CSR implementation in large enterprises
Comparison between China and Sweden

Bachelor thesis, program in Industrial Management and Logistics

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Date: 2013-06-30
Acknowledgement

We would like to express our gratitude to all people who helped us during writing of our thesis. Deepest appreciation goes first to our supervisor Kaisu Sammalisto for her developmental suggestions and constant encouragement. Without her frequently supervisions, we cannot accomplish this thesis project.

Secondly, we would like to extend our sincere gratitude to our program director and examiner Ming Zhao who guided and inspected our thesis and study. We are also greatly indebted to all the professors and teachers in our bachelor program, industrial management and logistics.

Lastly, our gratitude goes to our parents for their selfless support in both mental and economic perspectives. Special thanks to our lovely classmates and friends who have been keeping us in company during writing of our thesis.
Summary

Corporate Social Responsibility (CSR) has been widely talked about over decades. CSR is a concept proposed in Western Countries firstly and it asks for business to contribute sustainable economic development and to improve the quality of life by involving other stakeholders at the same time. The CSR among countries in Asia has been spreading in recent years. This thesis takes a closer comparison on the CSR between China and Sweden. As a case study with qualitative strategy, its main aims are to compare the driving forces, barriers, activities and deliverables in implementation of CSR in a Sweden-China context. Two Swedish enterprises and one Chinese enterprise are used as examples here in this study and both of their primary data by interview and secondary data by CSR or Sustainability Report are utilized.

Theories refer to the implementation of CSR, the CSR in China and Sweden are used to establish the conceptual framework of this study. Empirical findings show that Chinese and Swedish enterprises both implement CSR in a similar way while the differences still exist. For instance, the Swedish enterprises stress the work on philanthropic responsibility to participate in local activities, while the Chinese enterprises contribute to the society by donation in natural disaster. Their activities, driving forces, barriers and deliverables are summarized in a model, respectively. Base on this fact, this thesis argues that the difference is due to the influence of cultural and political factors. Consequently, it leads to a situation that the Swedish enterprises have an advantage in implementation on caring of employees while the Chinese enterprises are good at making contributions to the larger society. This thesis can hopefully provide insightful comparison between the implementation of CSR in both Swedish and Chinese enterprises. As a conclusion, the study recommends that the future research should focus on CSR implementation of political influence.
Content page

1. Introduction ............................................................................................................. 1
2. Purpose ...................................................................................................................... 1
3. Methodology ............................................................................................................ 2
   3.1. Validity and reliability ....................................................................................... 3
4. Theoretical framework ............................................................................................. 3
   4.1 Corporate Social Responsibility ................................................................. 3
   4.2 CSR implementation ....................................................................................... 6
      4.2.1 Driving forces ......................................................................................... 6
      4.2.2 Barriers ................................................................................................. 7
      4.2.3 Activities and Deliverables ................................................................... 7
   4.3 CSR in China .................................................................................................... 9
      4.3.1 CSR in enterprises ............................................................................... 9
      4.3.2 Importance of Stakeholder .................................................................... 10
   4.4 CSR in Sweden ............................................................................................... 10
      4.4.1 Organization and Stakeholders ................................................................ 10
5. Empirical Findings ................................................................................................ 11
   5.1. China South Rolling Stock, Ltd ................................................................. 11
      5.1.1. CSR Report .................................................................................... 11
      5.1.2. Interview ......................................................................................... 13
   5.2. Sandvik AB ................................................................................................... 13
      5.2.1. Sustainability Report ......................................................................... 14
      5.2.2. Interview .......................................................................................... 15
   5.3. Korsnäs AB .................................................................................................. 16
      5.3.1. Sustainability Report ......................................................................... 16
      5.3.2. Interview .......................................................................................... 17
6. Discussion .............................................................................................................. 18
   6.1. Driving forces ............................................................................................... 18
   6.2. Barriers ........................................................................................................ 19
   6.3. Activities ...................................................................................................... 20
   6.4. Deliverables .................................................................................................. 22
7. Conclusion ............................................................................................................. 24
8. Reference list ....................................................................................................... 26
9. Appendix .............................................................................................................. 32
1. Introduction

Corporate Social Responsibility (CSR) has been widely talked about over the past decade (Carroll, 1999). According to the corporate governance principles issued by Organization for Economic Co-operation and Development (OECD) (2004), CSR is highly associated with corporate governance which means organizations are also measured by their concern towards to the society. In Mohretal’s (2001) opinion, CSR may have positive influence on consumer’s behavior. Good implementation of CSR can increase the companies’ brand image and customer loyalty. Organizations especially large enterprises have direct or indirect influence to the society every day (Karaibrahimoglu, 2010). Thus there is certain need to study about the implementation of CSR in enterprise.

