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The Impact of Corporate Social Responsibility on an Organization's Stakeholders, Case Study: DHL, Sweden.



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Abstract

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Title: The Impact of Corporate Social Responsibility on an Organization's stakeholders: Case study: DHL, Sweden.

Problem: How does a corporate social responsibility performance benefit its stakeholders?

Purpose: This research work will seek to find out how aware DHL is about CSR activities and in what ways this awareness can be impacted on its Stakeholders.

Methods: A qualitative method of approach was used for this research work, with regards to primary data; interviews (face-to-face interview, telephone and email interview) were used. Secondary data sources were literature, articles, journals and internet sources from the university data bases.

Conclusion: The impacts of Corporate Social Responsibility (CSR) activities on stakeholders have an overall influence on the organization hence steps must be taken to understand the broad issues that should be addressed, management should come out with an inclusive strategy for stakeholder involvement to carry out research and surveys on effective strategic conversations with stakeholders.

The involvement and early engagement of stakeholders in the planning process of decision making and implementation is very vital in view of the fact that stakeholders are those affected and affecting change in the community. Stakeholder involvement and collaborative decisions on CSR issues represent a high level of participation programs. However, it is not easy, and must be complemented in many cases with conflict resolution.

The awareness creation of CSR activities by DHL on its stakeholders would add a very useful contribution to business development and profit making by this organization. The consciousness of CSR would cause all stakeholders alike to play their part in the sustainability of CSR.

Key words: Corporate social responsibility (CSR), Stakeholders, DHL, Sweden.

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1. Introduction

In this chapter, the authors will introduce the topic, as well as the problem discussion, the statement of the problem, purpose of the research, scope of the research, target group; the research approach and background of the company will be presented.

1.1. Introduction

According to Carroll et al (2006:34), the concept CSR is considering the impact of the company's actions on society. According to them, different people have defined CSR in many ways:

According to Carroll et al (2006:35-37), CSR falls within four main categories, and these are, legal, ethical, economic and philanthropic responsibilities.

Legal responsibilities, reflects society's view of "codified ethics" which exemplify fundamental notions of fair practices as established by lawmakers. It is the responsibility of business societies to comply with these laws. If businesses do not agree with laws that have been passed or are about to be passed, the society has provided a mechanism by which dissenters can be heard through a political process.

Ethical responsibilities, embrace those activities and practices that are expected of or prohibited by societal members even though they are not codified into law. Ethical responsibilities embody the full scope of norms, standards, and expectations that reflect what consumers, employees, shareholders and the community regards as fair, just and in keeping with the respect for or protection of stakeholders' moral right.

Economic responsibilities, refers to the institutions whose orientation is to produce goods and services that society wants and to sell them at fair prices. Prices that society thinks represents the true value of the goods and services delivered which provides business with profits adequate to ensure its continuation and growth and to reward its investors.

Finally, philanthropic responsibilities, these activities are voluntary, guided only by business's desire to engage in social activities that are not mandated, nor required by law, and not generally expected of businesses in an ethical sense. Nevertheless, the public has an expectation that business will engage in philanthropy and thus this category has become a part of the social contract between business and society. The activities will include corporate giving, product and service donations and volunteerism.

A stake is an interest or a share in an undertaking. A stakeholder is an individual or group that has one or more of the various kinds of stakes in a business. Just as stakeholders may be affected by the actions, decisions, policies or practices of the business firm, these stakeholders also affect the organization's actions, decisions, policies or practices. With stakeholders therefore, there is a potential two-way interaction, communication or exchange of influence Carroll et al (2006:67-68).

In today's competitive business environment, there are many individuals and groups who are business stakeholders. From the business point of view, there are certain individuals and groups that have legitimacy in the eyes of management. That is, they have a legitimate, direct interest in, or claim on the operations of the firm. But, from the point of view of highly pluralistic society, stakeholders include not only these groups, but other groups as well. Business' organizations stakeholders include, employees, customers, shareholders, suppliers, competitors, the community, society, government and the media. Carroll et al (2006:67-68).

1.2 .The Company background

DHL was founded by Adrian Dalsey, Larry Hillblom and Robert Lynn in San Francisco in 1969. The company is one of the global market leaders in international express, overland transport and air freight. It is also one of the world's leading ocean freight and contract logistics. They offer a full range of customized solutions - from express document shipping to supply chain management.

The company started its operation in Sweden in the 1980's. DHL Worldwide Express merged with Danzas and Deutsche Post Euro Express on March 31, 2003 and now operates as one company with approximately 4000 employees. The company has about 70 offices, terminals and stations in Sweden. DHL is divided into four business units; namely:

- DHL Express operates land-based traffic, national- and international transports, parcel distribution and Air Express
- DHL Global Forwarding handles intercontinental Air- and Ocean freight
- DHL Exel Supply Chain handles integrated third-party logistics.
- DHL Freight handles international groupage, part-load and full-load shipments by road and intermodal. (*DHL Web Page*).

1.3 .Problem discussion

Business firms have the responsibility of establishing the firms overall direction (its mission, vision, strategies, goals and policies) and seeing to it that these plans are carried out, Carroll et al (2006:75).

The stakeholder environment became as turbulent; the managerial task was relatively straight forward because the external environment was stable. Stakeholder management has become important as managers have discovered that many groups such as shareholders (their investment), employees (empowerment and motivation) and customers (price they pay on goods) have to be relatively satisfied positively for the firm to meet its objectives.

The challenge of Stakeholder management, therefore, is to see to it that the firm's primary stakeholders (shareholders/investors) achieve their objectives and that other stakeholders are dealt with ethically and are also relatively satisfied. At the same time, the firm is expected to

be profitable. This provides a classic win-win situation, and this is the appropriate goal for management to pursue to protect its long-term best interest.

Carroll et al (2006:75) explained that, to create an impact and manage stakeholders successfully, managers can become successful stewards of their stakeholder's resources by gaining knowledge about stakeholders and using this knowledge to predict and control behaviour and actions.

1.4. Statement of the research problem

How does corporate social responsibility performance benefit its stakeholders?

1.5. Purpose of the research

This research work will seek to find out how aware DHL is about CSR activities and in what ways this awareness can be impacted on its Stakeholders.

1.6. Limitation of the research

This research work is limited to the concept of corporate social responsibility performance in business within DHL, Sweden.

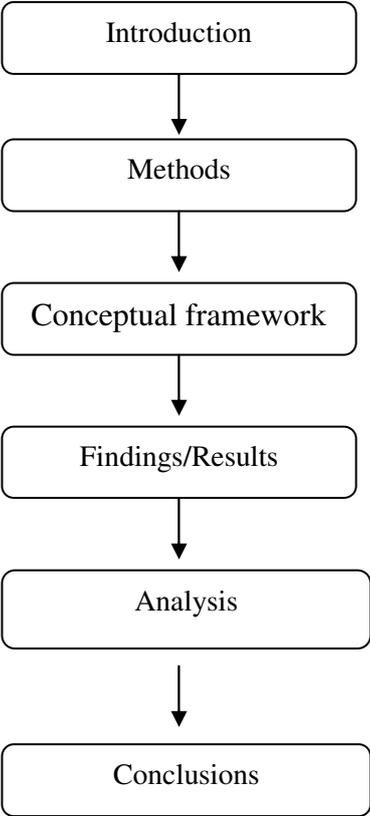
1.7. Target group

This research will be of importance to the management of DHL, Sweden and other courier services providers, as a suggestion towards the improvement of corporate social responsibility performance.

1.8. Research Approach

This research is going to be structured as seen in the diagram below. The work is divided into six chapters. The second chapter presents the research method; the third chapter covers the conceptual framework. The fourth chapter depicts the Findings/results. The fifth chapter covers the analysis and the sixth chapter will be the conclusion.

