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A Culture of Responsibility: An Analysis of Corporate Social Responsibility Within Hofstede's Masculinity-Femininity Framework

A thesis submitted in partial fulfillment of the requirements for the degree of Bachelor of Science in Business Administration with a Major in International Business and the Honors Program

by

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Abstract

Geert Hofstede’s 1970 research on culture has created a framework that can be used to compare countries on the basis of cultural dimensions. This study uses Hofstede’s masculinity scale, which measures whether countries are more performance-oriented (masculine) or cooperation-oriented (feminine), as a method of comparing corporate social responsibility (CSR) approaches of Swedish and U.S. telecommunications companies. Proposing a theoretical connection between CSR and characteristics of masculine and feminine cultures, this thesis explores the way these characteristics are portrayed through CSR approaches. Finally, this thesis finishes with a case study analysis of four companies, two from the masculine U.S. and two from the feminine Sweden, to demonstrate the theoretical connection of Hofstede’s masculinity scale and CSR. The results of the theoretical exploration and qualitative case study analysis suggest a relationship between Hofstede’s masculinity scale and approaches to CSR for Swedish and U.S. telecommunications companies.

Keywords: Corporate Social Responsibility (CSR), Hofstede’s Dimensions, Masculine-Feminine Countries, National Culture, Sweden, United States
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Chapter 1: Thesis Introduction

Section 1: Overview

The concept of corporate social responsibility (CSR) was developed during the 1950s and was proposed as a way to reconcile a corporation’s profit maximization paradigm with its need to be socially and economically sustainable (Bowen, 1953). Businesses operating in a capitalistic, free-market systems are challenged to integrate their economic, legal, and social responsibilities. These companies have to operate efficiently but, at the same time, must comply to legal constraints and not cause harm to society and the environment to maintain long-term viability.

Values and ethical principles that guide decisions in business and in everyday life differ across cultures (Hofstede, 1980). Geert Hofstede’s cultural framework captures and quantifies cultural differences. Hofstede’s dimensions have become a “cornerstone for cross-cultural research” and his framework for understanding cultural differences has been used in such fields as international management (Minkov & Hofstede, 2011, p. 10). The original version of Hofstede’s framework encompassed four dimensions, but through years of additional research, the framework has been expanded to include six dimensions (Minkov & Hofstede, 2011). These six dimensions provide measures of cultural values in a variety of countries.

The dimension that will be the focus of this thesis is Hofstede’s masculinity dimension (MAS), which explains the extent to which a country’s culture is performance (masculine) or cooperation (feminine) oriented (Hofstede, 1998). Masculine cultures are associated with a gender-based split, with men being seen as assertive and focused on
material success and women being modest and concerned with the quality of life (Hofstede, 1998). On the other hand, feminine cultures, with socially-driven goals, have societies where both men and women are seen as caring about the quality of life (Hofstede, 1998).

Section 2: Project’s Purpose

This thesis argues that companies from feminine and masculine countries approach their CSR practices and activities differently. In particular, CSR practices in the United States and Sweden will be compared on the basis of Hofstede’s masculinity and femininity dimensions. The U.S. is classified as a masculine country, whereas Sweden is the most feminine of the all the countries included in Hofstede’s research (Hofstede, et al., 2010).

This thesis argues that Hofstede’s masculinity dimension can be applied to account for the different ways that the U.S. and Sweden approach CSR activities. This thesis hypothesizes that CSR practices for each country align with Hofstede’s characteristics for masculine and feminine countries. In order to fully develop this idea, both Hofstede’s masculinity dimension and the many theories related to corporate social responsibility will be explored and then connected through the use of the U.S. and Sweden as examples.

This thesis contributes to CSR research and practice in the following ways. First, it provides much-needed insights into the relationship between culture and CSR. This insight can allow managers operating across countries to understand what is expected and feasible in certain cultural contexts. There are multiple strategy typologies for a
corporation to use when thinking about cross-cultural ethical and philanthropic behaviors (Fort & Schipani, 2004). One such theory that Fort and Schipani (2004) discuss is that of the “corporate chameleon”, in which corporations allow subsidiaries in other countries to manage their own CSR practices. With corporate chameleons and other international strategies, it is important to understand culture’s role in CSR practices so as to better manage those international ventures.
Chapter 2: Methodology

In order to create a theoretical connection between corporate social responsibility (CSR) and Hofstede’s masculinity-femininity dimension, this thesis begins by providing in-depth overviews of the literature and theories of both topics. To start, an overview of the development of CSR theory is provided, along with a brief discussion on the current dominant theories in the field and the role of CSR in the modern-day capitalistic, free market environment. Next, Hofstede’s scholarship is explained in detail with particular focus placed on the masculinity-femininity dimension and the characteristics of masculine and feminine cultures. An understanding of both, CSR and the masculinity-femininity dimension, provides the fundamentals for the logical argument made in Chapter 5: CSR practices are different for masculine and feminine cultures.

After CSR and Hofstede’s theories are explored, connections between the two are drawn to demonstrate a relationship between masculine and feminine countries’ characteristics and expected CSR implications. Examples of the way masculine and feminine characteristics are related to CSR are brought up in support of the argument that Hofstede’s masculinity-femininity dimension can be logically expanded to explain the different ways that countries perform CSR activities. When looking at CSR performance, this thesis will concentrate on the approaches related to CSR. The approaches related to CSR performance are important, as they hint at the underlying motivations behind why companies from different countries engage in CSR activities.

Finally, to expand on the connection between CSR and Hofstede, the sustainability practices and reporting methods of four telecommunications companies, two each from the U.S. and Sweden, are used as case studies of the relationship between
culture and CSR approaches. The two countries chosen for the case study analysis were chosen due to their masculinity ranking. According to Hofstede (2010), the U.S. is the 19th most masculine country in the world with a score of 62 and Sweden is the 76th most masculine country with a score of 5, which actually makes Sweden the most feminine of the countries in Hofstede’s research. The four companies that will be qualitatively analyzed are all from the telecommunications industry and are headquartered in either the U.S. or Sweden. The telecommunications industry was chosen because both the U.S. and Sweden have strong companies in this industry. The four companies chosen for this case analysis are ranked on “Forbes’ 2015 Global 2000”, which is a list compiled annually of the biggest public companies in the world (Forbes, 2015). The companies chosen for this research are as follows:

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<td>Ericsson</td>
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<td>TeliaSonera</td>
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In the case study portion of this thesis, the sustainability and annual reports, as well as the companies’ overall narratives (including the strategic mission and vision statements) are used to support the connection between Hofstede’s theories and CSR. To note, sustainability and annual reports are published by publicly traded companies and released primarily for investors, but also for stakeholders and potential shareholders, who are interested in learning about a company’s activities. These reports are generally found in the “Investor Relations” portions of a company’s website and are usually available in either PDF form or as a web page.
This thesis will use four telecommunications companies in order to perform a qualitative analysis of how masculine and feminine characteristics affect approaches to CSR. Therefore, this thesis will attempt to find patterns and trends that are in line with the theoretical connections made in Chapter 5 between Hofstede’s dimensions and CSR.

In particular, attention is paid to the following aspects:

- Types of CSR activities the companies engage in
- Amount of space and focus placed on recognition as ethical or responsible
- Use of CSR-focused language in the company’s vision, mission, and value statements (or “About Us” equivalent)
- Amount of space and focus placed on the company’s CSR performance, particularly as shown quantitatively (emphasis on percentages, dollars, scores, etc.)

After the explanation of the case studies and the various conclusions drawn specifically from the companies’ CSR practices, a final conclusion and discussion chapter looks at the entire thesis as a whole. Finally, this thesis will end with concluding remarks drawn from both the logical connections of CSR approaches and the masculinity dimension, as well as the case studies.
Chapter 3: Corporate Social Responsibility – An Overview and Literature Review

Section 1: Overview

Corporate social responsibility (CSR) is defined as the notion that “modern businesses have responsibilities to society that extend beyond their obligations to the stockholders or investors in the firm” (Visser, 2007, p. 122). The traditional purpose of a corporation is to generate profit for itself and its stockholders or investors. However, the concept of CSR implies that corporations also have obligations to their stakeholders, who include “consumers, employees, the community at large, government, and the natural environment” (Visser, 2007, p. 122). A straight-forward way of looking at CSR is that it is the “necessity and duty of an entity to behave responsibly, ethically, and sustainably and to be transparently accountable to its stakeholders” (Panayiotou, et al., 2009, p. 130).

There are a variety of ways that companies can exhibit social responsibility—from treating their employees ethically to acting with environmental consciousness to donating money, time, or products/services to charities and worthy causes. Campbell (2007) sums it up by setting minimal standards that companies must meet in order to be considered as responsible to society. The first standard is that a company should not purposefully or knowingly harm stakeholders in any way. Building off of that, if a company is to cause harm to its stakeholders, the company should remedy this harm when it learns about the damage.

CSR is not an idea that is “associated with a specific author or a specific date”, but one that has evolved along with businesses (Gonzalez-Perez & Leonard, 2013, p. 3). Throughout the years, various frameworks and ideas about CSR have emerged. This
thesis will use four company case studies from two different countries to explore the relationship between corporate social responsibility and Hofstede’s masculinity-femininity dimension, which is thoroughly explained in the following chapter. In order to fully convey the variety and depth of this topic, it is important to review the various theories and research contributing to the current ideas of CSR.

Section 2: History of CSR

Although the “modern era of CSR” did not begin until the 1950s, traces of socially responsible business practices are evident from after the Industrial Revolution of the late 1800s (Gonzalez-Perez & Leonard, 2013; Carroll, 2008). From the mid-1800s onwards, there is proof that businesses were developing a conscience in regards to ethical treatment of employees, as well as philanthropic activities by both business executives and companies.

Management researchers Robert Hay and Ed Gray broke CSR’s historical development down into multiple phases. The first phase, running from the 1800s to early 1900s, is a period of “profit maximization” and focuses on the obligation companies have towards society “as a vehicle for eliminating economic scarcity” (Hay & Gray, 1974, p. 136). However, ethical practices and environmental and social concerns were not important to companies. The second phase, “trusteeship management”, emerged in the 1920s and 1930s; business managers were responsible for maintaining an “equitable balance” between the various factors making up the business, such as stockholders, employees, and customers (p.136). Hay and Gray’s third phase falls into the
The catalyst for the modern era of CSR is accredited to Howard Bowen and the 1953 publication of his book, *Social Responsibilities of the Businessman* (Carroll, 2015). Although the exact term “corporate social responsibility” is not used in the book, Bowen discusses the importance for an individual businessman to be conscious of conducting themselves in a way that is deemed “desirable in terms of the objectives and values of our society” (Bowen, 1953, p. 6). At the time the book was published, there were not many women in the business sphere, so Bowen specifically addresses men. Bowen’s book is more of a message to managers and executives of businesses than to the corporate entity itself, but Bowen provides a foundational framework for CSR by outlining the importance of social responsibilities for businessmen. He also broaches the idea that the narrow interests of stockholders are not the “sole end” of a business’s duties (Bowen, 1953, p. 44).

An actual definition for corporate social responsibility did not emerge until 1979 when Archie B. Carroll proposed the following: “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, p. 500). Carroll’s definition proposes that businesses have multiple kinds of responsibilities to greater society. The “discretionary” expectations mentioned in the definition encompass the philanthropic activities that a business may voluntarily take part in and that are not necessarily “expected of businesses in an ethical sense” (p. 500).
The 1980s brought with it some other important themes relevant to the development of CSR. One such theory is Freeman’s stakeholder theory, which originally emerged in the field of strategic management but was most impactful in the fields of CSR and business ethics (Freeman, 1984; Carroll, 2008). The difference between stockholders and stakeholders is at the core of CSR-related literature and is largely about the scope of those affected by a business’s decisions. The term “stakeholder” was coined in the early 1960s as a “deliberate play on the word ‘stockholder’” and introduced the notion that there are individuals and organizations beyond investors and company owners who are affected by the decisions made by corporations (Goodpaster, 1991, p. 54). The idea of managing the business with the stakeholder in mind is one that especially developed in the past three decades, particularly with the research done by Freeman (Freeman, 1984; Stieb, 2009). This research contributed to the idea that businesses should think about the stakeholders who exist both inside and outside of the company, including “employees, suppliers, customers, creditors, competitors, governments, and communities” (Goodpaster, 1991, p. 54). During the past few decades, the natural environment has been identified as a critical stakeholder (Hopkins, 2003). Stakeholder theory sees the overall concept of corporate social responsibility as “treating the stakeholders of the firm ethically or in a responsible manner” (Hopkins, 2003, p. 1).

Although CSR was still a moderately young concept by the 1990s, new theories began to emerge out of the framework that CSR research had created (Carroll, 2008). Examples of such theories that became complementary to CSR include corporate citizenship, which has been described as “the role of the corporation in administering citizenship rights for individuals” and sustainability, which is when a company’s
development and short-term concerns do not “compromise the ability of future
generations to meet their own needs” (Matten & Crane, 2005, p. 173; World Commission
on Environment and Development, 1987, pg. 16). Both corporate citizenship (Carroll,
1998; Davenport, 2000; Matten & Crane, 2005; Batten & Birch, 2005…) and
sustainability (Montiel, 2008; Linnenluecke & Griffiths, 2010; Baumgartner & Ebner,
2010…) have their own scholarly following with substantial literature; however, in-depth
discussion of such literature is outside of the relevancy of this CSR-centered thesis. The
1990s also involved an increase of corporate giving and philanthropy, particularly
characterized by a greater presence of global companies (Carroll, 2008). Furthermore, an
increased number of large companies began adding positions and departments
specifically for the purpose of managing corporate giving (2008). The most important
contribution of the 1990s to CSR was the advancement of business practice standards,
particularly with the 1992 formation of the nonprofit organization Business for Social
Responsibility (BSR) (2008). BSR’s mission is to help companies “work with business to
create a just and sustainable world” (Business for Social Responsibility, 2015),

The new millenium came alongside such events as the ethical failures of
companies such as Enron and the 2008 financial crisis involving wrongful lending, which
both negatively affected consumer confidence and faith in corporations (Carroll et al.
2012). These events showcased the necessity for businesses to pay attention to the topic
of CSR. Another important feature of the 21st century in the realm of CSR is increased
attention from the global community to the topic of social responsibility (Carroll, 2008). In
particular, European countries increased their interest in CSR, and global organizations
such as the United Nations and the Organization for Economic Development began
creating CSR principles for companies around the world to follow. The field of CSR research still has room for improvement, but has evolved substantially since its earliest days in the midst of the Industrial Revolution.

Section 3: Visualizing CSR Theories

Current CSR theory consists of much of the research covered in Section 2 of this chapter. In particular, Archie B. Carroll’s work on CSR theory, as well as literature about Stakeholder Theory and corporate citizenship form the basis of current CSR theories. Although definitions of CSR vary by scholar, Carroll’s CSR pyramid helps with the visualization of CSR practices. The CSR pyramid portrays CSR as the combination of four responsibilities: Economic, legal, ethical, and philanthropic.