As a concept, it was firstly proposed in western countries, and has long history with rapidly development (Kolk et. al, 2010). It is not only the topic for the developed countries but also for developing countries although the understanding of CSR is rather low in Asia (Gao, 2009). CSR is facing big challenges in China whilst it is also becoming more and more important since many large corporation enterprises started paying attention to CSR. The academic research regarding CSR in China is rather limited, so the level of understanding of CSR in China is quite limited. In contrast, Sweden as one of the developed European countries, CSR is becoming phenomenon in the business environment. And not only have the traditional business actors influenced on the CSR such employers, trade unions or government but also other actors. 75 out of 100 largest Swedish enterprises had published concepts of CSR or related on its websites (de Geer et al, 2009). So the comparison of CSR implementation between China and Sweden is interesting and it also fills the gap in academic research.

2. Purpose

This thesis aims to study the implementation of CSR from both Swedish and Chinese perspective. By analyzing the sustainability reports and interviewing representatives of the case companies, conclusions will be drawn in the aspects of driving forces, obstacles, activities and deliverables. The context can be broken down to the following key questions.

(1) Why do large enterprises implement CSR and what are their driving forces?
(2) What activities have been done in the implementation of CSR?
(3) What are the barriers when implementing CSR?
(4) What are the deliverables regarding to the implementation of CSR?
3. Methodology

Literature review and interviews are the main methods to carry out the case study of CSR. By studying large number of the researcher’s articles to gain comprehensive knowledge about corporate social responsibility and its situation in China and Sweden. The literature is collected from searching scientific databases such as Science-direct, Springer and Emerald-insight using China, Sweden, CSR, driving forces, barriers, and implementation as the key words. Among the results, articles were selected by specified criteria such as journal, authors and publishers. Citation is also another important criterion to consider. Preference is given for articles which have been frequently cited by others. As Yin (1981) proposed, case study is defined as research strategy. This research strategy focuses on the understanding of changeable facts (Eisenhardt, 1989). To answer ‘how’ and ‘why’ questions, case study is adopted as the research strategy to accomplish this thesis’s purpose (Yin, 2002). The study will be qualitative study when interviews and reading sustainability reports are main methods to obtain empirical information. The CSR and sustainability report in each enterprises’ website are used as secondary resource. Interviews, as the primary resources, are done by contacting the case company’s representatives on CSR issues. The interview is recorded in either written forms or in telephone and then being structured in the finding section.

Up to now, FortuneChina, a well-known Chinese business magazine, is the only Chinese magazine that can use the name ‘Fortune’ authorized by TIME Inc. It publishes yearly CSR reports and ranking by cooperating with a consulting firm called InnoCSR. According to the ranking and reports, this thesis identifies the Chinese company China South Rolling Stock, Ltd as an example to study. On the other hand, Sandvik AB and Korsnä s AB, these two Swedish enterprises were used to compare the China South Rolling Stock, Ltd. The Sandvik AB is chosen because of its qualified membership in Dow Jones Sustainability World Index 2012. Sandvik AB is believed to be one leading CSR enterprise in the World (Sandvik, 2013) and Korsnä s AB, has implemented CSR work as well, since it works with forest industry and got certification of both PEFC and FSC (PEFC is the largest forest certification organization which promotes sustainable forestry and responsible consumption in the world. FSC stands for forest management focusing on issue of sustainable forestry (Korsnä s, 2011)). Therefore the comparison will be studied through these three case enterprises.

For the first case company China South Rolling Stock, the interviewee is a vice chief economist and head of the president office in the group. The interview questions are in written form submitted to the president office through e-mail. For the case company Sandvik AB, the interview is conducted through telephone and the interviewee is a manager who is the head of CSR in the Sandvik group. All the detail of interview question is in the appendix. In the case of Korsnä s AB, the interviewee is its sustainability manager. The interview was conducted in written form through
e-mail. Based on the interview questions, Korsnä’s sustainability manager answered that what are the reasons to implement CSR, what are the activities for having good CSR, what are the barriers when implementing CSR and what are the deliverables regarding to CSR implementation.