Figure: 1. Working Process

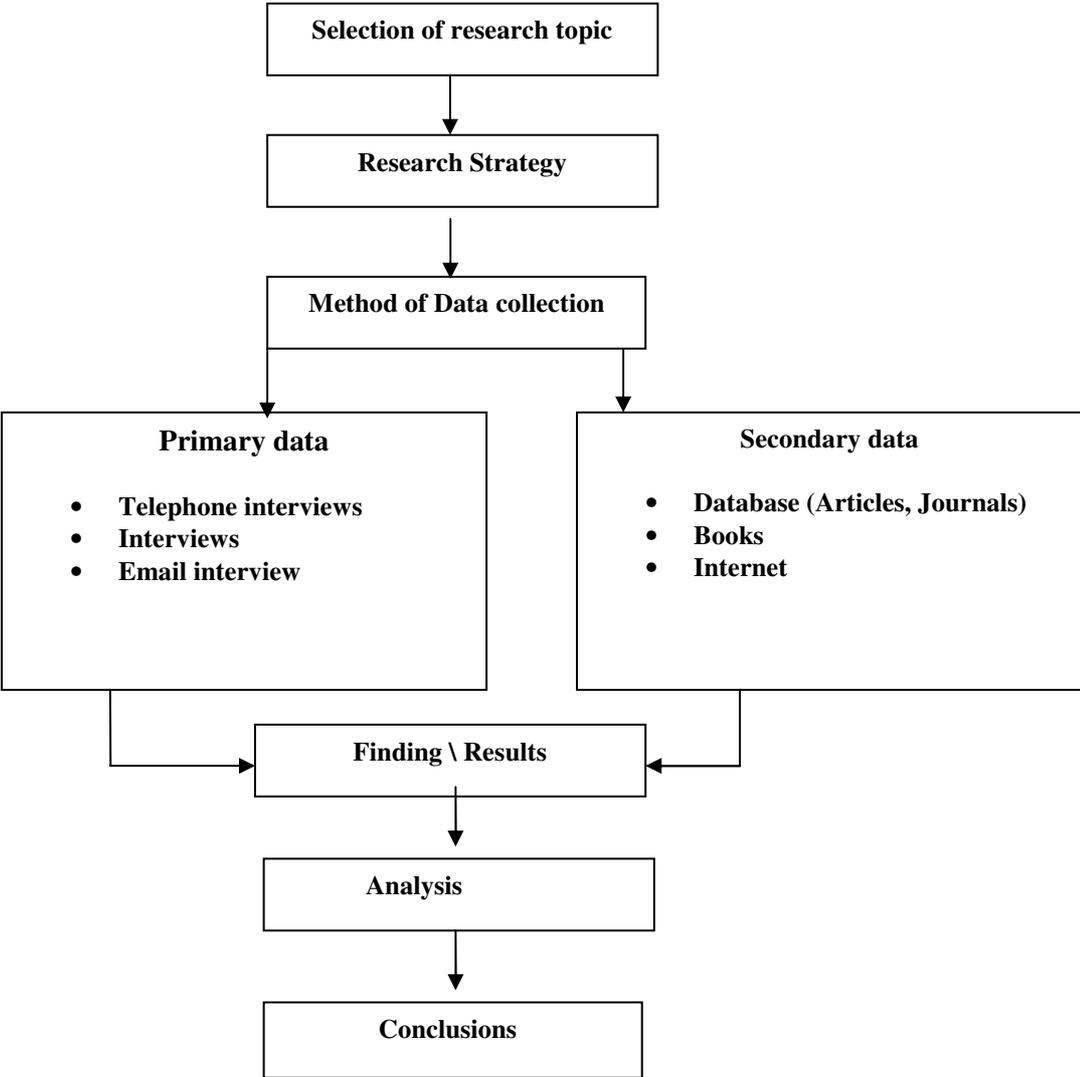


Source: Own design

2. Method

The authors in this chapter will present the research strategy and the method for data collection. A description of the work is presented and is followed by a discussion of the data collection process.

Figure: 2. A Flow Diagram of Methods Approach



Source: own diagram

2.1. Selection of research topic

The research topic began with an interest in the on-going global debate in the business social environments as to whether organizations need to be more ethical in their daily competitive business activities instead of profit maximization.

2.2 .Research strategy

According to Bryman (2004:19), the broad nature of research studies makes room for many writers in methodological issues to distinguish between two main categories in research methods, namely quantitative and qualitative research. It is argued that, these two categories differ with respect to their foundations and other aspects, such as the connection between theory and research work. Through this differentiation, quantitative and qualitative methods can form two different research strategies, which are stated as a general direction of how research work is carried out.

For the purpose of this research work, that is the impact of CSR on DHL's stakeholders, a qualitative research strategy method is used in order to accomplish the aim of this research. This approach has been chosen by the authors because it best suits the topic at hand and also with this form of writing the authors will be able to have an open discussion without the use of numerical values.

2.3. Method of Data collection

Data collected for this research work consists of both primary and secondary data.

At the beginning of this research work, the authors chose many different companies for example Swedbank, Nordea, Handelsbanken, Electrolux, DHL and Volvo and the Swedish Environmental Agency. This broader selection was done to enable the authors to choose based on the favorable response that would be received from the companies and stakeholders.

Emails were sent out to different companies and telephone calls were made from Malärdalen University campus to selected companies to ask for an opportunity to do interviews for the research work. The authors also went personally to the above mentioned offices. Almost all the companies did not respond favorably to the emails with the exception of DHL and the Swedish environmental Agency.

The authors visited the DHL branch office in Vasteras to interact with the branch manager on the research work to be undertaken, based on the questions posed during the visit, the authors were directed to the corporate office of DHL in Stockholm to meet the person in charge of all DHL's CSR activities.

A personal interview (face-to-face) was held with the head of corporate citizenship of DHL, Sweden on 4th July 2008 in Stockholm to obtain firsthand information. He was chosen because the authors deemed it necessary to obtain firsthand information on how the company handles social responsibility issues from the managerial point of view and he being the top management member responsible for CSR activities was the best person to seek answers from. The interview was structured, meaning that the interviewers already knew what kind of information was needed and therefore had already prepared questions for the interviewee.

The aim of this move is to ensure that it can be reliably aggregated and that comparisons can be made with confidence between samples and different situations to do our analyses.

Questions were sent earlier to the respondent to enable him prepare adequately before the interview was granted. All questions posed for this research work during the interviews were done to reflect the topic and purpose of the research work and to solve the statement of the research problem.

However during the interview, provision was made for questions that might come up. Some of the questions raised at this interview were about how involved the Company DHL was in the matter of CSR performance. Other questions relating to this issue was brought forth during the interview.

The interviews offered a complementary sharing of thoughts between the moderator and the respondent and guided us to ask more detailed and complex questions and to gather information.

There was also a telephone interview on 10th July 2008 to the head of the corporate citizenship. The purpose of this interview was for him to clarify and answer some questions that came up in the cause of the research process. All Questions asked during these interviews were based on the purpose and the statement of the research problem and for the authors to fulfill these, the questions asked were carefully considered in order to have a correlation between all aspects covered in this research.

All the questions asked during the interviews were deliberately drafted to reflect our problem statement and purpose and to help us to do a comprehensive and detailed analyses for this research work. The respondents interviewed had and played different roles in their organization, but they were chosen to get the best out of them in their areas of expertise.

Questions asked during these interviews can be found in the appendixes (A & B).

2.3.1. Email Interview

Questions were also sent via email to the Swedish environmental agency (Naturvardsverket) board on 1st of August 2008 at Stockholm to the Press secretary, Anneli Nivren who is responsible for all Press information; she later directed the questions to the person responsible for handling such issues in the organization. The questions were answered by the deputy director of the agency, Anna Dixelius on the 13th August 2008. The authors decided to give the agency ample time to enable them to think about the questions before providing answers to them. The questions were answered by the deputy director of the agency because, efforts were made earlier on to contact the director to answer these questions, but he/ she was absent. The director, was chosen because he/she might be well informed about the organization.

Questions such as how involved DHL was in environmental issues were asked, this was because although DHL had talked of how they were tackling environmental problems as an

organization in an interview held with them earlier on, the authors still found it necessary to seek a second opinion in this matter. This was to help the authors find to what extent they are committed as an organization to environmental issues. The environmental agency was chosen because as a stakeholder, they have the responsibility to see to it that all organizations adhere to the codes of environmental protection in the country.

2.3.2. Secondary data

To come up with a comprehensive literature review for the purpose of this research work, the authors sort the help of books from the school's, library, articles and journal publications most suitable from the database of Mälardalen University, key words such as corporate social responsibility, shareholders, stakeholders, business ethics and communication were used in the database to have access to articles and journals. Google scholar was used because it gives the researcher access to broader scholarly literature across many disciplines from all over the world. The search was performed in various article databases linked to the University's library web-page. The company DHL's web page was also sort for some necessary information about the company.

2.4. Reliability

“Reliability is based on two assumptions. The first is that the study can be repeated in other research works, this means that, other researchers should be able to follow the steps of the original research, using the same categories of the study, the same procedures, the same criteria of correctness and the same perspectives”. However, due to the characteristics of ethnographic research, that is how it is usually conducted, it is said to be vulnerable to replication difficulties” (Burns (2000:417).

The next assumption is that, “two or more people should be able to have the same results by using these categories and procedures. However, in ethnographic research this is difficult to achieve since mostly in this case the flow of information is dependent on social role held within the group studied and deemed appropriate” (Burns (2000:417).

The research work is based on interviews and questionnaires in order to gain an insight of the courier service industry in Sweden. This study tries to gain another view from different stakeholders concerned.

For a reliable research work, the authors did much inquiry into obtaining the right information and data from reliable databases such as the Mälardalen University database. In generalizing the results of the work, the stakeholders to some degree represent other stakeholders within the same industry.

Data collected through interviews with the corporate citizenship manager and head of affairs at the Swedish Environmental Agency were held with the people responsible for such matters

and as such this can be relied upon since from the beginning, they were the people introduced to the authors within the organization who handle all issues on CSR within the organization and the public.

2.5. Credibility of Research

The results of this work is credible to the best of the authors' knowledge because, all sources used or chosen for the purpose of this research work has undergone thorough scrutiny to ensure that all information collected and presented are from peer reviewed articles and journals which are scientific documents and have undergone thorough review by other researchers. Also for one to judge the credibility of this research, all sources used can be found in the reference list which has been provided at the end of this work. This research work is credible to the best of the author's knowledge, since care was taken to carefully select, analyze all data and surety was made that all data used are from credible sources.

2.6. Method Critique

Research work can be too subjective according to Bryman (2004:284).