In the early 1990s, Carroll proposed to incorporate CSR principles into a pyramid format that provides insight into the “entire range of business responsibilities” (1991). This pyramid, as shown in Figure 1, includes a company’s economic, legal, ethical, and philanthropic contributions to society (Schwartz & Carroll, 2003). Although in a pyramid structure, Carroll argues that the pyramid is not supposed to create a hierarchical relationship between the responsibilities. Instead, the argument is that a company is only fully responsible to society when all four responsibilities are fulfilled. Carroll’s pyramid framework has served as the basis for many CSR theorists and empirical researchers, suggesting that it is still a “leading paradigm of CSR in the social issues in management field” (Schwartz & Carroll, 2003, p. 504).
For the purpose of this thesis, Carroll’s pyramid framework of CSR (see Figure 1 above) will be used to conceptualize and study CSR activities of the chosen companies. Furthermore, the pyramid effectively presents the different factors contributing to CSR and the different layers of CSR. The pyramid shows that a company’s economic and legal responsibilities are “required,” its ethical responsibilities are “expected”, and its philanthropic responsibilities are “desired” (Carroll & Shabana, 2010, p. 90). Most importantly, the pyramid format showcases CSR as consisting of different components, meaning that a company is only fully-responsible to society when all four components are covered (2010). The idea of responsible corporations going beyond what the law requires of them aligns with other popular definitions of CSR. McWilliams and Siegel define CSR as actions that benefit the “social good, beyond the interest of the firm and that which is required by law” (2001, p. 117). Therefore, the utilization of Carroll’s
pyramid as the selected definition of CSR aligns with other prominent current theories and definitions.

Section 4: Recognizing CSR Work

In the current business environment, CSR is integrated into most companies. Publicly traded companies, which are already mandated to publicly circulate their annual reports, often publish sustainability or CSR reports to share the company’s efforts with shareholders and stakeholders alike. In fact, some companies appearing to be committed to their societal missions may opt to legally become benefit corporations, which encourage companies and corporate boards to integrate “social and environmental considerations into the corporate DNA” by providing benefits to the greater public while being transparent and living up to standards set by a third party (Hiller, 2012, p. 291). Similarly, many benefit corporations can become Certified B-Corps through a certification process by the non-profit organization, B Labs (B Lab, 2015). Although Certified B-Corps do not have the same legal status as benefit corporations, Certified B-Corps are companies that must adhere to standards of accountability, transparency, and social and environmental responsibility. In order to become certified, companies must live up to these standards and, in order to remain a B-Corp, must continue to hold themselves to high CSR-related standards. The purpose of the B-Corp certification is to help bring companies together who share a common goal: “to redefine success in business” (B Lab, What, 2015).

An important difference of Certified B-Corps versus the legal benefit corporation is in who can receive these titles. The legal status of benefit corporations is only available
for corporations in 30 U.S. states, whereas the B-Corp certification is available to companies in any country (B Lab, 2015). In fact, there are currently nearly 1,500 companies from 42 countries around the world, including Sweden that are Certified B-Corps (B Lab, 2015). The breakdown of the percentages of those nearly 1,500 certified companies is shown in Figure 3 below.

![Breakdown of Certified B-Corps By Country](image)

Figure 2 Breakdown of Certified B-Corps By Country (Data Retrieved from B Lab, 2015)

As can be seen in Figure 3 above, the majority of B-Corps come from the United States. The “Other” portion of the above chart refers to 31 countries, including Sweden, that have 10 or fewer certified B-Corps. Therefore, although there are technically B-Corps in 42 countries, the majority of those certifications are from the United States with 855 companies presently certified (B Labs, 2015). The United States has nearly 6 times more B-Corps than Canada, the country with the second highest number of B-Corps.
One example of a company that stands out in the field of CSR is the outdoor clothing and gear company Patagonia. A certified B-Corp, Patagonia puts time, effort, and money into being a more responsible company. Patagonia is transparent about its supply chain and resource use, and at its core is committed to the environment. For example, 75% of the material that Patagonia uses for its products are organic, recycled, or otherwise “environmentally preferred” (B Lab, 2015). On top of that, Patagonia donates 1% of its sales to grassroots organizations committed to preserving and saving the environment (B Lab, 2015). In these ways, Patagonia serves as a great example of a company embracing its responsibility to society by becoming a certified B-Corp as a way to show Patagonia’s commitment to its CSR activities.

Although most companies are not registered benefit corporations or certified B-Corps, and may not have as heavy of commitments to CSR as companies like Patagonia, many other companies, including the four companies studied in this thesis, have adopted some kind of CSR activities.

Section 5: Relevance of CSR in Modern-Day Business

It is not to be disputed that companies in a capitalistic, free market system must gain net profit and improve their financial bottom line. The Shareholder Value Theory argues that a business’s only responsibility is to be economically productive and, as a result, any activity a company engages in should positively impact its finances (Friedman M., 1970). As a result, a company’s engagement in CSR activities can seem, on the surface, to be at odds with its moneymaking purpose. The business case for CSR has been greatly studied (Margolis & Walsh, 2001; Salzmann, et al., 2005; Kurucz, et al.,
2008; Orlitzky, 2011) and, over the past few decades, over 120 studies have explored the linkage (Margolis & Walsh, 2003).

The question of when corporations are likely to act socially responsible is explored by John L. Campbell (2007). However, corporations caring about profit generation should care about CSR because many of their stakeholders and shareholders care about CSR (Pryce, 2002). Therefore, an unethical corporation that does not develop itself as socially responsible runs the risk of a damaged reputation (Fort & Schipani, 2004). For example, Nike’s labor practice scandals were publically spread via the Internet, and consequently, experienced consumer boycotts and other negative consequences (Carty, 2001). If a company overlooks its responsibilities to society, there can be “real damage to the company’s brand” and its financial performance (Pryce, 2002, p. 140).

Many key stakeholders can put pressure on corporations and encourage them to act more ethically. For example, investors may look to align themselves with companies with higher levels of CSR, “suggesting a relationship with reputation and market value” (Kurucz, et al., 2008). In addition to investors, other types of people who can cause companies to choose responsible business practices include consumers, business buyers (i.e. businesses looking for suppliers or partners), government through legal mandates or preferences to work with ethical businesses, and a company’s own employees who often care about how ethically their employer acts (Pryce, 2002).
Section 6: Culture, Globalization, and CSR

The current nature of the U.S. economy and business environment is described as increasingly global—a platform where companies from all over the world compete in a shrinking and flattening playing field (Friedman, 2007). How does CSR play into the idea of a flat world? Scherer and Palazzo (2008) argue that globalization intensifies the irresponsible actions of corporations and has increased the public demand for CSR practices. In a globalized, flat world, companies have stakeholders in multiple countries. In addition to employees, customers, investors, and other stakeholders in a multinational company’s home country, the company also has employees, customers, investors, and stakeholders in other parts of the world.

Despite the fact that most of the foundational concepts, literature, and research regarding CSR were developed in the United States, CSR is extremely important on a global level. Gjølberg (2010) advocates for wide-spread CSR efforts, explaining CSR can help solve “the regulatory vacuum or governance gap in the global economy.” Global regulation for CSR does not exist as a mandate that must be followed, due to varying cultures and the necessity for CSR actions to be catered to the impacted countries (Sanders, 2012). The United Nations Global Compact, as the “world’s largest corporate sustainability initiative,” acts as an international code of conduct by creating guiding principles and frameworks to help companies become more sustainable and more socially responsible (United Nations, What, 2015).

Although the existence of the UN Global Compact provides ideals for a CSR-focused world, cultural and value differences across countries are challenges to global CSR ideas. Varying cultural contexts help shape ethical values and behaviors; in other
words, not all CSR values and actions are viewed equally (Barkemeyer & Figge, 2014). The diversity of CSR-related values and practices across cultures creates a challenge for multinational corporations, as managers must take into account stakeholders that are found inside the corporation’s country and those outside of the country as well.

Another problematic trend that multinational corporations must work against is the tendency for corporations to make most of their “CSR-related decision-making within corporate headquarters”, which limits the number of decisions being made in subsidiaries or in non-headquarters locations (Barkemeyer & Figge, 2014, p. 136). It is common business practice for most CSR decisions to be made by senior management at the headquarters, which “moves decision-making away from the host countries and requires local managers to follow the…rules as set by the headquarters” (pg. 136). This centralization is an efficient way to manage CSR for companies; however, centralized decision making often leads to a headquartering effect. When a headquartering effect occurs, international companies make CSR decisions at home without necessarily considering subsidiaries or stakeholders in other countries. As a result, CSR practices can end up misaligned with the needs of stakeholders in other countries or with the CSR preferences of managers in other countries.

Section 7: Measuring CSR

Despite over 65 years of literature on the topic of Corporate Social Responsibility, one aspect of the field that is severely lacking is an agreed-upon way to measure and scale CSR. Although literature has been published regarding ideas for a scale, most of the proposed scales have multiple limitations (Turker, 2009, p. 411). In particular, this field
has not yet been well-developed in terms of the value that CSR activities provide to society (Panayiotou, Aravossis, & Moschou, 2009). The difficulty of putting a number on a company’s societal impact coupled with a lack of availability regarding detailed quantitative information of companies’ social activities explains the absence of a fully-comprehensive and accurate CSR scale.

However, CSR scales are important to corporations because they help a company gauge “how stakeholders view a company’s impact on the natural environment” (Chatterji, Levine, & Toffel, 2009, p. 126). There are various types of scales, both quantitative and qualitative, that are used to measure a company’s CSR output. One such mainstream scale is the KLD Global SustainabilitySM Index (GSI), which uses information provided by experts in specific industries, business areas, and society areas to evaluate the social responsibility of 800 publically-traded companies according to nine dimensions (Maignan & Ferrell, 2000). Although the KLD is the most comprehensive social scale currently available, researchers have found many limitations to it. In particular, some of the dimensions do not affect all businesses equally and some researchers have found that an accurate amount of weight is not placed on historical performance (Maignan & Ferrell, 2000; Chatterji, Levine, & Toffel, 2009).

Besides the KLD, other indices utilizing expert-provided information are also widely used. An example of an index that is well-known to many outside of the CSR scholarly field is Fortune’s reputation index. Similar to the KLD, uncertainty regarding the appropriateness of Fortune’s index exists among scholars. In fact, the scale seems to rank management quality much better than it does actual corporate social responsibility activity (Maignan & Ferrell, 2000). Additionally, another shortcoming of Fortune’s
Reputation Index lies in its lack of global reach. Most of the companies that are ranked on this list are large U.S.-based companies. However, companies headquartered in other countries, including companies from Sweden, are very slim and far in between. Therefore, for the sake of this thesis and any globally-comparative CSR research, *Fortune*’s index falls short in usefulness.

A common technique that is utilized in the creation of *Fortune*’s index and other research measuring corporate social performance is reputational surveys (Ruf, Muralidhar, & Paul, 1998). This method involves surveys of employees, asking them about how much they believe their company has a commitment to CSR (Maignan & Ferrell, 2000). Reputational surveys can provide an insider’s perspective on the degree to which people believe their companies actually have a legitimate CSR culture.

A useful method for measuring CSR when reputational surveys are not an option is content analysis of documents, reports, and publications regarding CSR activities that are published by the corporation or a third party source (Abbott & Monsen, 1979). Sources for this information can include annual reports/10Ks, handbooks, internal newsletters, and press releases. Content analysis is useful because it can utilize the qualitative information from the aforementioned sources to create “quantitative scales of varying levels of complexity” (1979, pg. 504). Similar to the other methods of measuring CSR, content analysis as both a method of qualitative and quantitative research has various shortcomings. In particular, corporate reports can be misleading on multiple levels, as corporations can either intentionally or unintentionally skew the realities of their CSR activities (Turker, 2009). However, researchers argue that content analysis can be a valid option in measuring activities because “once the social attributes are selected,
the process of rating is standardized” by the analyzer (Ruf, Muralidhar, & Paul, 1998, p. 121).

For the sake of this project, reputational surveys are not possible due to limited resources and indices such as the KLD have limited access. Therefore, companies’ CSR approaches will be ascertained from their self-published sustainability and annual reports, as well as their company websites and other publications.

Section 8: Chapter Summary

Although the field of CSR has been actively developing and growing since the 1950s, there are research gaps to be filled. An ever-globalizing world, combined with a call from governing bodies and consumers for responsible corporate behavior, emphasizes the importance of contributing to CSR research. There is currently a lack of literature that compares CSR practices through the lens of culture. In particular, much of the available literature fails to answer the question of why countries have differing views on corporate responsibility. The next chapter will provide an overview of Hofstede’s masculinity dimension, which will be the framework used in this thesis to compare approaches to CSR by companies in different countries.
Chapter 4: Hofstede’s Value Dimensions - The Impact on Organizational Culture and Business Practices

Section 1: Chapter Overview

This chapter will provide a detailed overview of the literature and research of Hofstede’s Dimensions, which is the framework that will be used in this study to explore the differences in countries’ approaches to corporate responsibility, and the role of cultural values in creating those differences. Hofstede’s dimensions represent the differences in values, social actions, and cultures that exist between modern nations (Hofstede, 1980). In particular, Hofstede’s research emphasizes that a country’s culture has a significant impact on the individual values of citizens. This idea of individual values varying across cultures is important when thinking about the differences of corporate social responsibility between countries, as it can showcase cultural reasons as to why these differences exist.

Hofstede’s current framework includes six dimensions that can be used to describe differences in values and norms from country to country. One such dimension is the masculinity scale, which takes into account a country’s outlook on the quality of life, gender-specific roles, the importance of power, and the nature of relationships. Although, officially called the masculinity dimension, the scale nature of the dimension, with the opposition of masculine and feminine characteristics, is important to the core use of the dimension. More feminine countries, such as Sweden, are thought to have a greater focus on the quality of life, have less stress on the role of gender in positions of power, and put less importance on power and more on relationships. On the other, masculine countries, such as the United States tend to have opposite viewpoints.
The purpose of this thesis is to compare the approaches and motivations to CSR activities of the masculine U.S. and feminine Sweden. However, in order to understand this relationship, it is first important to provide a thorough overview of Hofstede and his dimensions.

Section 2: Defining Culture and Values

A country’s culture consists of the norms, values, and concepts that its people adhere to (Hills, 2002). Hofstede defines values, an attribute of both individuals and collective groups, as “a broad tendency to prefer certain states of affairs over others” (Hofstede, 1980, p. 19). Values develop early in a human’s life and have two main characteristics. Values must have both intensity or relevance and direction in terms of being deemed as good or bad. Values are the foundation for “culture” or the personality of the human collective—that is, the distinguishing factors that set groups of people apart (Hofstede, 1980). Culture is “embedded deeply in everyday life and is relatively impervious to change” and plays an important role in the activities of both a country’s people and its businesses (Newman & Nollen, 1996, p. 754). Therefore, we can think of culture and value as coexisting notions that grow in and out of one another.