All the information will be written in the empirical finding part, both primary and secondary data will be summarized. Before the empirical finding section, there is theoretical framework generated from academic knowledge on CSR issues. In the discussion section, this thesis will discuss with the findings compare to theory. In order to accomplish this thesis’s purpose, the research mainly focuses on the implementation of CSR between Sandvik AB, Korsnä AB and China South Rolling Stock in terms of driving forces, obstacles, deliverables and activities. The conclusion is made in the last section.

3.1. **Validity and reliability**

Validity research is related to the choice of research strategy and data collection techniques, while reliable research is about the trustworthy of the article (Biggam, 2011). In this thesis work, case study is chosen as the research strategy to accomplish the purpose. Instead of relying on just one resource, companies’ sustainability reports, interviews and information from websites are fully used to increase the validity. Combining with interviews, an in-depth discussion is made. Bias cannot be avoided completely when having interviews. But constant self-control and awareness can help to minimize the bias (Biggam, 2011). The interviewees are selected according to their knowledge and function related to the CSR work in the case companies. At the same time, the answers to the interview questions and the information of interview are recorded in detail. This comprehensive study approach makes the research quite reliable.

4. **Theoretical framework**

Below is the theory to supply the empirical study. All the academic information is sorted into different headings. These headings contains general CSR, driving forces of CSR, activities of CSR, deliverables of CSR, barriers of CSR, Chinese CSR and Swedish CSR.

4.1. **Corporate Social Responsibility**

CSR has been received attention from both managers in enterprises and scholars in academic circle for many years (Bocquet et al, 2012, Freeman and Hasnaoui, 2011). CSR means the commitment of business to contribute the sustainable economic development and meanwhile to improve the quality of life by connecting employees, organizations and local communities (WBCSD, 2000). CSR, a concept firstly proposed in western countries, it has long history with rapidly development (Kolk et.
According to Carroll (1999), the concept of CSR can be traced to 1930s. Chester Barnard (1938), J. M. Clark (1939) and Theodore Kreps (1940) are the authors who briefly build the fundamental concept of corporation responsibility in the beginning. In 1960s, Davis (1960) argues that CSR is nebulous idea and it was concerned under managerial framework. Johnson (1971) came up with more expression of CSR such as utility maximization and business related social program gaining profit in the1970s (Johnson, 1971). Scholars continued research on CSR issues and revise the concepts repeatedly. These studies gradually developed the framework of CSR (Carroll, 1999).

Plenty of academic scholars have researched and contributed to the knowledge of CSR. However, different scholars made definition of CSR in various ways. Generally summarized by Gao (2009), there are two trends for the theory development of CSR. One is considering CSR issues from stakeholders’ perspective. For example, Freeman et al (2006) proposed the new approach to CSR, company stakeholder responsibilities. The theory described that the ethical leadership was considered from stakeholder’s view (Freeman et al, 2006). Social expectation for corporation to do ethical business require right behavior, the behavior is combined with stakeholder perception (Whetten et al, 2002). The other trend refers to Carroll’s (1979) theory, it emphasizes that any given responsibility or action of business encompasses the economic legal, ethical or discretionary motives. In the four motives, Carroll (1990) replaced the discretionary to philanthropic and advice that philanthropic motive should embrace the concept of corporate citizenship. Detail information of the four motives was summarized into a pyramid model (Figure 1).

![Figure1 - The pyramid of Corporate Social Responsibility by Carroll (1991)](image-url)
In this thesis, the pyramid model will be adopted as the analysis model to carry out analysis of empirical findings. In terms of the model, it has four dimensions of responsibility that are economic, legal, ethical and philanthropic. In the economic dimension, it aims to produce products or service that customers wanted and meanwhile receives acceptable profit. In legal dimension, it reflects the view of legalized ethics. Legal responsibility asks the enterprises to establish frameworks to provide fair operations. Some basic definitions regarding to economic and legal dimensions are shown in Figure 2. It indicates the meaning of each responsibility (Carroll, 1991).

![Figure2](image)

**Figure2 – The economic and legal components of Corporate Social Responsibility by Carroll (1991).**

Compared to economic and legal responsibilities, ethical responsibility embraces the activities that the society expected or favored without codified law or regulation. The last dimension is about philanthropic. It includes all the operations for satisfying the society. Enterprises are encouraged to engage their business in actions or programs in the society to contribute human welfare and goodwill of brand. Definitions of ethical and philanthropic responsibilities are also summarized below in Figure 3 (ibid).
4.2. CSR implementation

In CSR implementation section, theories are consists of four factors which are driving forces, barriers, activities and deliverables.