The authors' recognize that, it would have been better to have the opinion of all the other stakeholders involved with DHL in order to analyze the level of its impact on stakeholders. However, due to the scope of this research which is to focus on looking at the case from the company's perspective and its impact on the stakeholder's, it was not possible to consider all stakeholders involved.

The authors' are of the view that information and interviews from two sources is not enough to draw a general conclusion as this can be biased on such a topic and we are of the opinion that, information from more than two sources would have provided a better stand for fair analysis and generalization to be made.

Furthermore, the company's may present a very positive picture and image about themselves to the public, but that may not be the way things are, so this cannot be used to draw a generalization between an organization and its stakeholders in impact measurement.

However, the range of materials available to the researchers for this work has been able to capture the essential answers to the research questions.

Another limiting factor is the language barrier. Some information acquired from the company's website was mostly in Swedish, which had to be translated into English, and in doing this some meanings to words might have changed in the process.

3. Conceptual Framework

The authors will use theories which have been developed by other researchers. According to Strauss et al (1998:19-21), theory refers to a set of well-developed concepts related through statements of relationship, which together constitute an integrated framework that can be used to explain or predict phenomena.

3.1. Meaning of the concept of corporate social responsibility

According to Carroll et al (2006:35) the concept of CSR was defined by Davis and Blomstrom, as the obligation of decision makers to take actions which *protect* and *improve* the welfare of society as a whole along with their own interest. The emphasis is on protecting and improving.

To protect the welfare of society implies the avoidance of negative impacts on society, and to improve the welfare of society implies the creation of positive benefits for society. The concept emphasizes obligation, accountability, action, activity, outcome and results achieving.

CSR is the sustainable development and improvement of employees, families, society, communities and stakeholders up and down the supply chain. Fox (2008:2)

According to Tencati et al (2004:173-4), European commission's green paper (2001:6), defined CSR as a "concept whereby companies integrate social and environmental concerns into their business operations in their interaction with their stakeholders on a voluntarily basis"

Epstein et al (2006:7), defines CSR as the obligation of business' and individuals to consider the effects of their decisions and actions on the whole social system and interest of others by looking beyond their firm's narrow economic and technical interest.

3.1.2. A Four-Part Definition of Corporate Social Responsibility

According to Carroll et al (2006:35-37), CSR falls within four main categories, and these are, legal, ethical, economic and philanthropic responsibilities.

Legal responsibilities, reflects society's view of "codified ethics" which exemplify fundamental notions of fair practices as established by lawmakers. It is the responsibility of business societies to comply with these laws. If businesses do not agree with laws that have been passed or are about to be passed, the society has provided a mechanism by which dissenters can be heard through a political process.

Ethical responsibilities, it embraces those activities and practices that are expected of or prohibited by societal members even though they are not codified into law. Ethical

responsibilities embody the full scope of norms, standards, and expectations that reflect what consumers, employees, shareholders and the community regards as fair, just and in keeping with the respect for or protection of stakeholders' moral right.

Economic responsibilities, refers to the institutions whose orientation is to produce goods and services that society wants and to sell them at fair prices. Prices that society thinks represents the true value of the goods and services delivered which provides business with profits adequate to ensure its continuation and growth and to reward its investors.

Finally, philanthropic responsibilities, these activities are voluntary, guided only by business's desire to engage in social activities that are not mandated, nor required by law, and not generally expected of business in an ethical sense. Nevertheless, the public has an expectation that business will engage in philanthropy and thus this category has become a part of the social contract between business and society. The activities will include corporate giving, product and service donations and volunteerism.

Business ethics is concerned with good and bad or right and wrong behaviour and practices that takes place within a business context as well fairness, justice and equity in the business world. Ethics seeks to guide behaviour, actions and decisions and principles are set to guide decision makers in the dealing with competitors and other associates in decision making process.

3.2. Corporate social responsiveness and corporate social performance

The action oriented aspect of CSR is what is termed as corporate social responsiveness. The responsibility aspect is quite literal and states the condition of assuming an obligation, but however, responsiveness implies the state of dynamic, action-oriented condition. The responsiveness aspect enables organizations to rationalize their social responsibilities without getting tied with the situation of accountability. It is part of the process of responsibility which emphasis on literal act of responding and achieving a responsive posture to society Carroll et al (2006:45-47).

Carroll et al (2006:45-47), also state that Corporate social Performance (CSP) focuses on the outcome and accomplishment by companies of social issues by adopting a philosophy, pattern, mode or strategy of responsiveness to achieve a set goal. CSP is a model that seeks to bring together the three major dimensions, which are social responsibility categories (legal, ethical, economic and philanthropic); responsiveness (reaction and proaction) and stakeholder (consumers, employees and shareholders) issues involved and needs consideration and management.

According to Carroll et al (2006:45-47), studies have shown that, relationship between social responsibility and economic have not yielded same results over time but social issues and efforts are of great significance to firms and the business community.

3.3. Reasons for CSR

According to Carroll et al (2006:44-45), society problems today were all created by corporations and for that fact they have the task of solving the problem. This will and can have a serious social consequence on their businesses in the future if they do not own up to it, and this is one strong argument that makes businesses socially responsible.

They went further to state that, there are various reasons *for* and *against* the concept of CSR and why organizations are becoming socially responsible, and these are as follows:

- To create innovative and proactive solutions to societal challenges.
- Favorable public support for strong and healthier community
- Socially responsible behavior and pursuit of profits are mutually compatible-economic and social objectives must go together. The firm may in the long run increase its profits by social actions. (E.g. clean and safe neighborhood means stable community in which to operate.
- Enhancing of Organization public image/reputation
- Creation of competitive advantage for organizations
- Customer and shareholders demand
- For more satisfied and productive workforce
- Creation of greater customer loyalty
- Creation of easy access to foreign markets
- Increase in profit and revenue levels.

3.3.1. Reasons against CSR

- Businesses are not equipped enough to handle social issues at stake
- It can and will dilute the main focus of businesses
- For gaining more social power to the detriment of the society
- Management view is profit-oriented; hence social issues must be for government.
- Financial cost to businesses

3.4. Laws and regulations on companies

Carroll et al (2006:347-8), defined regulations as the act of governing according to rule, or bringing under the control of law or constituted authority.

Although there is no universally agreed-upon definition for government agency, government agency in-charge of regulation is one that as the following, Carroll et al (2006:347-8):

- Has decision-making authority
- Establishes standards or guidelines conferring benefits and imposing restrictions on business conduct.
- Operate principally in the sphere of domestic business activity

They stated that, there are reasons why governmental authorities' sets up regulations as a guideline for business to operate with, and these are:

- Controlling natural monopolies
- Controlling negative externalities
- Achieving social goals

They were of the opinion that, (2006:349), as companies are accountable to a larger society on CSR issues; the government employs regulations to help achieve these social goals which are in the interest of the public. The government has to work hand-in-hand with companies to correct problems that might also be viewed as negative externalities.

A very important goal of government is to keep people informed, and one could argue that, inadequate information on CSR issues will pose a serious problem and that government should use its regulatory powers to require firms to reveal certain kinds of information to consumers, thus the consumer product safety require firms to warn consumers of potential product hazards through labeling requirements, (Carroll et al 2006:349-350).

3.4.1. Interaction of companies and government

Companies and businesses influence the government through lobbying in various forms like, grassroots, trade associations, umbrella organizations and professionals to channel and present their issues to government. The government also influences business through rules and regulations, taxation and other forms of persuasion (Carroll et al 2006:340-341).

3.5. The stakeholder model approach to business and society

According to Morsing et al (2006:324), the stakeholder approach was introduced by Freeman (1984:25) and defines 'a stakeholder as any group or individual who can affect or is affected by the achievement of the firm's objectives'.

According to Correia (2005:3), the stakeholder concept emerged in the 1960s but was made known by Edward R. Freeman (1984), who expanded to include in the definition 'any group or individual who can affect or is affected by the achievement of the organization's objectives'.

McIntosh et al (1998:198) defines a stakeholder "As any group or individual who can affect or is affected by an organization's impact or behaviour".

A Stakeholder is an individual or a group that has one or more of the various kinds of stakes in business activities and is affected by the actions, decisions, policies or practices of the business firm and these stakeholders also affect the decisions and actions of the organization as well and this is created by a two way communication relationship. Carroll et al (2006:67).

According to Carroll et al (2006:68-69), because of the global competitive nature of businesses, there are many industry players that have legitimacy and direct interest on the operations of the firm in the eyes of management, example shareholders, customers and employees. But looking at the bigger picture of the environments where business operations go on, there are other groups who as well have stakes in business activities such as competitors, suppliers, government, the media, the community, special-interest groups and the society.

Stakeholders have a direct influence on an organization and in the same way organizations through strategic management actions and policies have greater impact and influences on stakeholders.

Fassin (2008:1) was of the view that, the stakeholder model introduced by Freeman (1984) remains 'a rather good approximation of reality and this can help people to comprehend their environments'.

Carroll et al (2006:23) indicated there are two broad types of stakeholders namely, *internal* (inside) and *external* (outside) stakeholders to business organizations.

Internal stakeholders are Shareholders, management and employees; this group has legitimate legal and moral claims on the organization and it is the duty of management to address their needs and balance these needs against those of the firm and of other stakeholders.