Section 3: Understanding Hofstede’s Dimensions

Geert Hofstede, a prominent Dutch social psychologist and organizational anthropologist, focuses much of his research on cultural psychology and their effects on business practices. In particular, and most importantly for this thesis, Hofstede is credited with the research and development of a cultural dimension framework known in the field
of international business as being highly influential in creating the foundation for “cross-cultural management theory and practice” (Hofstede, 1998, p. 30).

In the 1970s, Hofstede analyzed data of surveys taken by employees working in IBM subsidiaries (Hofstede, 1980). In his initial papers, Hofstede referred to the company as “HERMES”; however, his later work revealed that the studied company was, in fact, IBM (Hofstede & Bond, 1988). These IBM work attitude surveys were conducted across 70 different countries during two separate occasions—the first instance was in 1968 and the second in 1970. Hofstede analyzed the data bank consisting of answers to approximately 117,000 IBM questionnaires in order to study the values of employees in 40 different countries (Hofstede, 1980).

These data were then used by Hofstede to create his cultural value dimensions, which originally consisted of four dimensions: power distance (PDI), uncertainty avoidance (UAI), individualism versus collectivism (IDV), and masculinity versus femininity (MAS). Since the development of these original dimensions, Hofstede and his associates have continued to contribute to the fields of cultural psychology and management through surveys in even more countries, which helps to create a comprehensive and constantly updated database of Hofstede’s dimensions in multiple countries across the world. As the dimensions are based on human nature, the research is constantly evolving. The framework in its current form includes the original four, along with indulgence versus restraint (IND) and long term versus short term orientation (LTO). The six dimensions in Hofstede’s cultural framework all aim to analyze the cultures of different countries on a macro-level, focusing on “differences between societies” (Hofstede, 1980, p. 43).
Although some (Søndergaard, 1994) have criticized Hofstede’s simplification of culture into only a few different dimensions, many researchers prefer this framework “because of its clarity, parsimony, and resonance with managers” (Kirkman, Lowe, & Gibson, 2006, p. 286). In particular, Hofstede’s dimensions are useful in creating platforms on which to measure business practices in a cultural context. As culture is a hard notion to fully capture and compare, the simplicity and quantitative nature of Hofstede’s dimensions are useful in explaining differences between companies and employee behavior across cultures. For this reason, Hofstede’s framework was chosen to be used when discussing corporate social responsibility across countries.

Section 4: In-Depth Look at the Masculinity-Femininity Dimensions

The focus of this thesis is on Hofstede’s MAS scale, which can also be thought of as the opposition in orientation between performance (masculine) and cooperation (feminine) (Hofstede, 1998). The masculinity dimension is so named because the MAS dimension is the only one in which the IBM surveys scores consistently differed based on the respondents’ gender, except for respondents from feminine countries (Hofstede, et al., 2010). Unlike with some of Hofstede’s other dimensions, such as individualism, MAS scores are unrelated to a country’s economic prowess (2010).

Of all of Hofstede’s dimensions, MAS is the one that is viewed as the most controversial (Hofstede, et al., 2010). Specifically, Hofstede has been criticized for the name of this dimension, but he argues that the name is in-line with the dimension itself (Hofstede, 1998). He further explains that society creates the differences between men and women through the social constructs of “gender” and these differences vary by
country (1998). Because gender is defined differently among countries, Hofstede notes that cries of political incorrectness generally come from masculine countries, where gender differences are more polarized, than feminine countries (Hofstede, et al., 2010). The label, however, is not of utmost importance and this dimension can also be thought of as “ego versus social” or “assertive versus nurturing”, as both of these names encompass the nature of the dimension. For the sake of this thesis, however, the use of the “masculine versus feminine” label will continue to be used.

The key differences between masculine and feminine societies come from the dominant, overarching values for the societies. Feminine societies place value on “caring for others and preservation” with an emphasis on people and relationships, whereas the key values in masculine societies are “material success and progress” with an emphasis on money and physical items (Hofstede, 1998, p. 16). These key values seep into other viewpoints and cultural values of masculine and feminine societies and can explain how the family unit, school life, professional life, and politics differ between societies.

Masculine societies are those that can be viewed as tougher, focusing on enhancement of the ego and more rigid definitions of gender roles. In masculine societies such as Japan, Austria, and Italy, men are seen as “assertive, tough, and focused on material success”, whereas women are more “modest, tender, and concerned with the quality of life” (Hofstede, 1998, p. 6). On the other hand, feminine countries, such as the Scandinavian countries, are those in which both men and women are seen as having the qualities of modesty, tenderness, and concern for the quality of life. These kinds of societies are concerned more with enhancing relationships and have a “work to live” mindset, as opposed to the “live to work” mantra of masculine societies.
Hofstede has quantified the aforementioned values in order to rank various countries on their levels of masculinity or femininity. Using the IBM work goals survey, Hofstede ranks 76 countries on their level of masculinity, with rank 1 as the most masculine and rank 76 as the most feminine. Hofstede also scores each of the countries, with a score of 0 being the most feminine and 100 being the most masculine (Hofstede, Hofstede, & Minkov, 2010). Of the countries that Hofstede has researched, Sweden ranks as the 76th most masculine country with a score of 5, meaning it is the most feminine out of all the studied countries (2010). In Sweden, there is a strong value placed on such feminine elements as equality, consensus, and work-life balances (Hofstede Centre, 2015). On the other hand, the United States ranks at the 19th most masculine country with a score of 62, meaning it falls high on the masculine scale (Hofstede, et al., 2010). In line with Hofstede’s characteristics of masculine countries, the U.S. places great emphasis on competition and the goal to be “the winner” (Hofstede Centre, 2015).

Section 5: Chapter Summary

Hofstede’s continued research in the field of cultural psychology and his continuous development of the dimensions make him a reliable foundation on which this thesis can be built on. The key differences that Hofstede establishes between masculine and feminine cultures serve as the basis for the argument that Swedish and U.S. companies approach their social responsibilities differently because of the feminine or masculine environments in which they respectively perform. The following chapter will connect the implications of the MAS scale with corporate social responsibility in order to
explain differences in motivations and approaches between the masculine country of the U.S. and the feminine country of Sweden.
Chapter 5: Masculinity, Femininity, and Corporate Social Responsibility

Section 1: Current Literature Connecting CSR and Hofstede’s Dimensions

Only a handful of studies (e.g. Zollo & Ringov, 2007; Ho, et al. 2012; Peng & Chih, 2014; Thanetsunthorn, 2015) currently exist that even touch on the relationship of any of Hofstede’s dimensions with CSR. These studies are focused on empirically connecting either some or all of Hofstede’s dimensions with companies’ levels of CSR activities. None involves an in-depth look at the influence of the masculinity dimension (MAS) on CSR. Furthermore, it is important to note that scholars (Thanetsunthorn, 2015; Peng & Chih, 2014) have found inconsistencies and contradictions between the results of these studies regarding whether Hofstede’s dimensions have positive or negative connections with CSR.

The research conducted by Zollo and Ringov (2007), Ho, et al. (2012), Peng and Chih (2014), and Thanetsunthorn (2015) are all similar in that they looked at Hofstede’s (1980) four original dimensions: individualism-collectivism, masculinity-femininity, power distance, and uncertainty avoidance. As these four studies are all empirical in nature, they look at CSR-related data from hundreds to thousands of companies from multiple countries. In the case of Zollo and Ringov (2007), for example, the CSR performance of 1,100 publically-traded companies from 34 countries is compared through data analysis of CSR performance ratings augmented against Hofstede’s dimensions.

All four of these studies (Zollo & Ringov, 2007; Ho, et al. 2012; Peng & Chih, 2014; Thanetsunthorn, 2015) hypothesize that masculine countries have lower levels of
CSR, but none of the articles goes into much depth as to why this result is expected. Two
(Zollo & Ringov, 2007; Peng & Chih, 2014) of the four studies found support for their
hypotheses: CSR performance was found to be lower in masculine countries.
Interestingly, and in line with the contradicting results for this topic, Ho, et al. (2012)
found a positive relationship between masculinity and high corporate social performance
scores. Thanetsunthorn (2015), on the other hand, does not lay claim to either side of the
debate due to a lack of significant results regarding the relationship of masculinity and
CSR.

If published studies have still not established significant empirical evidence of the
relationship between Hofstede’s masculinity dimension and CSR, perhaps it is because
both masculine and feminine countries perform CSR and the quantitative output is not
what the masculinity dimension plays a role in. Instead, if we accept that masculine and
feminine characteristics do not directly impact amounts of CSR performed, we should,
instead, turn our attention into looking at how masculine countries approach CSR
differently than feminine countries, and vice versa. Therefore, unlike previous studies,
this thesis argues that the effect is not exclusively or primarily in the quantitative
outcome, but in the qualitative approach to CSR.

Section 2: Why the Masculinity Dimension?

The Hofstede model currently uses six dimensions to compare the national
cultures of a total of 107 countries, even though not all countries have scores for every
dimension (Hofstede, et al., 2010). If there are six dimensions of cultural values, why is
his masculinity scale at the core of this thesis? This particular dimension is chosen
because of its focus on comparing performance-based societies with cooperation-based societies. Many of the characteristics of masculine and feminine cultures are drawn from the choice to orient goals based on either performance or cooperation. Additionally, the masculinity dimension also compares countries based on whether people in the country choose work or quality of life as most important.

The differing emphases placed on quality of life between masculine and feminine countries is particularly important to the alignment of MAS with CSR. Carroll’s (1991) CSR pyramid, as replicated in Figure 1 of Chapter 3, specifically refers to a company’s role in improving quality of life in the “philanthropic responsibilities” portion. Carroll explains the importance of companies supporting “projects that enhance a community’s ‘quality of life’” (Carroll, 1991, p. 41). Because the impact of companies on the quality of life is important to Carroll’s CSR pyramid, a culture’s viewpoints on the quality of life, which differs based on whether a country is masculine or feminine, should also be considered for CSR approaches. Therefore, if feminine cultures care more about the quality of life than masculine cultures, we would expect to see this value reflected in the CSR approaches of companies from feminist countries.

A 1985 study on helping behaviors found that, on an individual level, high levels of masculinity are correlated with a lower likelihood to help somebody out in an emergency situation (Tice & Baumeister, 1985). Although this study was conducted on the individual level, individual values are what make up the collective. Hofstede’s dimensions were created from the survey answers of individual workers, and similarities among answers helped develop the dimensions (Hofstede, et al., 2010). Therefore, the relationship between helping behaviors and individuals’ masculinity can be viewed on a
RELATIONSHIP OF CULTURE AND CSR IN MAS SOCIETIES

This thesis argues not whether masculine or feminine countries produce higher or lower levels of CSR, but that these countries, specifically the U.S. and Sweden, approach CSR differently. Therefore, the remainder of this chapter will focus on discussing the implications of specific masculine and feminine characteristics on how companies conduct CSR-related activities. When looking at how CSR is performed, we will look at the aspect of how companies approach activities related to CSR. As an illustration of these theoretical connections, Chapter 6 will provide in-depth analyses of the CSR approaches of two Swedish and two U.S. based companies.

Section 3: Theoretical Relationship of Masculine Characteristics and CSR

The key commonalities among countries deemed as masculine are the emphases on performance, recognition, earnings, and competition—in the work place, society, the family structure, etc. (Hofstede, et al., 2010). Important to the central argument for masculine countries is that gendered emotional differences are distinct—men are supposed to be “assertive, tough, and focused on material wealth” and, on the flip side, women are supposed to be “modest, tender, and concerned with the quality of life” (Hofstede, et al., 2010, p.140). Because of these distinct gendered differences, where men are made out to be the bread winners in the masculine society, we would expect upper management to be male-dominated. Therefore, the majority of the companies’ upper management decisions, such CSR activity motivations and approaches, would take on these masculine characteristics of being oriented around performance, recognition, and
earnings. If CSR is impacted by masculine characteristics, it is important to explore how these masculine characteristics are expected to be portrayed in CSR approaches. To address this question, we will focus on the masculine characteristics of performance, earnings, and recognition.

**Performance**

Hofstede (2010) explains that masculine societies can go by other names, but the synonym he provides is the “performance-oriented society.” Therefore, performance is obviously an important theme for masculine countries. When it comes to CSR approaches, we expect performance to be a main differentiator between masculine and feminine countries.

Because masculine countries care about performance, especially in the workplace, CSR performance is a top priority for companies from masculine countries. These companies want to ensure that their CSR dollars are being spent well and that the company is doing a “good job” at its CSR commitments. Likely, we see an emphasis on performance through the reporting methods employed by masculine countries. We expect reports to attempt to answer the following questions. How well is the company performing CSR? How effective have CSR activities been? What is the return on investment for money and time put into CSR-related projects? To answer these three questions, CSR reports by companies in masculine countries are likely to be heavily quantitative in nature, with a focus on how many dollars are contributed to a cause or the amount of positive change in a particular CSR area. A company operating in a masculine
context would want to relate CSR activities back to how the company is performing CSR as a whole.

*Focus on Material Wealth and Earnings*

Masculine countries emphasize the importance of material wealth and earnings, which are understandable measurements for a performance-centered society. We see the focus on material wealth and earnings reflected in both the overall motivations for engaging in CSR behaviors and specific approaches to CSR activities. First, if we think back to the theories explained in Chapter 3, one such theory is that of the Shareholder Value and the issue of whether or not CSR affects a company’s financial bottom line. Literature for the business case for CSR is extensive (Margolis & Walsh, 2001; Salzmann, *et al.*, 2005; Kurucz, *et al.*, 2008; Orlitzky, 2011) and results are largely indefinite, which is why the field is still studied. However, the need to find that linkage between CSR activities and the bottom line is masculine in nature because masculine cultures focus on earnings. Therefore, we expect that most companies operating in masculine countries engage in CSR because not engaging in CSR activities could have a negative effect on their financial bottom lines.

The earnings characteristic is also linked to the masculine affinity towards material wealth. Because masculine countries care about material wealth on the individual level in terms of work goals, money is viewed as desirable in masculine societies (Hofstede, *et al.*, 2010). The emphasis on material wealth is expected to be seen in the way that companies solve social problems—with money rather than through time spent volunteering or other avenues. Because money is seen as a desirable end goal in
masculine societies, it is logical to assume that this trait carries on to CSR approaches. Money and material wealth is seen as a solution, thus companies might think monetary solutions are the best ways to solve social issues.

Recognition

In line with the performance-oriented characteristics of masculine countries is the focus on recognition for work done. On the individual level, the recognition characteristic is reflected in the desire for praise in the workplace for doing a good job (Hofstede, et al., 2010). In regards to CSR approaches of companies in masculine countries, we expect to see a larger focus on recognizing CSR work in masculine countries than in feminine countries. The recognition of CSR work can be internal to the company, with a large focus on the company recognizing itself as a good corporate citizen or for having exceeded expectations for CSR contributions. On the other hand, recognition of CSR work can also be external to the company, seen through companies opting to become Certified B-Corps or applying to be recognized on lists such as “Forbes’ Most Ethical Companies” (Adams, 2015).

