel will continue its long heritage of being a committed and inspired outstanding citizen, committed to our communities and to acting responsibly. (Cf. Appendix 3.4, p. 2)

As opposed to CSR, the term Corporate Citizenship includes a clearer picture of companies as part of any given society in which they are embedded or operate (locally or globally) (Matten & Crane 2005:169) as well as the duties and responsibilities which rest upon companies. This may ease the perception of companies among their stakeholders and the public at large in respect to the otherwise distrust in businesses, the resistance towards their increased power and the scepticism towards their actions and motivations (Carroll & Buchholtz 2008:19). In addition, the use of the concept of Corporate Citizenship reflects the tradition and need for American companies to establish their place in society more explicitly, compared to European companies (Cf. sections 3.3.1 and 3.3.3). This would also explain why the LEGO Group does not refer to Corporate Citizenship in its communication of its corporate responsibility.
As has been referred to many times now throughout the thesis, each company has chosen to call their main category that includes CSR, Corporate Responsibility. The exclusion of the term “social” enables the companies to define their own and perhaps more broad perception of the responsibilities of the company, compared to the traditional view of what corporate social responsibility entails (Cf. chapter 2). In addition, the deliberate exclusion of the term “social” could also be an attempt to avoid misinterpretations of what this somewhat diffuse term entails and to avoid the impression that the social and environmental responsibilities of a company is separated from its economic responsibilities (Neergaard 2006:25), which is clearly not the contemporary perception of CSR (Cf. chapter 2).
5 Discussion of findings

In this chapter, based on the results of the empirical analysis, the question of whether there is a divergence or convergence between the CSR communication of the two companies will be discussed, i.e. do the two companies actually differ as theory states they should?

Based on the theory by Matten & Moon (2005 & 2008), which is supported by others (Roome 2005:323-331; Hartmann et al. 2007; Chen & Bouvain 2009:302-303, Maignan & Ralston 2002), stating that the practice and communication of CSR generally differs between countries due to differences in national business systems, which cause different frameworks for CSR to develop in, it was expected that the CSR communication of the two case companies would differ reflecting different perceptions of what CSR entails in Denmark and the US, respectively. Differences in the presence of topics and the prioritisation of these in the CSR communication would thereby reflect different CSR practices and approaches in these two countries.

5.1 Extent of communication on website

Except for in the case of the agenda of Philanthropy and community involvement, the American company Mattel did not communicate its CSR commitment as explicitly or extensively on its corporate website as expected according to theory (Cf. sections 2.1.6 and 3.2) and in comparison with the website communication of the Danish LEGO Group. Generally speaking, the Danish website was more explicit and extensive in the communication of its CSR practices than the US website. While the American case surprises in this respect, the Danish results merely demonstrates the general development towards more explicit CSR in European countries and the world at large (Cf. sections 2.1.6 and 3.2).

The difference in the extent of CSR communication on the websites does, however, not necessarily mean that Mattel communicates its CSR commitments less explicitly or extensively altogether, compared to the LEGO Group. Instead, Mattel has simply chosen only to include what could be called a brief summary of their CSR activities and commitments directly on its website and then direct readers to the 2009 Global Citizenship Report in which the company includes far more details about its CSR commitments than on the website (Cf. Mattel 2009). Therefore, while the extent of the specific webpage information differs significantly with the LEGO Group communicating more extensively on their website, this difference is strongly counterbalanced when including Mattel’s 2009 Global Citizenship Report. In fact, when taken the
Mattel report into account, the picture changes completely. Based on a quick study of the two companies’ CSR reports, it seems Mattel actually communicates its CSR commitments, initiatives and activities far more extensively and in detail, compared to the LEGO Group website and the LEGO Group Progress Report altogether (Cf. the LEGO Group 2009b).

Based on the website analysis, the LEGO Group seems to communicate its entire approach to CSR in terms of policies, actions and procedures on its website and then follow up on specific progresses within these in its Progress Report, which the company is required to make as a result of its commitment to the UN Global Compact. Only in relation to the agenda of Philanthropy and community involvement, does the LEGO Group seem to include more information in its CSR report than on the website. In the report, the company includes far more specific examples of initiatives, partnerships, organisations and programs in which the company engages. If the report is taken into consideration, the LEGO Group would resemble Mattel more in relation to the fourth agenda although it never reaches the same level of extensiveness.