The external (outside) stakeholders are consumers, suppliers, government, community, interest groups, natural environment and competitors. They made mention that; the

government needs to be treated first because it represents the public, though the consumer is business's most important stakeholder.

Fassin (2008) argued that, the stakeholder model has some disadvantages and some of these are as follows: heterogeneity within stakeholders and pressure groups, multiple inclusion, differences in dependence among stakeholders, multiple linkages, and the firm's central place in the model.

On the heterogeneity, he was of the view that, stakeholder members within a category are not at all homogenous, and the theory ignores intra-stakeholder heterogeneity (Harrison and Freeman 1999), they represent a vast array of subgroups, and they are all bundled in one group as they have a common stake, but do not necessarily share a common objective.

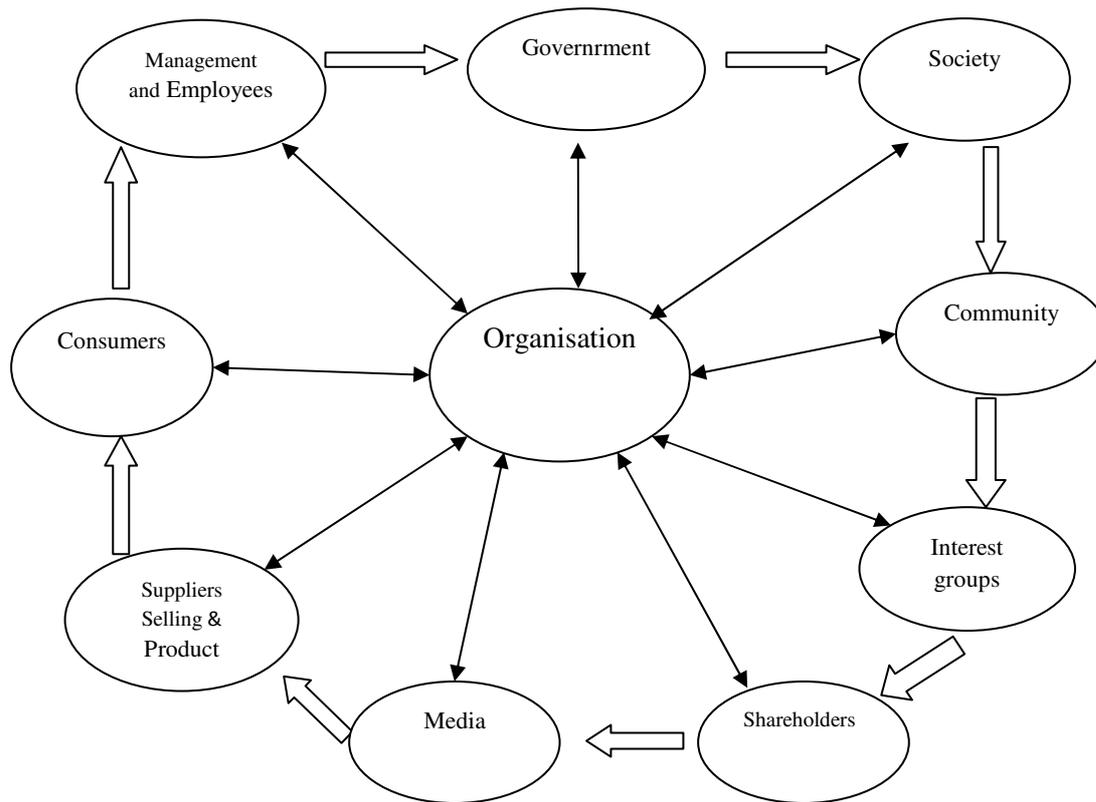
On multiple inclusions, he was of the opinion that, most individuals are likely to belong to more than one stakeholder group at the same time (Jonsson 2005), a manager is an employee, but can also be a shareholder; an employee is usually also a member of the local community.

A difference in dependence among stakeholders, according to Fassin (2008), the stakeholder model stresses a two way interaction between stakeholders and the company. The 'stakes' of each are reciprocal, since each can affect the other in terms of harms and benefits as well as rights and duties.

On multiple linkages, he was of the opinion that, the simplified graphical representation of the model to show links between stakeholders, in reality, there are a series of multilateral contracts among the stakeholders (Williamson 1985, key, 1999). Many external stakeholders, such as the media and competitors are seen as having important and direct influences on other stakeholders of the firm (Phillips 2003:127).

Finally, on the firm's central place in the model, the firm lies at the hub of Freeman's stakeholder model, and the stakeholders appear to have relationships with the firm but, in reality, they deal with representatives of the firm; with its management. Managers form the main group of stakeholders who enter into contractual relationships with most or all stakeholders (Jonsson 2005).

Figure: 3. Stakeholder model



Source: Own design

3.6 Strategic role of Stakeholders in CSR Management and performance

According to Morsing et al (2006:324), for organizations to manage and have an impact on their stakeholders using CSR communication strategies, it calls for organizations to engage stakeholders in long-term mutual relationship which focuses on development rather than simply focusing on immediate profit, and this does not mean profit and economic survival is unimportant but for companies to engage frequently with a variety of stakeholders upon whom dependence is vital.

Carroll et al (2006:89), states that, the effective stakeholder's management approach can be seen from "the clackson Principles" which says that, for managers to effectively manage and impact stakeholders it depends on, relationship creation for the long-term which acknowledges stakeholders, listen and openly communicate with stakeholders, adopt a proactive process, work cooperatively with stakeholders, avoid activities that can jeopardize relationship with relevant stakeholders and acknowledge the potential of conflict between these stakeholders.

Companies engage in relationship creation by the use of three CSR communication strategies with their stakeholders in order to impact and manage them. These are stakeholder information strategy, the stakeholder response and the stakeholder involvement strategy, Morsing et al (2006:325-328).

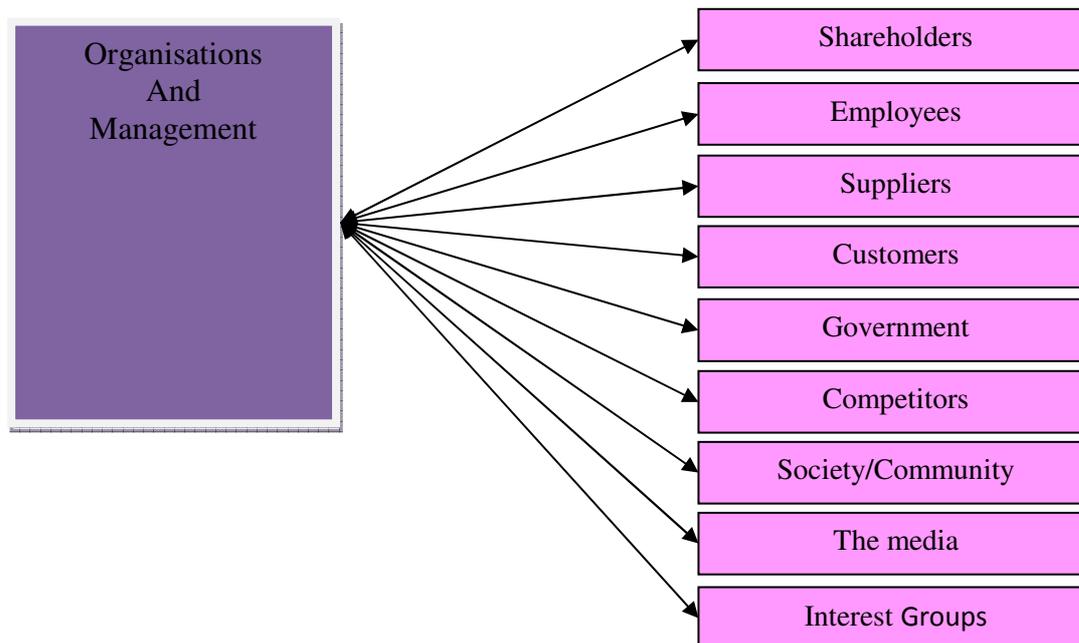
The information strategy, communication is one-way, from the organization to its stakeholders, this has the purpose of disseminating information not necessarily with a persuasive intent but rather inform the public as objective as possible about the organization. With this strategy, the company assumes that the stakeholders are influential as they can either give support in terms of purchasing habits, loyalty and praising the company. A major task of this strategy is that, it conveys companies CSR decisions and actions to company's stakeholders.

The response strategy, this is based on two-way communication process; this process allows communication flows to and from the public. By this strategy, the company attempts to change public attitudes and behavior, as they try to engage stakeholders by making the corporate decisions and actions relevant for them because, the company needs the external endorsement from external stakeholders as a way to improve their CSR efforts. Communication is seen as a feedback tool in terms of finding out what the public will accept and tolerate, this can be achieved through conducting of market surveys and opinion polls.

Finally involvement strategy, this assumes a dialogue process by companies with their stakeholders. Persuasion may occur, but it comes from stakeholders as well as companies as each try to persuade the other to change, each can change as a result of progressive interaction of sense-giving and sense-making. This strategy takes the notion of relationship to an extreme limit. Instead of imposing a particular CSR initiative on stakeholders, the stakeholder involvement strategy invites concurrent negotiation stakeholders and companies to explore each other's concern.