In Chapter 3, the concepts of Certified B-Corps and the legal entity of the benefit corporation are introduced. Although slightly different in terms of legal status, both B-Corps and benefit corporations that are U.S.-based and, essentially, allow a company to label itself as socially responsible. First of all, the fact that both B-Corps and the legal entity of benefit corporations are U.S. institutions is in line with Hofstede’s masculinity theory. As a masculine country, the U.S. places emphasis on recognizing good work. These institutions help recognize good CSR work by providing companies with an option
to officially deem themselves as committed to their social responsibilities. Table 2 shows a breakdown of the countries with 10 or more Certified B-Corps and their designations as masculine or feminine, along with the corresponding MAS scale. Information on the number of Certified B-Corps per country was retrieved from B-Labs (2015), the company that certifies corporations as B-Corps. The MAS scores are retrieved from Hofstede’s most recent book (Hofstede, et al., 2010), which contains information for countries and the designation of whether they rank as masculine or feminine. Although a total of 42 countries have companies with Certified B-Corps, as mentioned in Chapter 3, 31 of these countries (Sweden included) have 10 or fewer B-Corps. The majority (approximately 53%) of countries in the 10 or fewer category have only 1 B-Corp each.

<table>
<thead>
<tr>
<th>Country</th>
<th>Masculinity Score</th>
<th>Masculine or Feminine?</th>
<th># of Certified B-Corps</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>62</td>
<td>Masculine</td>
<td>855</td>
</tr>
<tr>
<td>Canada</td>
<td>52</td>
<td>(Moderately) Masculine</td>
<td>152</td>
</tr>
<tr>
<td>Chile</td>
<td>28</td>
<td>Feminine</td>
<td>78</td>
</tr>
<tr>
<td>Australia</td>
<td>61</td>
<td>Masculine</td>
<td>77</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>66</td>
<td>Masculine</td>
<td>57</td>
</tr>
<tr>
<td>Brazil</td>
<td>49</td>
<td>Intermediate</td>
<td>41</td>
</tr>
<tr>
<td>Argentina</td>
<td>56</td>
<td>Masculine</td>
<td>26</td>
</tr>
<tr>
<td>Colombia</td>
<td>64</td>
<td>Masculine</td>
<td>23</td>
</tr>
<tr>
<td>France</td>
<td>43</td>
<td>(Somewhat) Feminine</td>
<td>16</td>
</tr>
<tr>
<td>Germany</td>
<td>66</td>
<td>Masculine</td>
<td>13</td>
</tr>
<tr>
<td>Switzerland</td>
<td>70</td>
<td>Masculine</td>
<td>11</td>
</tr>
</tbody>
</table>

Table 2 shows that the two countries with the greatest number of B-Corps are masculine countries, although Canada is labeled by Hofstede as “moderately masculine”
RELATIONSHIP OF CULTURE AND CSR IN MAS SOCIETIES

(Hofstede Centre, 2015). When comparing the countries with 10 or more Certified B-Corps, the U.S. clearly has the most companies, by far, which makes sense when considering that the organization originated in the U.S. (B Lab, 2015). However, the 11 countries in Table 1 are, for the most part, labeled by Hofstede as masculine countries. An exception is Brazil, which Hofstede deems as having a “very intermediate score on [the masculine] dimension” (Hofstede Centre, 2015). However, 8 of the countries listed in Table 1 qualify as masculine, whereas only 2 of the countries are feminine. When looking at the breakdown of the B-Corp certifications by country, it seems that being recognized as a B-Corp and receiving that external certification is more important to companies from masculine countries than for companies from feminine countries. This supports the idea that recognition for CSR activities is important for companies from masculine countries.

Many publications and organizations compile lists rating companies on how ethical or responsible they are. One such list is the “World’s Most Ethical Companies”, which is annually published by the Ethisphere Institute and covered by Forbes (Adams, 2015). Now in its ninth year, the 2015 list includes 132 companies from all over the world who run their companies ethically. Companies apply and Ethisphere Institute chooses the top companies from those applicants. In 2015, more than 750 companies filled out the 140 question form about their ethics, CSR, and culture for the chance to earn a spot on the list. Why do companies go through the trouble of applying? Susan Adams, a Forbes writer, explains: “The list gives the winners an opportunity to benchmark their performance and to boast that they’ve been independently identified as ethical” (2015). Of the 132 companies rated on the list, there were 100 companies from
the United States. In total, companies on the list came from 21 different countries around the world. Table 3 uses information from the “2015 World’s Most Ethical Companies” list (Adams, 2015). The table shows the 21 countries that made the list, the number of specific companies that were listed from each country, and, most importantly, each country’s masculinity score.

<table>
<thead>
<tr>
<th>Country</th>
<th># of Companies on List</th>
<th>Masculinity Score</th>
<th>Masculine or Feminine?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2</td>
<td>61</td>
<td>Masculine</td>
</tr>
<tr>
<td>Belgium</td>
<td>1</td>
<td>54</td>
<td>Masculine</td>
</tr>
<tr>
<td>Brazil</td>
<td>2</td>
<td>49</td>
<td>Intermediate</td>
</tr>
<tr>
<td>Colombia</td>
<td>1</td>
<td>64</td>
<td>Masculine</td>
</tr>
<tr>
<td>France</td>
<td>3</td>
<td>43</td>
<td>Feminine</td>
</tr>
<tr>
<td>Germany</td>
<td>1</td>
<td>66</td>
<td>Masculine</td>
</tr>
<tr>
<td>Guatemala</td>
<td>1</td>
<td>37</td>
<td>Feminine</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1</td>
<td>57</td>
<td>Masculine</td>
</tr>
<tr>
<td>India</td>
<td>3</td>
<td>56</td>
<td>Masculine</td>
</tr>
<tr>
<td>Ireland</td>
<td>2</td>
<td>68</td>
<td>Masculine</td>
</tr>
<tr>
<td>Italy</td>
<td>1</td>
<td>70</td>
<td>Masculine</td>
</tr>
<tr>
<td>Japan</td>
<td>3</td>
<td>95</td>
<td>Masculine</td>
</tr>
<tr>
<td>Panama</td>
<td>1</td>
<td>44</td>
<td>Feminine</td>
</tr>
<tr>
<td>Poland</td>
<td>1</td>
<td>64</td>
<td>Masculine</td>
</tr>
<tr>
<td>Portugal</td>
<td>1</td>
<td>31</td>
<td>Feminine</td>
</tr>
<tr>
<td>Singapore</td>
<td>1</td>
<td>48</td>
<td>Feminine</td>
</tr>
<tr>
<td>Spain</td>
<td>1</td>
<td>42</td>
<td>Feminine</td>
</tr>
<tr>
<td>Sweden</td>
<td>2</td>
<td>5</td>
<td>Feminine</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2</td>
<td>70</td>
<td>Masculine</td>
</tr>
<tr>
<td>UK</td>
<td>2</td>
<td>66</td>
<td>Masculine</td>
</tr>
<tr>
<td>USA</td>
<td>100</td>
<td>62</td>
<td>Masculine</td>
</tr>
</tbody>
</table>

Of the 21 countries that made it onto the list, 13 countries, roughly 60%, fall on the masculine end of Hofstede’s masculinity scale. On the other hand, 7 countries, about 32%, fall on the feminine end of the scale. As with the B-Corp Certification example
earlier in this section, Brazil is omitted from these numbers, as Hofstede deems the country to be at an intermediate position between masculine and feminine (The Hofstede Centre, 2015).

Both the B-Corp certifications and the “World’s Most Ethical Companies” lists mainly consisted of countries that fell closer to the masculine end of Hofstede’s MAS scale. Although there are other sources of CSR recognition for companies, the B-Corp certifications and “World’s Most Ethical Companies” are interesting to compare because companies choose to apply for both. Other lists, such as Fortune’s “World’s Most Admired Companies,” do not have an application process and the lists are completely decided upon by third party analysts who compare the Fortune 1000 and Global 500 companies (Fortune, 2015). The application component of the B-Corp certifications and Forbes’ “World’s Most Ethical Companies” is interesting because it shows which companies care about external recognition. Consequently, we can link the motivation for external recognition to the masculine characteristics of the countries from where the listed countries originate.

Section 4: Theoretical Relationship of Feminine Characteristics and CSR

According to Hofstede’s cultural studies, the opposite of a masculine society is the feminine society (Hofstede, et al., 2010). When compared to the traits of masculine cultures discussed in Section 3 of this chapter, feminine cultures revolve less around professional success and more so on societal well-being. Another important factor that differentiates feminine cultures from masculine ones is how gender roles are viewed within feminine countries. Cultures are considered feminine when “emotional gender
roles overlap:” both men and women care about relationships, cooperation, and quality of life (Hofstede, et al., 2010, p.140). Because of the lack of gender-based stereotypes in feminine countries, there is also greater equality between men and women in society and leadership roles. Because of the gender equal nature of feminine cultures, both men and women align themselves with the values of caring about overall quality of life, relationship-building, modesty, nurturing, and cooperation. This thesis argues that caring for the quality of life and the emphases on fostering relationships and cooperation can be seen in the approaches to CSR activities by companies operating in feminine cultures. This section expands on the relationship between CSR approaches and feminine characteristics.

Quality of Life

One of the obvious alignments of feminine culture and CSR as a whole is the prominent feminine value of caring about the quality of life. Going along with this value are other feminine characteristics such as caring about the overall social-environment. The emphasis on the quality of life falls in line with the “work to live” mantra of feminine countries because people living in a feminine country see their jobs and companies more of a means to an end than as an end itself. Therefore, it makes sense that citizens of feminine countries might use their employment status at a company as a tool in increasing the quality of the places where they live. Because feminine countries also value equality and tend to pursue welfare state structures in regards to public policy, it makes sense that the social-environment can be extended past the feminine citizen’s immediate community to a global sphere (Hofstede, et al., 2010).
The care towards quality of life on the individual level is an accepted characteristic of Hofstede’s feminine culture. How does this characteristic relate to CSR approaches? Because the individual places value on the enjoyment and improvement of his or her social-environment and living area, we would anticipate this value to remain when these individuals become corporate managers or members of a board of directors. Therefore, since caring about the quality of life of the social-environment could be an internalized value of managers, and corporations are made up of individuals who, especially in feminine countries, cooperate towards a common goal, we expect to see the care about the social-environment to be reflected in corporate strategy. Because individuals live with a CSR mindset in their everyday lives, these values become a part of their process when making decisions for their companies. In particular, we expect to see CSR approached from the core out. CSR principles should be evident in the mission statements, vision statements, and corporate values or philosophies of companies headquartered in feminine countries.

_Cooperation_

The cooperation aspect of feminine cultures is core to Hofstede’s overall theory. As with performance-orientation and masculine cultures, Hofstede provides the term “cooperation-oriented” as an alternative label for feminine countries (Hofstede, *et al.*, 2010). Therefore, the characteristics of relationships and cooperation should be integral to the discussion of approaches to CSR in feminine countries. There are a couple ways that the feminine value of cooperation is reflected in CSR approaches: through
committees focused on CSR and a greater emphasis on the corporation’s efforts to be a part of a larger effort towards sustainability.

To start, the cooperation characteristic is expected to play a role in CSR approaches by impacting who makes CSR decisions and the process in which these decisions are made. Instead of having CSR decisions made by just one person, it is expected that CSR is approached as a team decision. In feminine cultures, cooperation and relationship with management are both important values. Therefore, we expect to see sustainability committees existing to determine CSR activities. Additionally, employees in feminine countries may also have a better relationship with their managers and, thus, influence on CSR activity choices and processes can also come from the bottom-up and not just from the top-down.

Secondly, because cooperation is such an important characteristic in feminine cultures, we see these companies approaching CSR as a team sport, and not a me sport. “Team sport” means that companies approach their CSR activities as ways to contribute to a greater solution, and not the end-all solution itself. Therefore, companies from feminine country will probably align their CSR work with greater sustainability goals that are put forth by organizations such as the United Nations. As a part of this alignment, it is expected for feminine companies to comply with such standards as the United Nations Global Compact, which is explained in greater depth in Chapter 3. Beyond aligning with international organizations, it is also expected that companies will talk about their CSR work with more cooperative language, such as “our industry can play a role in making a sustainable world,” as opposed to company-centric language.
Section 5: Chapter Summary

Similar to how Hofstede’s dimensions are used to explain differences in education or family norms between countries, the main characteristics of Hofstede’s masculine and feminine cultures can be extended to explain approaches to CSR activities. The main masculine characteristics that are theoretically linked to CSR approaches are performance, earnings, and recognition, a summary of which is showcased in Table 4 below. For feminine cultures, the characteristics linked to CSR are caring for the quality of life, cooperation, and the number of women in upper management roles, a summary of which is showcased in Table 5 below.

<table>
<thead>
<tr>
<th>Table 4 Summary of CSR Approaches in Masculine Countries</th>
<th>CSR Approach - Motivation and Processes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hofstede’s Characteristic of Masculine Countries</strong></td>
<td><strong>CSR Approach - Motivation and Processes</strong></td>
</tr>
<tr>
<td>Performance is important</td>
<td>• Measuring CSR performance is important and checking progress on CSR goals</td>
</tr>
<tr>
<td></td>
<td>• CSR reports will likely be heavily quantitative</td>
</tr>
<tr>
<td>Focus on material wealth and earnings</td>
<td>• Care about how CSR impacts the bottom line (i.e. Business case for CSR)</td>
</tr>
<tr>
<td></td>
<td>• Solving social issues through money</td>
</tr>
<tr>
<td>Recognition</td>
<td>• Internally recognizing CSR work by talking up own achievements or recognizing company as a good corporate citizen</td>
</tr>
<tr>
<td></td>
<td>• Looking towards third parties, such as CSR-related certifications and published lists, to prove the company is doing a good job at CSR-related activities</td>
</tr>
</tbody>
</table>
The close examination of these characteristics uncovers the notion that masculine countries pursue CSR activities for largely self-centered, internal reasons—to be able to report CSR performance metrics, for an impact on the bottom of line, or for external recognition and awards. On the other hand, the examination of feminine characteristics points to external obligations to the overall environment in which the company operates. However, the importance of cooperation with management and the overall emphasis on quality of life within the society shows that CSR is driven by the internalized values of employees and managers, who are able to work together to showcase these values through CSR activities.

Because this chapter is largely theoretical, using logic to draw conclusions of CSR approaches across cultures, Chapter 6, the penultimate chapter, will connect theory
to real life examples. The CSR approaches of four companies, two each from the U.S. and Sweden, will be explored so as to further connect CSR approaches with the characteristics of masculine and feminine cultures.
Chapter 6: Case Study Analysis—U.S. and Sweden

Section 1: Case Study Introduction

Building on the theoretical connections of corporate social responsibility (CSR) to Hofstede’s masculinity dimension, this chapter provides the application of theory to the CSR practices of real companies. The case study element shows that Hofstede’s dimensions should not be limited to academic discussions of cross-cultural psychology. Instead, Hofstede’s theory is a tool that should be used to understand the current business environment and cross-cultural managerial practices. This chapter will use Hofstede’s masculinity scale to examine the CSR approaches of two telecommunications companies from the United States and two telecommunications companies from Sweden.