As opposed to Mattel, the LEGO Group Progress Report does not figure as an integrated part of its CSR communication. As regards the style of the report, this seems far more expert-oriented with facts & figures, compared to Mattel’s Citizenship Report which is written in a more comprehensible style for the interest of the general public. In the Mattel report, the company’s entire approach to CSR in terms of actions and procedures are included in detail alongside information about specific progresses and specific reactions to certain contemporary issues (Cf. Mattel 2009).

5.2 Topics
In terms of the focus areas which were communicated on the websites, a strong convergence in the presence of CSR topics was detected based on Roome’s four main CSR agendas. The analysis showed that all four agendas were addressed on each website. Differences were, however, detected in the approach to and to some extent also in the prioritisation of the agendas. These differences were largely explained by the influence of the different national business systems, which supports the theoretical point of departure of the thesis. While the LEGO Group was largely influenced by the Danish/EU context and leaned heavily on an international approach to its CSR commitment, Mattel’s approach to CSR was anchored more in the American national culture than in the international context – at least in terms of the
approach to each focus area. The topics or focus areas which were communicated did reflect an influence by the international context.

5.3 Prioritisation

Except for the last agenda of Philanthropy and community involvement, Roome’s four CSR agendas were to a large extent prioritised equally by the two case companies in the order of Consumer responsibility as number one, Responsible business practices as number two, and the Sustainable enterprise as number three. That is, if only the extent of communication and the companies’ own direct presentation of the agendas are considered. If the theory by Lynch & Horton (2004) is followed, the prioritisation of the agendas for Responsible business practices and Sustainable enterprise switch places with regard to the LEGO Group.

On the LEGO Group website, the agenda of Philanthropy and community involvement was ranked last in terms of extent of information and location on the website. As regards Mattel, this agenda was highly prioritised considering the sheer volume of information, the degree of details, and the location of the agenda in a separate main section on the website. Based on this alone, the agenda of Philanthropy and community involvement seems to be the most important to Mattel in spite of the fact that Mattel directly states the Consumer responsibility to be its number one priority (Cf. section 4.3). However, the fact that Philanthropy and community involvement was not included in the Corporate Responsibility section speaks in favour of the Consumer responsibility as the highest prioritised responsibility agenda by Mattel after all.

As the above shows, the prioritisation of topics was somewhat difficult to determine exactly as theory and text contradict each other to some extent. Depending on which of the two methods, i.e. theory or text one chooses to follow, the prioritisation of the agendas varies slightly between convergence and divergence. However, except for in the case of the last agenda, no significant differences in the prioritisation of topics or agendas between the two case companies could be detected.

The resemblance in the inclusion of topics and to some extent the prioritisation of these in the CSR communication of the two companies indicates a convergence between the two case companies towards the common international approach to and understanding of CSR. In the case of the LEGO Group and Mattel, this is, however, explained by the common industry and global market conditions contexts for the
two companies in which they share industry, stakeholder, and consumer related issues and demands which set a similar CSR agenda for the companies. However, the way in which the specific topics or agendas are approached by each company demonstrates a continuous influence of the particular national culture from which the companies originate.

5.4 Additional elements

As regards additional elements to the presence of Roome’s four CSR agendas and the manner in which these were communicated, a convergence between the two case companies was detected in relation to the underlying approach to engage in CSR activities and the means to do so. In this respect, both case companies based their CSR involvement on a stakeholder approach in which case dialogue and response to stakeholder issues constituted the foundation for the two companies’ focus areas and CSR activities (Cf. chapter 2). In addition, both companies demonstrated a strategic approach to conducting CSR activities by aligning these with the core competences of the company and integrating them into the business strategy and every day practices. In doing so, both companies seem to follow the international approach to CSR (Cf. chapter 2).

At the same time, both companies communicated a value-driven approach in their CSR communication, however, in slightly different manners.

Although Mattel communicated an alignment of its CSR commitment to its general company values and thereby indicated an integrated company commitment to CSR, the company did not express the same historical, heartfelt, personal, or fundamental commitment as the LEGO Group did. Mattel expressed to a larger extent a “responsibility” to act as something that was expected of the company from society due to, for example, its leadership position rather than something the company does because it deeply feels it is the right thing to do.