These strategies outline the necessity for managers to incorporate learning and techniques to support stakeholder management.

Figure: 4. Stakeholder management model



Source: own design.

Bakan and Burke (2005) were of the view that, much of the discussion is centered on whether CSR should take priority above a company's obligation to make money for its stakeholders, or vice versa.

Morgan et al (2006:2) were of the opinion that, CSR can be viewed as running the scope from a purely stockholder perspective and wherever companies fall on CSR spectrum, a concerted effort must be made to align strategies to take full advantage of CSR business opportunities while also including stakeholders in the strategy-making process.

This CSR strategy-making process from a conceptual perspective to include all stakeholders to play a part is through a mechanism of conversation to maximize stakeholder engagement and organizational sustainability.

According to Morgan et al (2006:2), the CSR strategy-making process is through conversation which is multi-directional and multi-dimensional communication mechanism for better shaping and integrating the strategic intent of top management with both the firm's capabilities and the competitive realities the organization encounters, and strategic conversation to be effective, communication must be explicit involving both talking and reflective listening by all participants.

According to Hastak et al (2001), for strategic conversation on CSR issues to be most effective, all levels of an organization at a minimum must be aware of stakeholder concerns and that consumer survey research technique should be explicitly integrated into policy-making process.

Strategic conversation can help bridge critical gaps like (performance and future) between top management's and stakeholders' perception of the firm's CSR current performance and its capabilities, Morgan et al (2006:201).

Urde (2003), suggest that, strategic conversation with stakeholders is a method of identifying the company's core values; organizations missions, its brand and products, and these must consistently reflect the values of its stakeholders.

Morgan et al (2006:1), the basic belief that organizations are accountable to a larger society has evolved into debate about the accountability of corporations to a myriad of special stakeholders.

3.7. Stakeholder's role in an organization

3.7.1. Shareholders

Shareholders are the owners of the organization, and for this reason their claim on organizational resources is usually considered superior to the claims of other stakeholders. They contribute to the organization by investing money in the organization through the purchasing of company shares or stock. Jones (2006:58)

3.7.2. Managers /Employees

Managers are the employees of an organization who are assigned the role of managing the organization's resources and making sure that the organizations set goals and targets are successfully met. This is achieved through the contribution of their skills to direct and respond to pressures from different parts of the organization. Jones (2006:58)

According to Jones (2006:59) employees are made up of the non managerial workforce of an organization. They usually have assigned task or a job description of which they are in charge of carrying out. They contribute to the organization through the performance of their duties and responsibilities.

3.7.3. Customers

They are known to be the largest stakeholder group outside an organization. Customers have the choice of selecting from alternative products by their judgment of what they are getting in relation to their money's worth. The money paid for the product is their contribution to the organization and this goes to reflect the value they feel they receive from the organization Jones (2006:60).

3.7. 4. Suppliers

According to Jones (2006:60) Suppliers are another important stakeholder group; their contribution to the organization is by consistent provision of dependable raw materials that will help the organisation in the reduction of unforeseen technical issues or production operation which will eventually lead to reduction in cost of production. Suppliers directly influence the organization's efficiency and indirectly have an effect on its capability to draw customers. High - quality inputs and high –quality products can serve as a means of attracting customers for an organization that can provide its customers with superior quality.

3.7.5. Government

Government has several claims on an organization. It sees to it that companies obey the rules of free competition and also compete in a fair manner. It also tries to ensure that all companies adhere to rules and laws governing the payment and treatment of employees and other social and economic issues. Its contribution to the organization is by means of standardising regulations so that all companies comply with them and no company gets unfair competitive advantage. Jones (2006:61)

3.7. 6. Interest groups

Trade unions and organisations can have a relationship based on cooperation or a conflicting relationship. The kind of relationship they share can directly affect the effectiveness and productivity between both parties. Cooperation between leaders of both parties can result in a positive long- term gains if they are able to reach a reasonable division of the gains from an improvement in a company's fortunes. Jones (2006:61)

3.7.7. The Communities

Local communities play an important role in the performance of organizations this is because housing, employment and the general economic well- being of a community are strongly affected by the success or failure of local businesses. Jones (2006:61)

3.7.8. Society

When organizations perform better than overseas competitors' society is happy. It is not surprising since the current and future wealth of a nation is closely related to the success of its businesses and its economic institutions Jones (2006:61)

4. Finding/Results

This chapter will present the findings and results of data collected from DHL, Sweden.

In order to obtain information about the organization, the authors had a face-to-face interview with the head of the corporate citizenship. Added to this, there was a telephone interview with him to answer some questions that came up in the course of the research work. This was to assist the authors to get an insight as to how the organization pursues corporate social responsibility practices within the company in Sweden.

Adding to the authors source of information for the findings are the company's website, some printed materials related to the company, given by the corporate citizens manager on request to complement the research work.

The findings are presented in a way to serve as the analysis of the structured questions of the interview regarding issues on corporate social responsibility and its impact on stakeholders. This will provide a better understanding of the operations of DHL Sweden and also for the analysis and conclusions using the frame of reference in the final phase of this research work.

4.1. The Mission of the Company

The company has the mission of delivering excellent quality, reliable services to its customers and the society with emphasis on community investment, responsibility and maintaining core values and conduct. They also place emphasis on stakeholder's expectations in accomplishing quality.

4.2. Face-to-face Interview

4.2.1. Respondent: The Corporate citizenship manager (Mr. Jonas Von Schantz)

According to Mr. Jonas Von Schantz, the meaning of the concept of CSR to his organization is taken from the world economic forum which says that CSR is the contribution a company makes to society by having an obligation to consider the interest of its customers, suppliers, employees, shareholders, communities etc. through its core business activities, its social investments and philanthropy programmes' and its engagement in public policy which should be in compliance with Swedish legislations. He went on further to say that, DHL, Sweden has been involved in CSR activities and issues since the 1990's.

He was of the opinion that, it is the vision of DHL, as a global company which operates in 220 countries around the globe, that in every country in which it operates the company would demonstrate their contribution towards national development and focus on specific goals and targets of that country, therefore in Sweden, their aim is to foster the development of environmental sustainability objective of the government.

When asked what some of the activities that DHL as an organization has been involved in apart from the services they render to their customer, Mr. Jonas Von Schantz said that, the company was also involved in logistics, transport and courier services and also helping the communities in which they carry out their operations as well as working with all their stakeholders to achieve the organizations goals.

On the issue of how CSR is formulated in the company the authors were shown and given a copy of an environmental management system certificate of DHL in Sweden – ISO 14001 to add to the authenticity of its involvement in environmental sustainability issues.

In the interview, when the subject of the response of shareholders was asked in relation to whether they support the company in its vision to help the society, the respondent said they do have a positive response from them to help the society in which they operate.

When asked if the company has been faced with or encountered any risk or challenges in its performance of CSR, he made it known to the authors that, it is even more riskier in the twenty first century not to be involved as an organization in CSR activities, because the awareness it has created to its stakeholders in Sweden and the whole world at large makes it more dangerous not to partake in it and also it is a tool that can be used to a large extent to measure the profit levels, customer loyalty, public image building, competitive advantage etc, for the company.

In spite of these, he said that the strongest argument against CSR performance is the effect it has on their profit levels as an organization. He went on to say that, his organization is a registered member of the Swedish environmental organization and as responsible actors; they try to ensure the implementation of environmental policies with respect to the emission of gases in their transport section. All their means of transportation namely, cars, air planes and boats use environmentally friendly fuels like Natur, RME etc.

Mr. Schantz, pointed out that, though every business entity has the aim and motive of profit making, there are times, when there is the need to look at the bigger picture of how to get involved and play a part in the society.

He said, DHL has entrenched an organizational culture of responsibility so much so that, they try to instill these values and codes in every employee, to an extent that, wherever an employee resides within Sweden, there is urgent training program that it runs at the headquarters in Stockholm for all employees to attend. The program tends to help all employees to observe the organizational culture of DHL. Though it is costly to them, they value the long-run positive impact it will have on the organization.

According to him, the concept of CSR, is incorporated into the entire organization as a culture, right from the chief executive officer (CEO), to the last employee. CSR performance is an obligation and responsibility in Sweden to perform, so with the help of their stakeholders who play a part in the performance of these activities makes them responsive. He mentioned the following as DHL's stakeholders in Sweden;

4.2.2. Shareholders

Mr. Schantz hinted that DHL's biggest shareholder is Deutsche Post World Net of Germany; he went on to state that in 2002 Deutsche Post World Net became the major shareholder in DHL with its headquarters in Bonn. And by the end of 2002, DHL was 100% owned by Deutsche Post World Net. Deutsche Post World Net in 2003 consolidated all of its express and logistics activities into one single brand, DHL.

Deutsche Post takes part in decision making, with regards to actions and strategies on impending projects.

Although shareholders do not always agree sometimes on the same issues, management has always enjoyed tremendous support from shareholders on CSR performance issues.

4.2.3. Employees/ Management

According Mr. Schantz, DHL's employees are enthusiastic about what they do and are also zealous about the service they render their customers. Each individual contributes to the overall success and encourage personal responsibility, commitment and cooperation for the benefit of the company and their customers. He emphasized that, employees have the opportunity to continually expand their skills, develop, change, take new challenges and go on refresher courses and training due to good management policies.