As established in Chapter 5, the characteristics of masculine and feminine cultures can be extended to explain differing CSR practices between companies in different countries. In particular, this chapter looks at the U.S., a masculine country, and Sweden, a feminine country, in discussing commonalities between companies’ CSR approaches and the theoretical conclusions drawn in the previous chapter. The specific companies that are studied in this chapter are AT&T and Verizon Communications, Inc. for the U.S. and Ericsson and TeliaSonera for Sweden.

As mentioned in Section 7 of Chapter 3, current research is limited regarding CSR measuring techniques. Because of limited access to CSR rankings such as the KLD Global SustainabilitySM Index, we will not be comparing the sustainability activities of these companies from a quantitative perspective. Instead, we will be analyzing each company’s annual reports, CSR-specific reports/sections, and the strategic mission,
vision, and values statements. Using companies’ websites, reports, and mission statements to discern CSR commitment are techniques that have been used in previous CSR studies (i.e. Sones, et al., 2009; Verboven, 2011; Nyahunzvi, 2013). Because companies often partake in responsible activities because their stakeholders and shareholders prefer socially responsible companies, it makes sense that companies would want to publicize their CSR activities through annual reports, sustainability reports, and website space (Pryce, 2002).

Annual reports and sustainability reports, which are usually freely found in the “Investor Relations” section of companies’ websites, are written for shareholders, potential investors, and stakeholders who are interested in the successes and challenges a company faced during the year. Therefore, the company is showing off and “putting its best step forward”. The fact that companies publish what they want shareholders and stakeholders to know is important to keep in mind when reading the studies. The fact that companies are publishing what they want other to read is important to keep in mind when reviewing these sustainability and annual reports. However, all of the reports used in this thesis were audited by a third party firm, such as Deloitte or Pricewaterhouse Coopers, meaning the companies could not lie in their reports. Additionally, because the four companies are mainly being compared on the basis of these reports, we are able to control for the fact that the reports are self-published and self-promoting. Therefore, what is important when looking at these reports is how companies are talking about their CSR activities, which can serve as a useful glimpse into differing CSR approaches.

This particular thesis compares CSR approaches between U.S. and Sweden based companies using Hofstede’s theory as a framework. Therefore, what companies publicize
and the way they word their CSR activities are useful glimpses into the motivating factors and differences in CSR approaches. Strategic statements, such as mission and vision statements, are technically separated from a company’s CSR goals and are foundational statements for how a company runs and what it aspires to be in the future. Therefore, CSR-related language in these kinds of statements provides evidence that CSR is an internalized value for the company and that it is integrated into the overall workings of its business. In this chapter, the content of companies’ annual/sustainability reports and their strategic mission/vision statements will be qualitatively analyzed to find patterns and trends that align with the theoretical connections developed in Chapter 5 between Hofstede’s masculinity scale and CSR.

As ascertained in the previous chapter, the ways masculine countries theoretically approach CSR are through an emphasis on measuring activities, particularly quantitatively; trying to solve issues through money; caring about the impact of CSR on the financial bottom line; recognizing CSR work by talking up achievements; and turning to external assurance of good CSR work done. On the other hand, feminine countries approach CSR through internalized CSR practices that are shown through the mission statements, vision statements, or values; a sustainability committee that works together; greater employee involvement in CSR work; viewing the company’s CSR work as a part of a greater solution; and alignment with international organizations such as the U.N. Sections 2 and 3 of this chapter will connect these theories to actual companies’ CSR practices to show examples of how Hofstede’s masculinity and femininity dimension plays a role in CSR approaches.
Section 2: Country Overviews of Sweden and the United States

Sweden

The Nordic country of Sweden, formally known as the Kingdom of Sweden, is a constitutional monarchy that is a member of the European Union, but has not yet adopted the common European currency of the Euro (Central Intelligence Agency, 2015). A capitalist country with generous welfare benefits, Sweden has a high standard of living and as of 2014, had a per capita Gross Domestic Product (GDP) of $46,000, as compared with the U.S. 2014 GDP per capita of $54,600 (2015).

Gjølberg (2010) characterizes Swedish corporate social responsibility (CSR) as a vessel of promoting Swedish humanitarian foreign and domestic policy. Therefore, Gjølberg argues that the CSR tactics of Swedish companies align with Sweden’s government goals of promoting human rights and sustainable development, as well as bettering the societies, economies, and environments of poorer countries (Gjølberg, 2010). Gjølberg’s analysis of CSR aligns with Hofstede’s interpretation on Sweden’s feminine characteristics. According to Hofstede, Sweden is the most feminine nation in the world with a score of 5 out of 100, with 100 being the most masculine and 0 being the most feminine (Hofstede, et al., 2010). This viewpoint of Swedish CSR as playing a role in Swedish political policy, as well as Sweden’s emphasis on quality of life as a feminine nation shows through companies’ CSR approaches. The Swedish companies we will analyze the CSR practices of are the telecommunications companies of Ericsson and TeliaSonera, both of which are listed on “Forbes’ 2015 Global 2000” (2015).
The United States

According to the CIA, the United States is the “world’s most powerful nation state” with an extremely technologically advanced economy (Central Intelligence Agency, 2015). However, despite this technological advancement, in 2014, the United States fell from being the biggest economy in the world to the second largest, coming up behind China. The U.S. has the 19th highest GDP per capita, with 2014 bringing in $54,600 (2015). The U.S. is a democratic nation and, as a strong capitalist nation heavily advocates for the free market system.

As much of the development of CSR research has come from the U.S, the overview of CSR theory and history presented in Chapter 3 is aligned with viewpoints of CSR in the U.S. One such theory that is important to CSR views in the U.S. is that of the business case for CSR, which is about how responsible business practices impact a company’s bottom line. This focus on the business case for CSR is in line with the U.S.’s high masculinity score of 62 out of 100, making the U.S. the 19th most masculine country (Hofstede, et al., 2010). Hofstede (2015) explains that masculinity in the U.S. is evident in typical behavioral patterns, such as the emphasis to “be the best you can be” and an emphasis on success. Furthermore, Americans have a “live to work” mantra, mainly due to the focus on earnings and material wealth. Finally, the masculine characteristics of performance and recognition are showcased in the U.S. through the strive to win in both work and personal life (The Hofstede Centre, United, 2015). In order to further connect Hofstede’s masculinity theory with CSR in the U.S., we will study the CSR processes of the telecommunications companies AT&T and Verizon Communications, Inc.
Section 3: Case Study Company Overviews

Sweden: Ericsson

Ericsson is a global telecommunications company that was started in 1876 and is headquartered in Stockholm, Sweden (Ericsson, Ericsson, 2015). The company was founded in 1876 and is currently publicly traded with listings on both NASDAQ Stockholm and NASDAQ New York. Ericsson’s services and products focus on helping businesses navigate broadband and the cloud in order to achieve efficiency through communications technology.

A company in operation for over 100 years, Ericsson’s 2014 financial information shows a stable development, despite ups and downs in various regions (Ericsson, 2014). According to its 2014 annual report, Ericsson has an operating income of Swedish Korna (SEK) 16.8 billion or approximately U.S. Dollars (USD) 2 billion, which is a slight increase when compared to 2013 figures. Other aspects of Ericsson’s financials also increased, including its net income, which increased to SEK 11.1 billion, or USD 1.3 billion (2014). In terms of the gender makeup of Ericsson’s corporate governance, there are 11 directors on board, four, or 36.4%, of whom are women. There are 13 executive managers, 4, or 30.8%, of whom are women (Ericsson, Corporate, 2015).

In 2014, Ericsson reported four main business segments which, in order of revenue contribution are: Networks, Global Services, Support Solutions, and Modems (Ericsson, Business, 2015). With 115,000 employees and operations in 180 countries, Ericsson’s networks support 40% of the world’s mobile data (2015). Although Ericsson has widespread operations and use, it still has its fair share of competitors within its
multiple business focuses. Some main competitors include Nokia/Siemens, Cisco, IBM, and Microsoft (Ericsson, 2009).

As a large, international company, Ericsson has multiple subsidiary companies in countries around the world, as well as joint ventures that it is associated with. Ericsson has engaged in a number of acquisitions, most recently in October 2015 with the cloud software company Envivo (Ericsson, Our, 2015). A famous joint venture of Ericsson’s is Sony Ericsson, a mobile phone company originally formed in 2001 by Ericsson and Sony Corporation (Sony, 2001). However, in 2011 Sony announced that it would buy up all of Ericsson’s shares of the Sony Ericsson company, making the company fully owned by Sony (Grundberg, 2011).

**Sweden: TeliaSonera**

TeliaSonera is a communications company that currently provides services to 72.8 million subscribers in Spain, the Nordic and Baltic countries, and Eurasia (TeliaSonera, TeliaSonera, 2015). TeliaSonera as it is known today was officially formed in 2002, when the Swedish company Telia and the Finnish company Sonera merged to create TeliaSonera. Telia and Sonera both have origins as state-owned enterprises, with their roots going back to the 1850s, when the telegraph was introduced (TeliaSonera; Centre for Business History, 2015). As of 2015, TeliaSonera, which has been around in its current form for 13 years, is a publicly traded company with listings on both the NASDAQ Stockholm and NASDAQ Helsinki. Although it is a public company, both Swedish and Finnish state both own stock in the company, with the Swedish state owning 37.3%, considerably more than the Finnish state’s 11.7% share (TeliaSonera, 2013).
TeliaSonera’s finances showcase a stable position, despite a slight dip in 2014 when compared to the financial reports of 2013. According to the 2014 annual report, TeliaSonera had an operating income of Swedish Krona (SEK) 20.1 million, or approximately U.S. Dollars (USD) 2.3 million, which is a drop of about SEK 1.8 million or a little over USD 200,000 (TeliaSonera, Annual, 2015). In terms of the gender makeup of TeliaSonera’s corporate governance, currently 5 out of 12, or 41.7%, of board members are female. A third of the executive team, which consists of 9 managers, is made up of women (TeliaSonera, Corporate, 2015). This is more gender diverse than both AT&T and Verizon’s boards and executive teams.

TeliaSonera is in the business of communications services, with an emphasis on consistently improving its network connectivity and operations in multiple markets. Currently, the company is committed to owning “one of the world’s most extensive fiber backbones” in hopes of making the world more connected, which is the cornerstone of the company’s mission (TeliaSonera, TeliaSonera, 2015). Because TeliaSonera operates in 17 countries, it uses a localized structure to adapt its offerings in each country to the needs of the citizens of that country (TeliaSonera, Our, 2015). Although we will talk about CSR practices in more depth throughout the remainder of this section, it is important to note that TeliaSonera is devoted to addressing environmentally friendly operations and societal issues in multiple aspects of its company. This commitment to helping people communicate while also being a responsible company is core to TeliaSonera.
U.S.: AT&T

AT&T’s company history is heavily linked to the history of the telephone in the United States, with roots stretching to 1875, when Alexander Graham Bell invented the telephone (AT&T, History, 2015). AT&T, whose original name is the American Telephone and Telegraph Corporation, began as the parent company of the Bell System, which had a monopoly on the U.S. telephone industry. However, in 1984, AT&T and the U.S. Department of Justice reached an agreement that ended up breaking apart the Bell System. Therefore, when talking about AT&T in its current form, the founding year of 1984, not 1875, is used.

A Fortune 500 company, AT&T’s stock is traded on the New York Stock Exchange. AT&T is now a global company, with over 120 million wireless customers and 3.5 million business customers who have access to coverage in nearly all countries (AT&T, About, 2015). According to the 2014 annual report, AT&T saw a 61.5% decrease for operating income, going from United States Dollars (USD) 30.5 billion in 2013 to USD 11.7 billion in 2014 (AT&T, 2014). Interestingly, AT&T believes that it will see a shift in revenue stream with business services overtaking consumer services in regards to greatest contributions to revenue.

As is expected from companies in masculine countries, the majority of upper management members are male. Although there are four women of the 14 spots on AT&T’s board of directors, that still means that less than 30% of board members are female (AT&T, Corporate, 2015). However, the proportion of men to women on AT&T’s board of directors is still much higher than the gender breakdown of senior executives.
Currently, there are currently 10 senior executives, and only one, or 10%, is a woman (2015).

**U.S.: Verizon Communications, Inc.**

Verizon Communications, Inc. is a U.S. based global telecommunications company headquartered in New York City. Currently, Verizon’s network spans across 150 total countries and more than 110 million wireless connections (Verizon Communications, Inc., Who, 2015). A publicly traded company, Verizon currently has listings on both the New York Stock Exchange and the NASDAQ. Similar to the trends in AT&T’s financial statement, Verizon also saw a dip in operating income from USD 32 billion in 2013 to USD 19.6 billion in 2014 (Verizon Communications, Inc., 2014, 2015). Despite this dip in operating income, however, Verizon is still ranked at number 15 on the Fortune 500 list, which ranks companies based on revenue (Fortune, 2015).

A merger of two large telecommunications companies, GTE and Bell Atlantic, formed Verizon on June 30, 2000 (Verizon Communications, Inc., Who, 2015). Verizon has engaged in many strategic partnerships with companies such as Google in order to improve its product offerings. Additionally, Verizon also has acquired many companies, including Hughes Telematics Inc. in 2012, Rural Cellular Corp. in 2008, Cybertrust in 2007, and MCI in 2006 (2015).

When it comes to corporate governance, Verizon has a larger proportion of women than men who sit on the board of directors than AT&T does. Of the 13 board members, four, or approximately 30.1%, are women (Verizon Communications, Inc., Executive, 2015). The ratio of women to men is higher for Verizon’s board of directors
than its executive team. However, Verizon still has a slightly more gender equal executive team, when compared to AT&T. Of the 15 executive team members, two, or 13.3%, are women, as compared to 10% (1 out of 10) being women on AT&T’s executive team (Verizon Communications, Inc., Executive, 2015; AT&T, Corporate, 2015).

Section 4: Comparing CSR Approaches of Swedish and U.S. Companies

Masculine Characteristics of CSR: Performance

To recap from Section 3 of Chapter 5, performance is a major characteristic of masculine countries, which is showcased in companies’ approaches to CSR through focusing on results of CSR activities. This is especially expected to show in companies’ CSR reports by discussing CSR achievements from a heavily quantitative or financial angle. As this is what we would theoretically expect to see, we will now compare each company’s 2014 CSR reports or CSR sections of their 2014 annual reports to discuss how performance plays a role.