In contrast, based on an expressed historical commitment to take the concerns of the internal and external world of the company into considerations since its establishment in 1932 - long before CSR was an explicit issue, the LEGO Group seems to communicate a deeper commitment to its CSR approach. In this case, CSR has always existed in the company and current initiatives are merely presented as a natural result of the company’s basic values of social commitment based on the spirit that “only the best is good enough”.
6 Conclusion

The overall aim of this thesis was to explore how CSR is approached in Denmark and the US, respectively. This was done by means of establishing and describing the contexts which were perceived to influence the CSR practices and communication in each country. These contexts were the national business systems, international institutions, and the global market conditions for the companies. Secondly, an empirical analysis of the CSR communication on the website of the LEGO Group and Mattel was conducted in order to see how CSR was communicated and thereby approached in practice in each country. Focus was on what the two companies communicated in terms of topics, and how they communicated their CSR commitment in terms of manner and approach to each topic. The contextual framework was then used to see in what ways or to what extent the overall contexts had influenced the communication and practice of CSR in each case company. The question of whether CSR approaches in the two countries actually differed as theory states they should or if a convergence could be found guided the analysis.

The results of the empirical analysis showed that the two case companies communicated the same in terms of topics and overall aim of their CSR activities. To some extent the prioritisation of topics was even similar. In addition, both companies integrated social and environmental considerations into their daily operations and focused on the concerns of stakeholders to determine their CSR commitment. Altogether, these similarities in the approach to CSR demonstrated that both companies followed the international approach to and definition of CSR as laid down by the European Union.

The specific approach to each topic, however, differed between the two companies. Generally speaking, the American company, Mattel, referred to own standards in relation to its CSR commitment, while the LEGO Group based its CSR policies and activities on international legislation and standards. These differences were found to be rooted in the nature of the national business systems.

Although both companies seemed to apply an international approach they did this in different ways. Mattel expanded its national cultural traits to a global approach by applying its community involvement to the international communities in which they operate and by imposing its self-made standards to its worldwide operations. In contrast, the LEGO Group, as primarily a Danish and secondly a European
country, naturally followed the European and international approach to CSR in which adherence to international legislation and standards are perceived important.

As regards the extent of communication, the two companies also differed. Except for the issues of diversity, and philanthropy and community involvement, Mattel was found to communicate its CSR commitment less extensively and explicitly on the website than the LEGO Group. This was found to be due to an overall different choice of communication strategy. While the LEGO Group seemed to communicate its entire general approach to CSR in detail on its website in terms of objectives, policies and actions, Mattel seemed only to include a brief summary of its CSR commitment in relation to each topic in the “Corporate Responsibility” section and then refer to its CSR report for further information. If the reports of the two companies had been included in the analysis, the conclusion of the empirical analysis would have been different.

Although the analysis of the two case companies is not enough to paint a complete picture of how CSR is approached in the two countries, it did bring a valuable insight into the practices and approaches to CSR in two companies from two different cultures. However, as this thesis was only concerned with two international companies within the same industry, more research is needed concerning CSR across industries in order to form a more proper picture of CSR in Denmark and the US. In that connection, a representative cross section of companies in each country would be in its place.

In addition, the fact that both case companies were global in their operations might have caused more resemblance in the analysis than if the two companies had been completely nationally oriented. Therefore, it could be interesting to see how CSR is approached in completely nationally oriented companies in order to see if traces of a common international perception of the concept could be found as a result of generally global stakeholders.

In conclusion, it seems that while the LEGO Group and Mattel are both operating on an international market and thereby follow an international approach in their communication, they are still influenced by the national context from which they originate.
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http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html


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http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html

Appendix 2: Texts from the Corporate Responsibility section on the LEGO Group website  
(www.lego.com) All accessed 22-03-2010

Appendix 2.1: Corporate Responsibility  

Appendix 2.2: Product Quality and Safety  

Appendix 2.3: Corporate Policies  
http://www.lego.com/eng/info/default.asp?page=corporatepolicies

Appendix 2.4: Environmental Policy  

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http://www.lego.com/eng/info/default.asp?page=healthpolicy

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http://www.lego.com/eng/info/default.asp?page=culpolicy

Appendix 2.7: Responsibility Policy  
http://www.lego.com/eng/info/default.asp?page=respolicy

Appendix 2.8: Code of Conduct  
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Appendix 2.9: ICTI CARE Process  
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Appendix 2.10: Global Compact  
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Appendix 2.13: Legal Notice  
http://www.lego.com/eng/info/default.asp?page=legalnotice
Appendix 3: Texts relating to Corporate Social Responsibility on the Mattel, Inc. corporate website (www.mattel.com). All accessed 22-03-2010


Appendix 3.2: Responsible Manufacturing and Sustainability. Corporate Responsibility section.