4.2.4. Customers

Mr. Schantz said that, "the company is committed to using environmentally friendly materials which is certified and standardized for packaging for customers' deliveries. He stressed that customer satisfaction is very important to them as an organization and therefore their customers' success is their success". Noting that, they have established long-term business partnerships with their customers. In conclusion he said the result of this has often been long-term success for both sides.

4.2.5. Suppliers

Mr. Schantz pointed out that, the company's main suppliers of vehicles are Mercedes, Scania and Volvo, and all their vehicles use different types of fuel such as Natur, biogas and RME which are all environmentally friendly. They have a vehicle Management Services group at DHL which is in charge of the management, sales and marketing support program for these vehicle manufacturers.

4.2.6. Competitors

Mr. Schantz said that, FedEx and United Parcel services (UPS) are their main competitors in Sweden. He also said that there are times when they meet as a network to organize programs for the community as well as discuss different issues on customers and on CSR. He procited out that, although they are competitors in the courier service industry, they strive to reach a common goal for their customers on CSR issues.

4.2.7. Government

When Mr. Schantz was asked about their relationship with government he said that, DHL works with the government by drawing their policies within government laid down regulations and abides by them. Also adding that, they lobby the government and channel their grievances through the appropriate quarters as well as engaging in public dialogue with the media and also by using political figures in parliament. He said that company through taxation in Sweden also supports government programs, including social and environmental programs.

He also mentioned that, one of the biggest challenges and setbacks they most often encounter from the government is the 5 percent additional price they pay for standard Swedish tank for diesel. He was of the view that, it is not favorable to their business and needs to be changed to measure up with the tax DHL pays on fuel consumptions for their vehicles.

4.2.8. Media

He said that, DHL uses the media as a tool for information transmission through the writing of articles for publication, and also informs the society on the activities they carry out in the various communities and society

4.2.9. Interest Groups

Mr. Von Schantz said that, DHL collaborates with a number of interest groups like the labour union and environmental organizations, in different ways and through different forums, on issues such as labour and the environment. According to him, in Sweden, companies are tasked by the Swedish environmental code and that organizations involved in services and operations ranging from land, air, water, lake, agriculture etc. meet occasionally to dialogue. All decisions taken must be in conformity with the ISO 14001 standards.

4.2.10. Society and Community

Mr. Von Schantz initiated that DHL has invested in programs in the communities ranging from disaster management, supporting entrepreneurs in starting their own businesses and empowering the manpower skills of people. He also stated that, the employees also carry out voluntary services for different communities at different times.

When the question on the issue of what criteria they use to measure CRS activities was raised, he said that, as an organization, they have a system in place which they use to measure the before and after effects of every project, activity, action, program and service they render to any of their stakeholders in the community within Sweden and this includes surveys and research.

He also said that as an organization, they maintain a close relationship with their stakeholders and that this has been going on for a long time now. Though there are times that the issue of misunderstanding comes up regarding agreement on service performance, there is however different mechanisms they use to reach agreements or compromise.

4.3. Telephone interview

4.3.1. Respondent: Mr. Jonas Von Schantz

Responding to our questions about DHL's relationship with its stakeholders, Mr. Von Schantz said that they manage their relationship with stakeholders through communications that dates back to the 1990's and that the relationship has been very mutual. The aim of the relationship is on proactive development in every front where they engage their stakeholders in everything they do.

He said, all the stakeholders, example their customers are involved in service delivery process and shareholders are constantly informed and their opinions have always been taken into consideration when making decisions. They have always had the support of their stakeholders.

When the question of challenges of stakeholder management and what strategies they use to gain support of their stakeholders was posed, he said, to manage stakeholders have not been an easy task for them as an organization to carry out and this has been one area that poses a lot of problems most often.

Each stakeholder has its own challenges to tackle examples of these are as follows; with the government, it is the issue of prices and taxes, with shareholders, there is the need to always consult them before decisions regarding projects are undertaken, on customers, they must be involved in product and service delivery, on competitors, there is the need to consider their threat on the market, and employee needs have to be met.

On the issue of strategies to gain support, he said that, they always listen, learn and share ideas with stakeholders as a form of communication.

4.4. Email interview

4.4.1. Respondent: The Deputy Director (Anna Dixelius)

Anna Dixelius is the deputy director of Swedish environmental protection agency (EPA) Sweden. We sought to reach her by email to answer some questions in relation to their role on environmental issues regarding organizations in Sweden. According to her, EPA has a set target for every year, and the EPA has three priorities for this year and they are climate, marine environment and sustainable use of natural resources. They have an overall vision to solve all major environmental problems within a generation, and that the Swedish parliament (*riksdag*) has adopted 16 environmental quality objectives and the EPA has the responsibility to promote it.

On the role of the EPA to organizations in Sweden, she said, the Swedish EPA's target is to maintain a close working relation and contact with the county councils, national agencies and industrial organizations to solve all major environmental problems in the society, and as an agency, they are not a licensing outfit, licensees for environmental hazardous activities are granted by environmental courts.

According Anna Dixelius, CSR is based on the concept of sustainable development according to which an organization conducts and plans its activities taking into consideration not only economic impacts, but also social and environmental factors.

When the question of how they ensure that business organizations conform to the standards set with the EPA code of Sweden was posed, she said, they have decentralized authority to all the local municipalities and regional county councils to ensure the monitoring, imposing of fines and fees and to press charges against any organization which default in their responsibilities on these code of ethics in the society.

On the issue of how the EPA is involved and communicates with other stakeholders like companies and government agencies on CSR activities was raised? She said, they make sure all national agencies and organizations follow government policies on integration, gender issues etc, and that it depends on the issue at hand, they have close cooperation with a number of other national agencies and they annually meet with all organizations to discuss issues of common interest to the society, and this is always challenging because there is need to find solutions and listen to other parties contribution and suggestions on issues to reach a dialogue.

On the issue of how they give recognition or reward business organizations that are socially responsible in their work and obey the rules of standards in the society was asked, she was of the view that, they do not give rewards but one such recognition that these business organizations receive is the benefit of good-will from the society.

5. Analysis

In this chapter, the authors would present the outcome of their findings and analyze them in accordance to the conceptual framework used.

5.1. The Concept of CSR/ Responsiveness and Performance

The concept of CSR is very essential for the survival of modern day organizations and for them to compete successfully in any business environment. Investing in CSR activities though is obligatory and legal concept as according to Carroll et al (2006:35-36), it is also a strategy used by organizations to become competitive and to have an impact in the market place.

The authors are of the opinion that, the practice of CSR by DHL as an organization is mutually beneficial to both the company and the Swedish society as a whole.

The company does so by three approaches to gain competitive advantage which goes a long way to increase company earnings.

- ❖ One is as a form of a **defensive approach**, with this strategy; DHL preserves their reputation by making small investments into CSR activities for the society that in return brings in greater benefit in the form of increasing in sales and good will.
- ❖ CRS has also become an **emerging strategy** for companies, the changing face of business in modern time is the commitment and efforts that all stakeholders are putting to ensure that, all business become responsible in the following areas; economic, human rights, environment, health and labour standards in the global stage. CSR as a strategic approach seems to have been embraced by organizations and have integrated and coordinated it as part of their business plans to achieve their goals since it is an expectation of society.
- ❖ It is also an **innovative and learning approach** for organizations; CRS concept and practice offer the necessary opportunity for organizations to know and understand the market place, the taste and preferences of consumers, price mechanisms and the strength and weakness of competitors in the market place.

The authors are of the opinion that, when organizations are known as ‘ Good corporate citizens’ it becomes a reflection of shared moral and ethical principle and this serves as a channel to integrate individuals and the communities into their work for the communities to gain interest and this serves as a balance and satisfaction to all stakeholders.

An organization serving as an actor in the society also brings a positive impact to the business in the following:

- Improved employee relations, employee retention, loyalty, recruitment, good morale, increase in productivity.

- Good business performance, increase in competitive advantage, increase in cross-functional integration and increase in bottom-line returns.
- Create positive market / company image, support higher prestige pricing and enhances government affairs activities.

5.2. Laws and regulations on companies

The setting of laws and regulations by government for companies such as DHL, is to set a guideline within which companies must operate though some of these legitimate laws may not entirely be agreed upon by companies, governments set them in place to protect certain institutions and groups an example is, the right of workers, conservation of the environment and consumer rights. This laws and regulations helps to achieve social goals such as addressing public interest , getting customers informed in issues regarding advertising and labeling all in a way to protect consumer behavior in the society.

DHL as an organization cooperates in mutual pursuit of common goals for the society, and it's an opportunity for them as a business entity to develop strategies to effectively work with government in such a way to achieve their overall corporate objective which is profit making for its shareholders. Business has the responsibility of obeying the laws of the land and of being ethical in its response to government expectations and mandates.

5.3. The Stakeholder Approach to Business and society

According to Carroll et al (2006:67), the stakeholder is an individual or a group that has one or more of the various kinds of stakes in business activities and is affected by the actions, decisions, policies or practices of the business firm and these stakeholders also affect the decisions and actions of the organization as well and this creates a two way communication relationship.