The publications to be compared in this section were mostly published in 2015, but cover the 2014 year. The specific publications are: “Technology for Good: Ericsson Sustainability and Corporate Responsibility Report 2014,” TeliaSonera’s “Annual + Sustainability Report 2014,” Verizon Communications’ “2014 Corporate Responsibility Supplement,” and AT&T’s web-based “Sustainability Reporting.” When conducting a surface-level comparison of the aforementioned documents, it is clear that the companies all differ in their usage of numbers and quantitative metrics to showcase results. Of the four companies, AT&T, a U.S. company, is the most measurement and number focused
when discussing CSR efforts. As an example, the AT&T CEO’s introductory letter to AT&T’s sustainability work uses the amount of money AT&T has invested in CSR-related activities as a showcase of the company’s contributions. In the letter, which is shown in Appendix A, AT&T CEO Randall Stephenson uses metrics to discuss the company’s CSR success:

…we have invested heavily in our mobile and wired networks—nearly $140 billion since 2009...thanks to efforts like (AT&T’s) Aspire, our nation is on track to meet a goal of 90 percent on-time high school graduation...Last year, we hit a major milestone when we reached our goal of deploying more than 8000 compressed natural gas vehicles…

(AT&T, Sustainability, 2015)

In Verizon’s introductory letter to its 2014 Corporate Responsibility Supplement, Rose Stuckey Kirk, President of the Verizon Foundation and Vice President of Verizon’s Global Corporate Citizenship, also focuses on monetary and quantitative measurements of CSR. The letter, which is also included in Appendix A, is also results focused, with a section that starts off with: “Here are some of the results of which we’re especially proud” (Verizon Communications, Inc., 2014, p. 2). An example of performance-driven language in the report is the following:

Over the past two years, we have invested $137 million in green energy...equivalent to 2,700 homes’ electricity for a year—eliminating 20,000 metric tons of CO₂…. (p. 2)

AT&T and Verizon are the only two companies of the four studied in this report that mention the amount of money contributed to CSR in their introductory letters or CSR section summaries. The letters for the Swedish companies are far less quantitative and results focused. Ericsson does include quantitative numbers in the CEO’s letter about CSR; however, quantitative language is mainly used when discussing percent reductions
in carbon emissions (Ericsson, Technology, 2015). When writing about performance, Ericsson CEO Hans Vestberg uses similar language to the following quote:

> We are on track towards our objective to maintain absolute CO2e emissions from business travel, product transport and facilities at 2011 levels up to 2017. This equates to a reduction of 30% CO2e per employee, and this year, we reduced emissions by 10% CO2e per employee. (Ericsson, Technology, 2015, p. 2)

TeliaSonera, which did not publish a separate CSR report for 2014, incorporates its 2014 sustainability work in its annual report. The CEO of TeliaSonera, Johan Dennelind, also mentions the company’s sustainability work in his opening comments for the annual report (see Appendix A). However, he does not use quantitative language when speaking about the company’s CSR commitments. In fact, the only times he uses numbers is to speak of the number of employees who have received a certain training. The exact sentence is as follows:

> At the time of writing, over 5,500 of our employees have completed the internal training in these issues, of which 4,300 in Eurasia (TeliaSonera, Annual, 2015, p. 6)

TeliaSonera dedicated a section of its annual report to its sustainability work. However, even the beginning of this section does not start off with a discussion of CSR results. Instead, TeliaSonera’s sustainability section begins by touching on the company’s commitments to its CSR focus areas (see Appendix B). However, numerical performance is not touched on at all.

When looking past the introductory pages, a similar trend in regards to how companies discuss their CSR performance. The companies from the U.S., the masculine country, use numbers, dollar amounts, and metrics to discuss their CSR commitments and progress towards those commitments. In fact, AT&T has an infographic about its CSR
activities that is entitled “2014 by the numbers,” which includes the amount of money AT&T has invested in CSR programs, the number of hours employees have volunteered, and other measurements related to CSR goals (AT&T, Sustainability, 2015). On a similar note, Verizon’s CSR report includes an emphasis on performance in terms of numbers and dollars. Verizon breaks its report down by the areas that it has impacted and includes its progress in each area, as well as a “Performance Dashboard” for each area (see an example in Appendix C). Verizon’s “Performance Dashboard” is rightfully named as it provides percentages, dollar amounts, and other number related to CSR activities in each focus area (Verizon Communications, Inc., 2014). In addition to the “Performance Dashboard” for each section, Verizon includes quantitative performance metrics throughout the entirety of its report. The report explains that Verizon has “pledged up to $100 million in cash toward connecting 99% of schools by 2017” when discussing education commitments (Verizon Communications, Inc., 2014, p. 10).

The remainder of Ericsson’s CSR report touches on quantitative results of CSR performance. However, it is not focused on as heavily as in AT&T and Verizon’s reports. Instead, Ericsson focuses on the number of people the company’s activities have impacted and how those activities impacted people (Ericsson, Technology, 2015). As opposed to consistently turning to numbers to talk about CSR achievements, Ericsson discusses issues and what actions it is taking to combat those issues. TeliaSonera is similar to Ericsson in that it focuses less on quantitative results and more so on its achievements, actions, and ambitions for CSR focus areas (TeliaSonera, Annual, 2015). However, TeliaSonera dwells even less on performance than Ericsson does, choosing
instead to approach CSR as a discussion of what TeliaSonera can do, has done, and plans to do.

As expected from the theoretical discussion regarding masculine characteristics showcased through CSR approaches, the companies from the U.S., a masculine country, concentrated on quantitative results, while the companies from Sweden, a feminine country, were more qualitative.

**Masculine Characteristics of CSR: Material Wealth and Earnings**

As established in Section 3 of Chapter 5, another masculine characteristic that can impact CSR impact is that of the focus on material wealth and earnings. The most evident way this can be seen in CSR reports is by examining companies’ approaches to their solutions for social issues. Based off of Hofstede’s theory, we would expect to see companies from masculine countries, in this case AT&T and Verizon, turn to money to solve issues more so than the companies from feminine countries, in this case Ericsson and TeliaSonera, would.

The previous subsection about performance provides a foundation that can be used to approach the discussion of how the masculine characteristic of caring about earnings and material wealth is seen in CSR approaches. As previously mentioned, the companies from the masculine U.S., AT&T and Verizon, place a greater emphasis on CSR-related performance metrics than do Ericsson and TeliaSonera, the companies from feminine Sweden. One of these performance measurements is the amount of money invested in CSR programs and activities. Dollar amounts appear to be important to
AT&T and Verizon, as is reflected in a letter from AT&T’s CEO, Randall Stephenson, discussing AT&T’s CSR efforts:

To deliver [connectivity] capabilities, we have invested heavily in our mobile and wired networks — nearly $140 billion since 2009, more than any other public company has invested in the United States…AT&T Aspire is our $350 million commitment to prepare students for success in school and the workplace. (AT&T, Sustainability, 2015)

Similarly, Verizon’s CSR report opens with a letter from Rose Stuckey Kirk, President of the Verizon Foundation and Vice President of Global Corporate Citizenship, who talks about how Verizon is “dedicated to putting [its] assets to good use” (Verizon Communications, Inc., 2014, p. 1). Stuckey Kirk also discusses Verizon’s financial contributions to its CSR commitments in her letter, saying that over a two-year span, the company has “invested $137 million in green energy…to run [its] networks and data centers” (p. 2).

Although Ericsson uses performance metrics such as the percentage of employees who feel the company is responsible, the amount of e-waste the company collected, and how many refugees its database has helped, Ericsson does not emphasize monetary contributions (Ericsson, Technology, 2015). Instead, Ericsson focuses on the qualitative impact of its CSR efforts. The other Swedish company, TeliaSonera, takes a similar stance on how it approaches CSR solutions. Like Ericsson, TeliaSonera focuses on CSR goals such as environmental responsibility from the perspective of reducing emissions by a certain percentage, for TeliaSonera it is 20% by 2020, instead of committing a certain amount of money to the cause (TeliaSonera, Annual, 2015).

The findings of the CSR reports for these four companies are in line with the theoretical assumption made in Chapter 5. AT&T and Verizon, the companies from the
masculine U.S., appear to turn to money when solving social issues more than the Swedish companies do. Instead of touting financial contributions, the Swedish companies focus on impact and provide more detailed discussions of what the issues are and how the companies can help solve these issues.

**Masculine Characteristics of CSR: Recognition**

The last masculine characteristic discussed in Section 3 of Chapter 5 is recognition, which is seen in CSR approaches through a company’s desire to be recognized for its CSR work and to talk up its own CSR work. In particular, this can be observed through how much weight companies put on CSR awards and the notion of being rewarded for good CSR work. Therefore, this section will compare the emphasis AT&T, Verizon, TeliaSonera, and Ericsson place on rewarding CSR participation.

Of all four companies, AT&T places the greatest emphasis on CSR recognition, with a component of the CSR reporting section of its website dedicated to external recognition. Unlike Verizon or Ericsson, which both also showcase awards, AT&T breaks down its awards into subsections and boasts a number of memberships, such as ENERGY STAR Partner, to prove the company’s commitment to CSR work (AT&T, Sustainability, 2015). In fact, AT&T has so many awards to list that it provides links to other pages to see awards in “Diversity and Workforce” and “Supplier Diversity”.

Unlike AT&T, the other U.S.-based company, Verizon, does not dedicate a specific section of its CSR report to awards, choosing instead to integrate awards into the report. Therefore, awards are mentioned in a side box on pages dedicated to focus areas. By integrating awards in this way, Verizon appears to place less focus on awards than
AT&T, who has created a specific page of its CSR report dedicated to showing off awards.

Sweden-based Ericsson has a specific page of its report dedicated to CSR recognition, but it is not as extensive as AT&T’s. AT&T could actually deserve more recognition, another explanation is that AT&T has applied for more awards and recognition, as is evident by the large number of memberships AT&T has for CSR-related organizations. Finally, TeliaSonera includes external recognition in the “Sustainability Work” section of its annual report. However, the awards are merely listed in the middle of the section and awards included in the report is not evident in the table of contents.

The case study analysis for the masculinity characteristic of recognition is not as clear cut as the previous two characteristics have been. Although AT&T, which is from a masculine country, is clearly the most focused on CSR recognition out of the four companies, it is hard to compare Ericsson and Verizon’s viewpoints on CSR recognition, as they both include awards with less emphasis than AT&T but more than TeliaSonera.

Feminine Characteristics of CSR: Caring About Quality of Life

Section 4 of Chapter 5 discusses how Hofstede’s feminine characteristic of caring about the quality of life is reflected within approaches to CSR. In particular, this care towards the quality of life is seen in companies’ overall narratives of how CSR and sustainable business practices is a part of who they are. One way that this is observed is through the way companies structure their mission statements and vision statements. In this respect, we expect feminine corporations to word their strategic statements with
CSR-related language, which would showcase the internalized nature of CSR values in feminine societies.

The “Networked Society” is important to Ericsson, as can be seen in multiple aspects of the company, from its strategy to its vision statement, which is as follows:

Our vision is a Networked Society, where every person and every industry is empowered to reach their full potential.

We believe a better, more sustainable world will take shape when all people are connected. Ericsson has long envisioned the arrival of a Networked Society: one in which connectivity brings people closer together than ever before, where collaboration is part of everyday life, and where every person and every industry is empowered to reach their full potential. Mobility is fueling this change, and with more than 40 percent of the world’s data flowing through networks that we manage, we have a unique opportunity to lead this transformation (Ericsson, Company, 2015).

Ericsson’s vision statement focuses on the idea of the “Networked Society, where every person and every industry is empowered to reach their full potential” (Ericsson, Company, 2015). The “Networked Society” is also supported by Ericsson’s mission of “lead(ing) transformation through mobility” (2015). Ericsson connects the services it offers and its industry to the achievement of a sustainable world.

TeliaSonera is an example of a company that integrates CSR into all multiple aspects of its business practices. Although it did not produce a separate CSR report for 2014, TeliaSonera’s commitment to its CSR values are evident throughout its publications, from its mission and vision statements to its values to the language used in its annual report. TeliaSonera’s mission, “Bringing the world closer – on the customer’s term”, is CSR-focused in that it focuses on making the world better and claims to be customer-centric (TeliaSonera, Teliasoner, 2015). TeliaSonera also showcases an internalization of CSR values in its complete vision statement:
To deliver on our purpose, we have four ambitions as our targets. We have succeeded when…

- We have the most loyal and satisfied customers in our markets.
- We deliver strong total shareholder return which is on par with the top performers among relevant European peers. We lead the way in responsible business among large corporations in the world.
- We are THE place to work (TeliaSonera, Strategy, 2015)

TeliaSonera’s vision is CSR-focused in that it specifically mentions “lead(ing) the way in responsible business among large corporations in the world” (TeliaSonera, Strategy, 2015). Finally, TeliaSonera’s values also mention caring for customers and the world through “acting responsively and in according with [its] ethical standards” (2015).

Through the CSR-focused language of the mission statement, vision statement, and values, as well as the fact that TeliaSonera’s non-CSR sections of its annual reports emphasize responsible actions, which means that CSR principles are consistent throughout the company’s strategy. Therefore, the company itself cares about the quality of life for more than just a checkmark next to its CSR responsibilities.

Regarding the masculine U.S. companies, Verizon’s mission statement also uses CSR-related language, similar in tone to Ericsson’s mission statement. Verizon’s mission statement is as follows:

As a leader in communications, Verizon's mission is to enable people and businesses to communicate with each other. We are also committed to providing full and open communication with our customers, employees and investors (Verizon Communications, Inc., Who, 2015).

Unlike Ericsson’s mission statement and TeliaSonera’s vision statement, Verizon’s mission statement does not mention sustainability or responsible business practices. Verizon’s mission statement speaks about using its company’s communication services to make the world a better place. Therefore, Verizon’s mission statement leans towards CSR
language, particularly with the last segment of the statement which is… “open communication with our customers, employees and investors” (Verizon Communications, Inc., Who, 2015). The portion of the statement referring to “open communication” can mean that Verizon wants to promote transparency, which is a component of the ethical segment of Carroll’s CSR pyramid (Carroll, 1991).

The other U.S. company, AT&T, does not publish a statement that it clearly names as a mission or vision statement. However, the company’s overview serves a similar purpose to a mission statement, highlighting who AT&T is and what its purpose is. The following is AT&T’s summary of its company overview:

At AT&T, we’re bringing it all together. We’re helping people connect with advanced mobile services, next-generation TV, high-speed Internet services and smart solutions for businesses.

Fast, highly secure and mobile connectivity – to everything on the Internet, everywhere, at every moment and on every device – is what drives us at AT&T (AT&T, About, 2015)

The above description of AT&T’s company does not focus on CSR principles, which sets AT&T apart from the Swedish companies and even the other U.S. company, Verizon. AT&T is much more technology-driven, determined to provide high quality products to help its customers connect. AT&T’s self-description is aligned with the other masculine characteristics that it displays when approaching CSR, such as focusing on performance and recognition.

When comparing the four companies, TeliaSonera and Ericsson are examples of companies that view sustainability and responsible business practices as a core component of the way they do business, and not as an opposing force. TeliaSonera and Ericsson talk about ethical and responsible business practices in their foundational
business statements and regularly mention responsibility when reporting on the general nature of their business practices. Although Verizon also seems to incorporate CSR-leaning language in its mission statement, it is not on the same level as the CSR-centered language used in TeliaSonera and Ericsson’s strategic statements, which actually clearly state that the company wants to be sustainable or responsible. On the other hand, AT&T does not focus on CSR in its self-description and, instead, concentrates on differentiating itself through the caliber of its services and technologies.