DHL's CSR activities will impact and influence stakeholder's positively in three behavioral ways when communicated to them in the right manner. Stakeholders will relate positively in terms of *attitudes* towards the organization, they will *identify* with the organization and finally they will *develop a coherent mind-set* towards the organization to achieve a set target due to CSR activities.

Since the very essence of the organizations existence depends on its stakeholders, it is very important to pay attention to them instead of inputs and goods to achieve organizations long term objective in business, and their needs should be incorporated into daily decision-making and policy drafting.

Stakeholders are very important that, state governments can enact laws and regulation to protect certain kind of stakeholders in the society against abuse, and to support stakeholder rights and obligation.

A major step that every organization needs to take is the ability to *recognize, prioritize* and *understand* their stakeholders in the organization, and as a good step, DHL as an organization knows and understand its stakeholders in the organization.

In identifying them, the company must brainstorm and engage in dialogues on issues with all people they think are affected, influence or have power and interest in their CSR activities in the society.

It is in the authors' opinion that, there is the need to prioritize stakeholders, because needs and interest may not be the same for all stakeholders in an organization. Also some stakeholders may have power than others in the organization.

In understanding stakeholders, it is constant effort to know more about your stakeholders; there is the need to recognize how they feel and react to your CSR project and how best you can be in touch with them. In order to understand stakeholders, there are key things that need to be considered and these are:

- What emotional interest do they have about the project undertaking?
- What motives them of all?
- What is their current opinion on project being carried out?
- How can their opposition be managed?

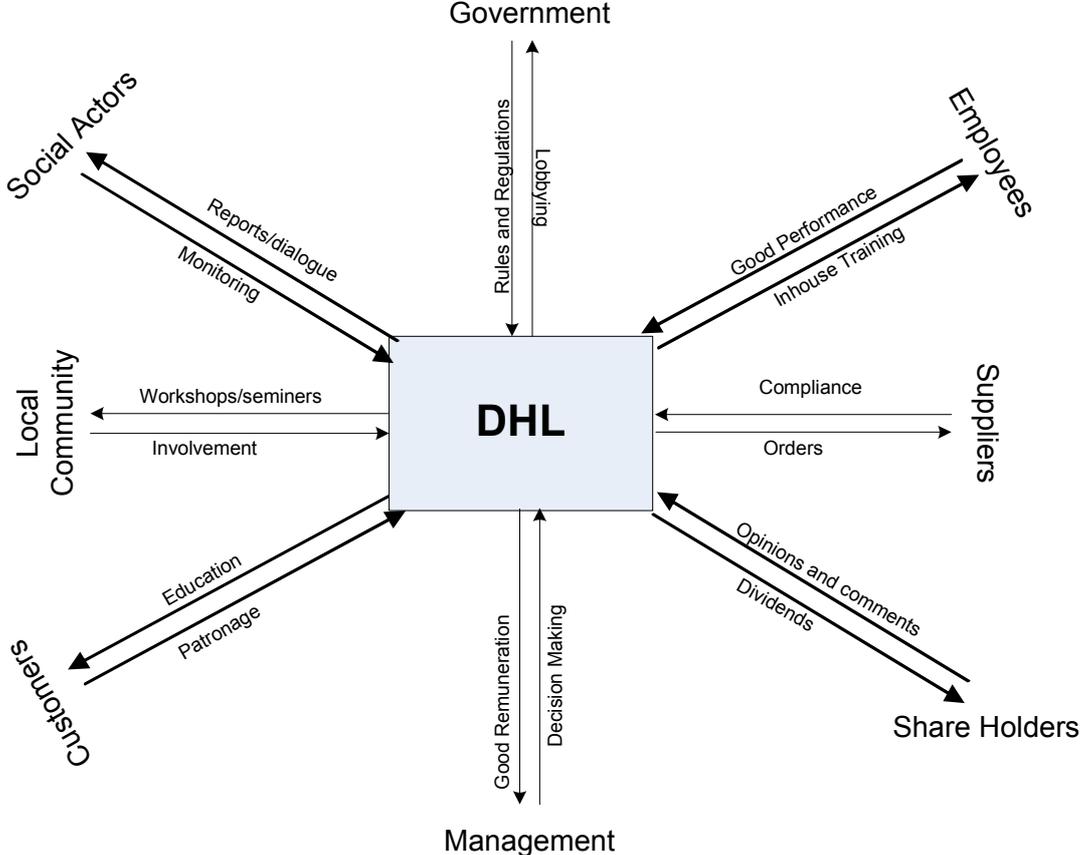
These issues when integrated strategically into the organizations decision making in their daily planning of the business will result in greater maximization of profit and value for the organization.

5.4. Strategic role of Stakeholders in CSR Management and performance

Strategic stakeholder management and the role of stakeholders in CSR performance is very critical to the success and impact organizations make on Stakeholders and how an organization is also influenced by their policies, these stakeholders are vital to planning of projects which is aimed at achieving company's set target of which the stakeholders form an integral part.

Companies engage in relationship creation by the use of three CSR communication strategies with their stakeholders in order to impact and be impacted so as to manage them. These are stakeholder *information strategy*, the stakeholder *response* and the stakeholder *involvement strategy*, Morsing et al (2006:325-328).

Figure: 5. DHL and its stakeholders



Source: Own design

The diagram above shows how DHL relates to its stakeholders through information, response and involvement as a way of creating a system of communication to make impacts on each stakeholder in their business environment. These communication activities create a double edge strategy by influencing both the organization as well as the stakeholders.

With information strategy, DHL as an organization must be able to use this tool as a way of communication with its stakeholders to disseminate information not necessarily to influence them, but to inform, on issues such as organization’s mission statement, purchasing habits etc. Through the response strategy, DHL should move from an informant playing role to the position of dialogue with stakeholders to accept the views, criticisms, opinions and suggestions on projects and activities.

The involvement strategy must be a further step by DHL to move to persuade and influence stakeholders to get involved in its activities. Stakeholders will be and can be willing to be part

of activities if they explicitly understand the importance and benefits of these activities and that is where DHL must do well to connect information to stakeholders.

These communication strategic tools namely *information, involvement and response* functions would be used for each of the stakeholders in the breakdown below:

5.4.1. Shareholders

Deutsche Post World Net of Germany, who is the shareholder, has an enormous task to deal with when it comes to profit, performance and directions. It is the duty of management to spell out its corporate plans and programs and new directions in detail to explain target and how to achieve them to shareholders. It is not necessary to gather all shareholders at one point for management to share its view on what to do, but managerial actions and strategies can be passed through board members who represent shareholders to know the importance in doing certain duties as important as CSR which is designed to use resources to make profits.

Through dialogues and engagement in activities designed to increase profit and to move the organization forward, organizations can win the support of shareholders, who wants to see returns on their investments. This will not be easy and instantaneous, but will require time and effort to gain the support of shareholders.

5.4.2. Employees

For organizations to achieve their economic and business objective which is making profit, employee empowerment is very paramount. DHL Management should pass information through every medium necessary to reach its employees which must be based on a preface that, management needs them, in as much as they need management to achieve, and as employees, they are the most valuable asset to the firm.

When an organization put CSR strategies in practice, then it means, it will create an avenue for employee training, better salaries and other benefits, it will create an atmosphere for employee-involvement in decision making/taking and will treat employees as important as its customers. Employee participation must be an important element in the overall business and philanthropic strategy. These are a twofold benefit for both company and employees. When employees are involved in CSR activities, it increases their loyalty, pride and employee retention to the company, it will help develop new skills and expand internal networks as well as employee sense of connection to the organization.

In the empirical findings, it was stated that, the organization gives in-house training to all its new employees staff at its corporate headquarters, with this, it can stand to say that, these training activities stand to benefit the staff members and the company in general by building on its human development capacity. It also tends to create awareness on CRS issues to

employees on how to go about their service delivering to customers thereby increasing its customer loyalty which will affect long term profit margins.

Any organization will fail if it relegates the employees to the background and does not foster responsibility, motivation and belongingness within the organization with a high level of flexibility and autonomy in delivering of services.

5.4.3. Suppliers

DHL must set out policy guide line principles to its suppliers which some are Scania, Mercedes and Volvo must be aimed at reducing risk associated with purchasing and supply. This policy must be made up of CSR guides on sourcing for suppliers both local and international who have the following characteristics:

- Timely delivery
- Taking care of wear and tear and transport damages
- Inspection of goods

Organizations must implement CSR initiatives which will seek to create a relationship to work with suppliers towards development of quality products in the long run. Responsible organizations using the concept of CSR must also ensure fair deal and good pricing system with its suppliers in order to meet the needs of customers.

5.4.4. Customers

Customers must be informed about the concept of CSR, because the concept has attracted growing attention within the society. CSR has been described as the business role in sustainable development. Customers care about the broad range of issues related to CSR in business and some of these are; quality products & value for money, business accountability and transparency, economic development, global warming & climate change, environmental friendly products and services, nutrition and health and fair labour practices.

Organization need to inform consumers on issues such as, their service provisions, product, brands, disposables etc.