*Feminine Characteristics of CSR: Cooperation*

The final characteristic of Hofstede’s masculinity dimension that will be discussed in this thesis is that of cooperation, which is a major aspect of feminine cultures. As discussed in Section 4 of Chapter 5, this can be seen in multiple aspects of CSR approaches, such as utilizing sustainability committee, using language that suggests the company is a part of a greater solution, and an alignment with standards such as the United National Global Compact.

In line with the cooperation aspect of CSR, TeliaSonera is the only company that has a committee strictly focused on sustainability. As a company from a feminine country, it falls in line with the theoretical connection that the company with a sustainability committee is a Swedish one. Neither Verizon or Ericsson has committees for corporate responsibility, but one of the responsibilities of AT&T’s “Public Policy and Corporate Reputation Committee” is to oversee CSR practices. However, CSR is not the main focus of the committee.
Of all of the companies studied in this thesis, Ericsson advocates the positive change that the entire Information and Communications Technology (ICT) industry can achieve. In fact, Ericsson’s push for the “Networked Society” is not a society it hopes to achieve alone. Ericsson conducts research with Columbia University about how the entire ICT industry can help to achieve the United Nation’s 17 Sustainable Development Goals (Ericsson & The Earth Industry at Columbia University, 2015). This industry-centered language, as opposed to focusing on what the company can do, in discussing solving societal issues is an important difference seen in companies from feminine countries, as opposed to masculine countries. The other three countries studied do not appear to put an emphasis on industry-specific language, although TeliaSonera

Because of the cooperation aspect of feminine countries, we also expect to see more feminine countries than masculine countries aligning themselves with the sustainability goals of the United Nations. As expected, the only companies of the four studied in this thesis that have signed the UN Global Compact are Ericsson and TeliaSonera, the companies from the feminine country (United Nations, Our, 2015). Furthermore, Ericsson is an early adopter of the United Nations Guiding Principles Reporting Framework, which was launched in early 2015 (UNGP Reporting Framework, 2015). The UNGP not only provides companies with a framework on how to report their contributions to the UN’s human rights goals, but also hopes to encourage companies to see CSR as a requirement and to further expand their CSR initiatives (Shift and Mazars, 2015).

The results of the qualitative case study analyses for the four companies reveals patterns that align with the theoretical connections drawn in the cooperation subsection of
Chapter 5. Therefore, we can see that the companies from the feminine country speak with more cooperation-based language and seem to focus more on such cooperation-centric practices, such as signing the UN Global Compact, than do masculine countries.

**Section 5: Case Study Conclusions**

Although the findings of the case study analysis are not fully aligned with the theoretical connections made in Chapter 5 between CSR and Hofstede's masculinity dimension, we still found similarities. In particular, the masculine characteristics of performance and focusing on material wealth are showcased through the two U.S. based companies. Furthermore, expectations for CSR approaches by feminine companies of the care towards the quality of life being shown through company strategy and of cooperation-centered language and action are also evident by the Swedish companies chosen for this cast study analysis. The findings of this chapter are not empirical by any means. However, these findings do provide examples that support the theoretical connection made in Chapter 5.
Chapter 7: Closing Remarks

Section 1: Overall Conclusions

The purpose of this thesis, which is to explore the connection between CSR and Hofstede’s dimensions, shows a relationship between the masculinity dimension and approaches to CSR. Through a case study analysis of four companies from the United States, a masculine country, and Sweden, a feminine country, this relationship is further explored. Although not empirical due to the nature of the study, the U.S. companies, AT&T and Verizon Communications, showed a greater alignment with the masculine approaches to CSR. On the other hand, the Swedish companies, showed a greater alignment with the feminine approaches to CSR. Although business practices are not black and white, and some of the U.S. companies showed alignment with feminine characteristics, and vice versa, this study still showcases ways that the masculinity dimension is related to approaches to CSR.

In particular, the masculine characteristics of performance and caring about material wealth show the greatest alignment to the CSR approaches of the companies from the masculine U.S. This is seen through the emphasis on quantitative performance metrics that AT&T and Verizon rely on when reporting on CSR activities. In comparison to the Swedish companies, the U.S. companies care more about measuring CSR progress and contributions. The focus on material wealth is also seen in the approaches to CSR by AT&T and Verizon than in the approaches by TeliaSonera and Ericsson. Similar to the performance characteristic, the focus on material wealth affects CSR in the tendency of
masculine companies to solve social issues with money. Unlike AT&T and Verizon, TeliaSonera and Ericsson focus more on the qualitative impact of their CSR practices.

When it comes to the relationship of feminine characteristics and CSR approaches, we find a theoretical connection in the way CSR values are internalized into the company’s strategies and consistent in multiple facets of the company’s business practices. This is especially seen with the Swedish company TeliaSonera, who integrates CSR values into its mission statement, vision statement, and values. Another feminine characteristic that relates to CSR is that of cooperation, which is seen through the way companies talk about their role in the scope of solving societal issues and the way companies align themselves with cooperative CSR goals, such as the UN Global Compact. In particular, the Swedish company Ericsson is committed to viewing its CSR responsibilities in the scope of the entirety of its industry. Ericsson has conducted research regarding the Information and Communications Technology (ICT) industry’s role in furthering the UN’s sustainability goals. Additionally, both of the Swedish companies are currently signatories of the UN Global Compact, whereas neither U.S. company has yet to sign the compact. This alignment with the UN is also an approach expected from feminine countries more than masculine countries.

In conclusion, this thesis shows a connection between Hofstede’s masculinity dimension and companies’ approaches to CSR. Due to the limited amount of literature related to this topic, it is suggested that further research be done in this area. An understanding of how culture impacts business practices is vital in the wake of an ever-globalizing world. Therefore, further research in this field can only help managers to strengthen their understanding of cross-cultural business practices.
Section 2: Limitations of Study

This study is limited by the countries studied in the case study and lack of empirical data. It is suggested that the relationships between CSR and culture be further explored in other research projects as this thesis suggests a theoretical connection between CSR and Hofstede’s masculinity dimension. Furthermore, so as to make the results of future studies more significant, it is suggested that more companies are compared. Additionally, using more countries that are ranked on Hofstede’s masculinity scale will expand the scope of this study and, hopefully, strengthen the connection between the masculinity dimension and approaches to CSR.

When looking at international business, it is imperative to remember that translating one language to another can skew meaning and intent. This study used CSR reports that were published in English, even for the countries headquartered in Sweden. Therefore, it is important to note that there could be translation issues regarding intent in the reports. If the Ericsson and TeliaSonera reports were read in their native Swedish, the reports may convey a different meaning.

Another limitation of this study is that the reports used were written specifically to advertise the positive components of the companies. Reports such as annual and sustainability reports are written to please shareholders, stakeholders, and potential investors. Therefore, the company will place more emphasis on what it does well and may even be caught sugar-coating topics. These kinds of reports are useful to provide a glimpse into how companies approach CSR. However, if this report were to be done, it would be useful to have a second glimpse, such as interviews with decision makers in each company.
Section 3: Discussion

Although this thesis was largely theoretical in nature, the implications of cross-cultural managerial studies is important when conducting business in a global or international framework. Companies that work with or in countries outside their own should have an understanding of business practices in other cultures. Furthermore, for large companies that have subsidiaries in separate countries that operate locally, the parent companies might have to address CSR differently in subsidiary countries than in the parent country.

One of the large differences between Hofstede’s feminine cultures differ from masculine cultures revolves around whether emotional roles are separated via gender. In masculine countries, the difference is more distinct, with men expecting to care about performance, recognition, and success, and women expecting to be nurturing, more cooperative, and more focused on the quality of life. In feminine countries, however, both men and women are expected to be nurturing, cooperative, and focused on the quality of life. Therefore, it is proposed that companies from masculine countries can imitate the CSR approaches of feminine countries by having more gender equal boards of directors and executive teams. Both AT&T and Verizon Communications, the companies from the masculine country, had fairly low representation from women in upper management positions. Therefore, it is expected that an increased focus on adding women to leadership positions and listening to the opinions of women in these positions may mitigate the differences between companies from masculine and feminine countries.
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Appendix A: CEO Letters from Annual/Sustainability Reports

AT&T’s CEO Letter on CSR (AT&T, Sustainability, 2015)

Dear Stakeholders:

Connectivity – fast, secure and mobile – is the engine powering our economy. Increasingly, it is also helping create a better, more sustainable world – with connected cars and homes, smarter and more resilient energy grids and tools that help cities manage traffic to reduce pollution.

And AT&T is at the heart of it all.

To deliver these capabilities, we have invested heavily in our mobile and wired networks—nearly $140 billion since 2006, more than any other public company has invested in the United States. And in the process we have created a company that is unique in the industry—highly integrated, geographically diverse and built around video.

As we invest in our company, we also continue to invest in our people and communities—continuing a legacy that stretches back more than 140 years.

AT&T Aspire is our $350 million commitment to prepare students for success in school and the workplace. To date, we’ve reached more than 1 million students across the United States. And thanks to efforts like Aspire, our nation is on track to meet a goal of 90 percent on-time high school graduation by 2020.
We’ve teamed up with education technology leader Udacity to launch the Nanodegree program—a highly focused online education courses designed around specific in-demand, high-tech skills. More than 4,000 students have enrolled in it, 400 of them AT&T employees.

Our AT&T Foundry innovation centers are fast-tracking great ideas and moving them to market up to 3X faster than before. That includes dozens of new services like smarter luggage and connected shipping containers.

And as a leader in machine connectivity, we are wirelessly enabling everything from aircraft engines to grocery shelves, making all sorts of business processes smarter, simpler and more efficient.

Of course, as we do these things, we also remain committed to optimizing our own resource use as well—energy, water, fuel—and reducing our environmental impact, both in our company and throughout our value chain. Last year, we hit a major milestone when we reached our goal of deploying more than 8,000 compressed natural gas vehicles, part of a 10-year commitment to use alternative-fuel vehicles in our fleet. We estimate these vehicles have helped us reduce unleaded gas consumption by more than 18 million gallons.

Our goal in everything we do is to create a better, smarter, more connected future—because we know that life is better when everyone and everything works together. To learn more, join us at www.att.com/csr.

Sincerely,

Randall Stephenson
Chairman and Chief Executive Officer

Our goal in everything we do is to create a better, smarter, more connected future—because we know that life is better when everyone and everything works together.
Global Corporate Citizenship: The Heart of Verizon

In 2014, six 12-year-old girls from Resaca Middle School in Los Fresnos, Texas, won Best in Nation in the Verizon Innovative App Challenge. The girls invented an app called "Hello Navi" to help a visually impaired classmate better navigate the halls of their school. Their success took them all the way to the White House Science Fair in Washington, DC, hosted by President Barack Obama.

"Not only do these young ladies have big brains," said the President, "but they also have big hearts."

The President was so right.

I’m constantly inspired by the people we help through our programs such as these amazing young ladies.

Through my work with the Verizon Foundation, I have had an incredible opportunity to work with a group of passionate and committed individuals. Together, we're dedicated to putting Verizon's assets to good use by providing experiences that have the power to transform people's lives. Experiences like that of our winning team from Resaca Middle School.

You can clearly see the impact of that work within the Verizon family and among our customers and the communities we serve.

Creating Social Impact

In education, our employees help apply our technology to make dreams of a better tomorrow come true for so many individuals, particularly those in disadvantaged communities. And we're doing similar work in healthcare and energy.

Our employees play a significant role as volunteers, rolling up their sleeves in the communities in which they live and work to benefit Verizon's social causes and the local causes that they care deeply about.

We're unwavering in our dedication to build a better, greener world, and are continually working to reduce our carbon footprint and use sustainable business practices. Plus, every day, we provide our customers with a suite of solutions to help them minimize their own environmental impact.
And we constantly measure the results of all programs to continuously improve our solutions, and scale the most promising initiatives to make the greatest impact.

**HERE ARE SOME OF THE RESULTS OF WHICH WE'RE ESPECIALLY PROUD**

Our education programs are revolutionizing classrooms across the country:

Teachers receiving technology training through our Verizon Innovative Learning Schools (VILS) note spending less time lecturing and more time teaching students at the individual level.

Our teachers report that their students are more engaged in their subjects and have greater interest in math and science careers.

For the second year, VILS students improved in academic achievement and showed more than a 4 percent increase in standardized math tests at the schools that have been surveyed.

We're equally proud of our achievements in sustainability.

Over the past two years, we have invested $137 million in green energy, including solar and fuel cell power, to run our networks and data centers — equivalent to 2,700 homes’ electricity for a year — eliminating 20,000 metric tons of CO2.

Also, we introduced our customers to ways they could use wireless devices and broadband communications to manage their fleets and buildings, run power grids and telecommute. The impact in 2014 was the equivalent of taking 3 million cars off the road.

These examples show how we are making measurable, positive impacts in our communities and in many other areas. In the pages that follow, you'll learn even more about the work Verizon is doing. We can't afford to rest on our accomplishments, and by the time this report goes to print, we will already be at work striving to achieve even greater results in 2015. We're doing this in ways that are exciting, inspiring, and which create inestimable value, not only for the world we live in — but for the world as we would want it to be.

Rose
Important steps taken on our new exciting journey

Dear Shareholders and TeliaSonera followers. Our ambition is high, the targets are clear, and we are off to a good start. In the past year, we launched a new organization, updated our strategy and committed to an investment plan to improve our customer offerings and strengthen our market positions. We are now determined to show the way for the industry, with the ambition to become a new generation telecommunications company.

Financial performance

Our financial performance 2015 was broadly in line with our predictions, reinforcing that we are a financially stable company. Our margin is stable, our cash flow is strong, and we can pay our shareholders competitive dividends. Including dividend paid in 2014 of SEK 3 per share, our total shareholder return for the year was close to zero, which was below STOXX 600 telecommunications index and OMX Stockholm 30, respectively. I am confident that we can do better over time thanks to the new way of operating and the new strategy we have put in place.

The ongoing industry challenge is to achieve growth – a concern we share with many others in the telecom sector. This may seem paradoxical in a communications society advancing at a rate rarely before witnessed.

The connected society

Never before have people communicated with one another as much as they do today. TeliaSonera is in the middle of this information flow, and we see from day to day how our customers change their behavior. Demand for data capacity continues to grow dramatically, especially as online lifestyle, movies, and TV shows continue to gain in popularity. Today one-fourth of the data traffic in Europe comprises video, and the proportion is estimated to continue growing rapidly. Through our Carrier business, which is a top 2 global IP-carrier, we can see this locally and globally in our extensive IP-backbone.

We are now on the verge of the next big step, where online healthcare services, vehicles, and machines communicating with one another become more and more common. This will pose further challenges to the network. As a telecom operator, we must be able to guarantee the quality and security needed to satisfy the varying needs brought about by all these connected machines and services.