By carrying out market surveys and research, companies can find out on consumer needs as such products, taste, brand loyalty, service and after sale service. Consumer's CSR performance starts when they engage in dialogue and communication with organization on product development and this can have a significant influence on manufacturers on CSR activities and make business responsible. Consumer's role in CSR goes on with the decision to purchase and patronize a company's product and service.

Their disapproval is seen when they communicate with businesses to stop the practices of certain actions, and they can also go further to communicate their grievances through their elected representatives in consumer cooperatives association.

5.4.5. Government

It is the duty of the government of Sweden to protect and promote the welfare of its citizens by passing laws that safeguards their well being taking into consideration their economic, social and environmental factors which must be sustainable and have an impact on their lives. Based on these, governments address key sustainable development CSR plans and programs which are core with the population.

Governments must draw strategies to promote businesses activities that brings simultaneous economic, social environmental benefits in consultation and partnership with the private sector, community, unions, bodies, consumers and other stakeholders, by creating a policy framework which encourages and enables responsible behavior by businesses. Governments need not impose policies on businesses but dialogue with them to see the economic implications in the long-run because, these businesses eventually will shift the price burden on consumers to bear which can have negative consequences.

5.4.6. Competitors

For businesses to do well in the market place for the benefit of customers there is the need for competition between different brands, companies and parties. It gives incentives for self improvement. Business parties and competitors must do so in a mutual and fair manner taking into consideration the welfare of customers.

The concept of CSR should enable DHL and its competitors such FedEx and UPS as efforts on the market to stimulate innovation, encourage efficiency and drive down prices which are fair for the benefits of customers. It must create efficiency for commercial firms to develop new products, services, and technologies. This will give consumers greater selection and better products.

5.4.7. Society/ Community

The awareness has been created in the communities about doing well and being good by business organizations. Society has its own way of measuring standards, norms and good ethics on business organizations, they turn to support and create enabling environments for these business to operate and support them by participating in exercises and activities organized by business organizations. Though relationships can strain between these parties it is always good for business organizations to find ways to reach solutions with the society in their quest to stay in business.

5.4.8. The media

One stakeholder that acts as a tool of communication is the media, they can be used to build bridges and as a source of transmitting information. Media houses like, TV4, VLT, Dagensnyheter must take active role by reporting CSR issues by companies. They need to conduct surveys on community corporate responsibility index by companies, marketplace issues, workplace, environment and the positive impacts these activities are having on the society without any fear, intimidation and without favor. Reporting on environmental issues should be done by comparing companies and their performance.

5.4.9. Interest Groups

Interest groups in the society such as, environmental agency (Naturvardsverket) and Labour union (Landsorganisationen), serve as watch dog groups monitoring the CSR activities of companies to measure their performance level. These groups must set standards for companies to meet and satisfy on their operations in the society. Their role should be to seek the interest of the societal members and general well being of the society at large. They must channel their activities to organizational heads to register their grievances when not satisfied on an issue and must reward or have a mode of rewarding those organizations that perform well in the society as way of encouragement.

5.4.10. Interviews with the company and stakeholder

From the interviews, the author's are of the opinion that there are close collaborations and communication that exist between business organization and stakeholder but that strategic conversational processes whereby parties understand each other is not there because, business organization might be abiding by rules yet within those rules, in their dialogue they still have their overall motive of profit in mind while stakeholders also want to ensure that their needs are protected.

It is very important to note that both business organization and stakeholder understand the need of the concept of CSR in the society, that is, they seek to consider their actions and are accountable to society on social and environmental needs of the society and not only profit and economic gains.

Both parties are of the view that, there are challenges between business organization and stakeholder relationship in their way of addressing issues to reach a common solution in their working environment. For business organizations to make an impact on stakeholders there is the urgent call to for business organization to be aware that, companies are no longer

accountable to investors and shareholders alone in the community. They should and must recognize that a broad and diverse group of constituents including employees have a significant role impact on their reputation and business performance, stakeholder engagement has therefore become a core requirement for maintaining competitive advantage, hence to make impact and informed decisions to support society there is the need to follow the communication strategic tools namely; information, involvement and response discuss above to make an impact on stakeholders.

Stakeholders are aware of the immense importance of these impacts on them, but as drivers of change, they (stakeholders), know that business organizations existence in the community to a large extent depends on stakeholders in as much as organization proactive programs affect stakeholders, hence they must project to work for a common purpose in the society.

Unfortunately, businesses have played a major role in contributing to natural environment pollution and depletion. Almost all sectors in business in every country is responsible for consuming significant amounts of materials and energy and causing waste accumulation and resource degradation.

The other side of the issue is that, the power and productivity of business, which has been the source of so much environmental damage, can also be used to support the environment and alleviate the harm that was previously caused.

The most vocal force in today's society which is responsible for "greening" the environment is the various environmental stakeholders; they have been credited with moving the governments and businesses as well as public, in the direction of environmental responsibility through a host of activities including demonstrations, boycotts, public education, lobbying and research.

DHL management can use crisis management in the environmental area by focusing on two factors: prevention (avoidance) and contingency (emergency) plans to solve or reduce problems that can occur.

The most important environmental question that needs to be asked by all and to be addressed in the future is: **How much is enough?** A common goal in business and human societies is economic growth, thereby business and society needs increase in amounts of material and energy to achieve this growth. One potential problem with unrestrained economic growth worldwide is that, unless technology or people change significantly within a generation, environmental problems can change in degree from significant to severe.

6. Conclusion

In this chapter, the authors would make their conclusions on the research work.

The concept of CSR which seeks to make corporate businesses including DHL, Sweden activities and corporate culture become sustainable in its four dimensions: economic, social, legal and environmental. The pathway with an opportunity is that which makes all stakeholders sustainable, and, in general, of the welfare of all ranks of society and corporations must adopt a sustainable business culture and approach that benefits all stakeholders in an equitable manner. While the fundamentals of CSR remain the same everywhere, the issues vary in nature and importance from industry to industry and location to location.

So the areas impacted by CSR remain diverse and growing each time a company confronts a new challenge or crisis. They include human rights, labour conditions, supplier relations, corruption and community development.

The involvement and early engagement of stakeholders in the planning process of decision making and implementation is very vital since stakeholders are those affecting change in the community and are those affected by it. Stakeholder involvement in decision making is aimed at avoiding conflict; develop a “shared vision” and formulate creative solutions that may have not emerged.

Stakeholders may include a whole range of groups in the society, the list of stakeholders will depend on project, conflict or issues at stake, it should be inclusive as possible and stakeholders can be added as time goes on. These initiatives can be realized first and foremost if the an organization such as DHL, can identify its stakeholders, organize stakeholder groups, create opportunities for involvement, provide the most appropriate forum for input and to resolve conflict.

Stakeholder involvement and collaborative decisions on CSR issues represent a high level of participation and a goal for range of public involvement programs. However, it is not easy, and must be complemented in many cases with conflict resolution.

DHL managers and decision makers should be aware that, the impact of CSR activities on stakeholders have an overall influence and performance on the organization hence steps should be taken to understand the broad issues that are addressed and need stakeholder’s involvement. Steps should be taken to carry out research on effective strategic conversations with stakeholders.

The awareness creation of CSR activities by DHL on its stakeholders would add a very useful contribution to business development and profit making by this organization. The consciousness of CSR would cause all stakeholders alike to play their apart in the sustainability of CSR.

The authors are of the opinion that, there is a strong connection between positive impact on stakeholders and overall positive company performance and hence the address of stakeholder CSR issues is paramount to the existence of business.

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Appendix A

Questionnaire: DHL

1. What is the meaning of corporate social responsibility (CSR) in your organizations' view?
2. How long has DHL been involved in CSR issues?
3. In your view, what is the single strongest argument against the idea of corporate social responsibility?
4. How do you differentiate corporate social responsibility (CSR) from corporate social responsiveness?
5. Why does your organization perform CSR functions for the society?
6. Is there, or has there been any risk and challenges that your organization faces in CSR performances?
7. What are some of the activities that the organization is involved in apart from services they render to customers?
8. Do your Shareholders support the organizations' vision on CSR performance?
9. Who are the organizations' stakeholders?
10. How do you manage the organizations'-stakeholder relationships?
11. What are the positive effects of the relationship with stakeholders?
12. What strategies do you use to gain the support of the stakeholders?
13. Are there challenges with your stakeholder management?
14. To what extent, is CSR concept in your organization?
15. Is your organization s registered member of an environmental management system?
16. What assessment criteria of CSR performance do you use to measure your stakeholders to see the positive impact you make?

Appendix-B

Questions: Swedish environmental agency (Naturvardsverket)

1. As an environmental agency, what are the most pressing environmental issues that you try to focus on?
2. What is the meaning of social responsibility to your organization?
3. How do you ensure that business organizations conform to the standards set with the environmental code of Sweden?
4. How are you involved in social responsibility activities with other stakeholders like companies and the governmental organizations?
5. How do you communicate with other agencies related to your work?
6. What challenges do you face in performing social responsibility activities with other stakeholders?
7. In your opinion, do you consider DHL as socially responsible organization?
8. What is the role do you play as an agency to organizations in Sweden?
9. What happens to organizations who fail to fulfill to your standards?
10. How do you give recognition to business organizations that obey the rules of your standards?
11. Do you system to reward business organizations who are socially responsible in their work?