We have taken this exciting technology development into account in our new business strategy, which you can read more about in this report. We will invest in the network and there by continue to offer superior connectivity that attract new customers and make the present customers stay. Our customers want to have, and will have, hassle-free connections meeting their current and future needs at home, at work and on the move.

Living up to these high expectations requires investments. We need to build out, maintain and upgrade our internet infrastructure on a continuous basis. In the next two years, we will invest additionally SEK 4 to 5 billion, of which the majority goes to improved internet experience for our customers.

This major investment includes, for example, a significant increase in fibre connections to homes in Sweden. In the past year, we connected four homes an hour, around the clock, every day of the week. Our ambition is to step up the pace so that around two million Swedish homes would have access to our fibre services in 2016.

The challenge to all telecom operators has long been how to convert demand for data and connected services into growth and increased sales. More than half of our mobile customers in Sweden have signed up on the new pricing plan where you pay for data rather than for calls at a per-minute rate. Half of the customers who reach the data limit set for their subscriptions choose to top up. This is one way for us to convert data growth into increased earnings, simultaneously as the customers gain better control of their costs.

Improved connectivity everywhere

The fact that people live their lives more online sets high requirements for us as a telecom operator. People expect – and rightly so – that our services are available everywhere and all the time. More than 90 percent of the Swedish population is now within the coverage area of our highest-speed mobile technology. When we started providing 4G services in Sweden and Norway five years ago, we were the first in the world to do so, and we continue to improve the network coverage and speed on all our markets. The first steps towards next-generation connectivity were taken in the autumn, as TeliaSonera’s subsidiaries in Estonia and Lithuania tested an advanced version of the state-of-the-
CLOSER TO THE CUSTOMER WITH AN EFFECTIVE WAY OF WORKING

During the year we introduced a new country-based organization and established a new Group Executive Management Team. We are now organized based on different solutions demanded by our customers, rather than based on different technologies and products. This will lead to a better understanding of our customers’ total need and a better customer experience and more satisfied customers. During the next two years, we will invest SEK 2 billion in order to reduce our costs in the long run. In particular, we will invest in upgrading our IT systems. This will make it more efficient for our employees to do business and help customers, and at the same time it lowers our cost level by about SEK 2 billion a year, with full effect at the end of 2017. In order to expand and to grow and to improve profitability, we are continuously seeking new business opportunities and exciting innovations to add to our core business. During the year, we concluded several small or medium-sized transactions. Through our acquisition of Tello2’s operations in Norway, and the suggested combination with TeliaSonera in Denmark, we are part of the ongoing consolidation trend on the European market and strengthen our position on our existing markets.

A RESPONSIBLE COMPANY

Our stakeholders have high expectations on us to act responsibly. This is good. No one has more to gain than us from transparency, control and an ethical way of dealing with business and people. Corruption and infringements of human rights poison society. In the same way, a company where you are allowed to act in the grey zone, or violate ethical or moral principles, is bound to fail.

TeliaSonera deals with responsibility issues in various ways, for example by complying with the principles of the UN Global Compact, but we realize that our ambition must be set even higher than that.

To discourage dishonesty and violation of our principles, we have continued to upgrade our internal controls during the year. We have put major efforts on training our employees in issues such as freedom of expression, corruption, occupational health and safety and our customers’ right to privacy. At the time of writing, over 5,500 of our employees have completed the internal training in these issues, of which 4,300 in Eurasia. On all our markets we now have a “speak up line”, where both our employees and others can report any misconduct anonymously. Nobody in or outside TeliaSonera should feel uncertain about what our company stands for and that we make every effort to improve.

However, we are aware that through proactive and preventative work, which is a long journey, we need to ensure doing the right thing, becomes a core part of our DNA and values. We are a big group with operators in some countries that are among the world’s most challenging ones in this respect. TeliaSonera is not an isolated island, and as long as our markets struggle with problems, it will also affect us.

THE MOST COMPETENT COME TO US

TeliaSonera has always been able to take pride in its competent employees. Since I started in the company I have visited all our core markets and seen many various operations. Wherever I have gone, I have met people who are among the top in their areas of expertise. It makes me happy and comfortable that we will be able to execute on our strategy.

Our future success depends on how well we can continue to attract competent and passionate people and make them grow to their full potential with us. It is good to see our employee engagement increasing engagement and understanding of our strategy, especially considering the changes and turbulence in recent years.

Nothing is so good that it cannot be made better, and TeliaSonera has just set out on a journey that will take time. We have resources – both people and capital. We have customer demand, and we can meet it with modern solutions and quality. We know where we are going and what we should do to get there. That’s a good start. I’m inspired by our opportunities and humbled by our challenges. As a team we will succeed.

Stockholm, March 11, 2015

Thank you for your support – at your service 

Johan Dennelind
President and CEO

Happy to receive your feedback on us or our report.

Email: johan.dennelind@teliasonera.com
Twitter: @jdennelind or @TeliasoneraAB
LETTER FROM THE CEO

Any future vision of sustainable development must be linked to technology transformation.

Hans Vestberg
President and CEO

Welcome to our 2014 report.

Never in human history have we been more connected. In a few years, 50% of the world’s population will have access to mobile communications. That’s a staggering development, changing every aspect of our lives.

In the Networked Society, everyone and everything will be connected in real time. As a leading ICT company, our role is to drive this transformation, opening up new ways to innovate, to collaborate and to empower people, business and society. We want to ensure that connectivity paves the way for environmentally sustainable and equitable social and economic development.

Driving positive change

Our ambition at Ericsson is to be a responsible and relevant driver of positive change in the Networked Society. From climate change and poverty reduction to urbanization, the major challenges confronting our world require transformative, not incremental, solutions. Small steps forward won’t deliver the necessary scale to find effective solutions to pressing global issues. The global community is charged with carrying on the work of the Millennium Development Goals beyond 2015. Any future vision of sustainable development must be linked to technology transformation.

As chair of the Working Group for Sustainable Development and the Post-2015 Development Agenda of the Broadband Commission for Digital Development, during 2014 I led the work on a new report “Matters of Transformation.” Our aim is to spur the international community to act swiftly to capture the unrealized potential of ICT and broadband to enable the post-2015 development agenda and help build a more inclusive, sustainable society. My contribution to the Leadership Council of the UN Sustainable Development Solutions Network is to help ensure that viable solutions are part of this framework.

A transformative technology

Mobility, broadband and the cloud are transforming industries. Utilities are deploying smart metering to save energy and reduce carbon emissions while connected cars enhance safety and enable electric vehicle charging. Smart grids and more efficient public transport ease the challenges of urbanization. Technology is also transforming how we meet basic needs. In Connect to Learn, now in 21 countries, we partner in a public-private initiative using cloud-based ICT solutions to deliver high-quality secondary education worldwide while highlighting the need to improve access to education for girls. With 2.5 billion unbanked people globally, our mobile money platform is addressing the challenge of financial inclusion. Community health workers equipped with mobile phones in the devastating Ebola fight are better able to save lives. These are the kinds of impacts that illustrate the power of Technology for Good™, and in 2015 our initiatives aim to impact more than 5 million people.

Sustainability at the core

At Ericsson, sustainability and corporate responsibility are integrated in our corporate strategy. Our aim is to continuously improve our sustainability performance - in areas such as good governance, responsible sourcing, and health and safety - to minimize risks to our, and our customers’, brands and earn the trust of our stakeholders.

Ericsson continues to support the ten principles of the United Nations Global Compact and the UN Guiding Principles for Business and Human Rights (UNGPs), and we were first in our sector to use the new UNGP Reporting Framework. We think this is important because while human rights such as freedom of expression and the right to privacy are enabled by ICT, there is also a risk the technology can be misused. We are working to ensure greater privacy and security in our networks, and are active in multi-stakeholder dialogue to address concerns.

Steady progress

As described throughout this report, in 2014 Ericsson made considerable progress with sustainability and CR, although there is much left to do. Our targets are designed to indicate our priorities, both in terms of reducing risks, and increasing positive impacts, and we continue to deliver real performance. As Ericsson’s most significant environmental impact is the energy used by our products in operation, we put heavy emphasis on helping customers optimize their networks. Our new Ericsson Radio System provides a 50% improvement in energy efficiency.

We also seek to reduce the carbon footprint of our own performance. We are on track towards our objective to maintain absolute CO2e emissions from business travel, product transport and facilities at 2011 levels up to 2017. This equates to a reduction of 30% CO2e per employee, and 30% of our revised emissions by 10% CO2e per employee.

To accelerate action towards a low-carbon economy, we also set a new goal this year to help other sectors of the economy reduce societal carbon emissions by a factor of 2 relative to Ericsson’s own carbon emissions in 2014. We will do this by implementing ICT-enabled solutions such as smart meters and smart transport solutions.

Scaling positive impact

This is only the very start. ICT-enabled solutions can and should be a powerful tool for sustainable development. By enabling every area of society to use mobility, broadband and the cloud to address global challenges, we can ensure our sector’s legacy is a positive one.

Hans Vestberg
President and CEO
Appendix B: TeliaSonera’s Sustainability Summary

TeliaSonera’s “Sustainability Focus Area Summary” (TeliaSonera, Annual, 2015, p. 64)

<table>
<thead>
<tr>
<th>Focus area</th>
<th>Key achievements in 2014</th>
<th>Actions for 2015</th>
<th>Long-term ambition</th>
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<tbody>
<tr>
<td>Anticorruption</td>
<td>Conducted risk assessments to identify objectives and risk for corruption activity together with operations management. Anti-corruption policies and guidelines were developed. Group-wide ethics training solution implemented, where reports are managed and investigations initiated by the Specialist Investigations Office. Anti-corruption focus to be integrated into training workshops for over 3,000 employees.</td>
<td>Follow up on risk assessment and action plan implementation in high-risk markets with on-site visits. Continued implementation of compliance measures within the operational processes. E-learning and face to face ethics training to build a culture of transparency and integrity. Continued promotion of a culture of whistleblowing.</td>
<td>TeliaSonera shall have a local practice anti-corruption program in place, where activities to prevent, detect and deter any form of corrupt behavior or bribery are embedded into the operational processes.</td>
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<td>Freedom of expression</td>
<td>Implementation of the industry guiding principles related to freedom of expression and privacy. Continuous implementation of the group freedom of expression policy started. Shared learning and advocacy in the context of the Industry Dialogue and CHI collaborations. Transparency reporting started.</td>
<td>Continued implementation of the group freedom of expression policy. Further elaboration of processes, training, compliance areas, monitoring and review. Continued shared learning within the Industry Dialogue and CHI collaborations, also in the field of diversity, inclusive workplace dialogue.</td>
<td>TeliaSonera shall have a good understanding of the freedom of expression, impacts of our operations, respect for freedom of expression, provide remedy, and pro-actively work to reduce negative impacts at the association.</td>
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<td>Customer privacy</td>
<td>Governance organization appointed and governance process defined. Group privacy instruction approved and roll-out initiated. Privacy awareness video launched and e-learning roll-out started.</td>
<td>Continued implementation of the group privacy policy and instruction, including training, execution of local roadmaps and “privacy by design” approach. Further develop governance process, reporting, measuring and communicating as well as group guidance.</td>
<td>TeliaSonera shall have robust processes in place to report and protect privacy. Privacy shall be a natural part of the design of our products, services, processes and infrastructure.</td>
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<td>Occupational health and safety (OHS)</td>
<td>A new group function created to oversee OHS practices throughout the group. OHS awareness campaigns completed in 15 local companies. A network of OHS experts launched. Group OHS policy and instruction approved. Local implementation plans in place. Training of OHS experts on the new requirements started.</td>
<td>Implementation of the group OHS policy and instructions in local companies in accordance with local implementation plans. Reviews of implementation status.</td>
<td>The OHS culture shall be part of all employees’ everyday working life. Our OHS work shall be recognised as a good benchmark example within our industry.</td>
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<td>Sustainability in the supply chain</td>
<td>New risk and compliance unit in place, supporting the procurement organization in supplier benchmarking processes. Updated supplier code of conduct. Supplier sustainability evaluation process implemented. Supplier audits carried out. Training in sustainability and supply chain screening process carried out for procurement employees.</td>
<td>Implemented the updated supplier code of conduct. Continuous screening of suppliers’ sustainability performance. Increase the number of supplier audits.</td>
<td>TeliaSonera shall support suppliers in improving their sustainability understanding and compliance. All suppliers shall comply with the supplier code of conduct.</td>
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<td>Environmental responsibility</td>
<td>Training and capacity building related to environmental impact and the environmental targets. Flexibility of scope and extensive of the environmental targets. Expanded purchasing of renewable energy. Development of a group environmental policy. Energy assessments to be carried out according to the EU Energy Efficiency Directives requirements. More focus on researching benefits and customer engagement. Better understanding of, and control over, waste streams.</td>
<td>Group environmental targets shall be achieved. TeliaSonera shall have a good understanding of its negative and positive environmental impacts, and take necessary measures to reduce negative impact and increase positive impact.</td>
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Appendix C: Verizon’s “Performance Dashboard”

Example of Verizon’s Performance Dashboard from the Education section (Verizon Communications, Inc., 2014, pp. 17-18)
RELATIONSHIP OF CULTURE AND CSR IN MAS SOCIETIES

2014 PERFORMANCE DASHBOARD

VERIZON MOBILE LEARNING ACADEMY

PHASE 1: 98 EDUCATORS | 5,262 STUDENTS | 15 SCHOOL TEAMS

APP CHALLENGE

3,850 PARTICIPATING STUDENTS 49% OF THE WINNERS WERE FEMALE 16 APPS DEVELOPED 22,900 DOWNLOADS

IN THE LAST TWO YEARS, OUR WINNING STUDENT TEAMS PLACED 16 APPS ON GOOGLE PLAY AND THE APP STORE. THE APPS HAVE BEEN DOWNLOADED AT LEAST 22,900 TIMES.

PERCENTAGES OF STUDENTS LIKELY TO PURSUE CAREERS IN...

OVERALL STEM 91%
PROGRAMMING/TECHNOLOGY 81%
SCIENCE RELATED 76%
ENGINEERING 73%
MATHEMATICS 58%

61% OF 2013-14 APP CHALLENGE WINNERS SAID THEY WERE MORE INTERESTED IN THE SUBJECT OF COMPUTER PROGRAMMING BEFORE THEY PARTICIPATED.

IN-SCHOOL & COMMUNITY PROGRAMS

30 EDUCATORS
355 STUDENTS
22 SITES ACROSS THE U.S.

GIRLS WHO CODE

PERCENTAGES OF PARTICIPANTS IN THE GIRLS WHO CODE PROGRAM WHO...

ARE CONSIDERING TECHNOLOGY AS A CAREER 88%
ARE LIKELY TO STUDY COMPUTER SCIENCE IN COLLEGE 91%
FEEL COMFORTABLE COMMUNICATING WITH PROFESSIONALS 91%

2014 VERIZON CORPORATE RESPONSIBILITY SUPPLEMENT