4.2.1. Driving forces

Nowadays many organizations are engaged in the implementation of CSR for profit maximization, and also benefited from the engagement by having differentiation strategies (Baron, 2001). At the same time, pressure from both internal and external of organization forces the businesses to fulfil social goals (Davies, 2003). In Laudal’s (2011) opinion, due to the divergence of organizations’ type, size, internationalization level, driving forces and barriers, the implementation of CSR will vary. If look at multinational enterprises (MNEs), one of the driving forces is following the practices of leading companies in order to seek competitive advantage or to increase the legitimacy. Another driving force of MNEs is the sensitiveness to public perceptions. MNEs invest on CSR that may enhance or protect their corporate reputation. The public perception of MNEs may include the employees’ and potential employees’ perceptions (Rodrigues and Branco, 2006), customers’ perception (Sen and Bhattacharya, 2004) and inventors’ perception. Aguilera (2007) argued that individual employees might push firms for engaging CSR due to their needs for control, belongingness and meaningful existence. Organizational actors like shareholders, managers, consumers and stewardship could contribute involvement of CSR for their own interests. One more driving force that mentioned is to ward off government regulation (ibid). MNEs could survive through CSR-related activities in strategy for meeting restrictive government regulations, such as using code of product or other
self-regulation measures. Moon (2004) figured out that pressure from the government in UK is a major driving force for the implementation of CSR. Government will put strong pressure on firms’ CSR engagement in order to establish competitive business environments, strong social cohesion, and foster collective responsibility (Aguilera ect.al, 2007). However, literature described the government as a threat to firm’s autonomy rather than a source of inspiration generally (Laudal, 2011).

According to Kotler and Lee (2005), corporate citizenship is also regarded as one driving force. The implementation of CSR makes benefits for community by operating business. Whilst, Valor (2005) pointed out that corporate citizenship is supplement for the CSR. So combine their theory together. More driving forces can be added like combining internal motivators with external pressures. Internal motivators contain traditions and value, reputation, business strategy as well as recruit employees. While, external pressure from customers, community expectation and political regulations are seen as external driving forces which pull citizenship forward for a company. For internal factors, the so-called company’s tradition and value are vital for promoting firms’ CSR development. At the same time, customers are also important due to their preferred environmental-friendly products and service. So, customers also make effort on companies’ CSR development. Moreover, laws and regulations are the positive factors that will affect companies to develop CSR (Mirvis and Googins, 2006).

4.2.2. Barriers

Enterprises have some barriers or obstacles when implementing CSR. Barriers for enterprise implement CSR can be lack of information, resources, or time to get engaged in CSR activities (Vives, 2006). Laudal (2011) mentioned that there are some challenges in implementing CSR. Cost/benefit ratio, external control and internal control are the barriers need to be concerned. Cost/benefit ratio as a barrier will be more relevant to small medium enterprises (SMEs). SMEs face the demands of having strong competitiveness but lacking of finance resources (Williamson et al., 2006). At the same time, SMEs are generally lacking of knowledge and monitoring capacity for CSR engagement, thus the barrier is named external control. On the contrary, large companies face the challenge of internal control, because it’s more difficult for large companies to control corporate behaviours in all aspects comparing with small companies (Laudal, 2011).

4.2.3. Activities and Deliverables

Johnson and Greening (1999) argued that companies’ CSR appear to be two dimensions which are people dimension and the product quality dimension. People dimension related to the companies’ activities taken to communities, such as hiring women and the employees’ treatment. Product quality dimension refers to the companies’ service and product quality that provided to customers and stance toward environment (Johnson and Greening, 1999). Focusing on large enterprises, the
implementation activities are always done by reference to four main stakeholders that are employees, community, customers and the environment. For employees, general activities are taken by companies including work/life balance and diversity policies. Scholarship programs and charitable donations are taken to meet the community interest. Moreover, corporate activities are taken to enhance corporations’ accessibility and provide innovative products to customers. As part of the waste management, activities like using recycled materials and reducing emissions are taken to protect the environment (Sweeney, 2007).

According to databases from KLD Research and MSCI’s ESG (Environmental, Social, and Governance) research framework, there are five categories for rating environmental, social and governance performance of company’s management. The first one is to analyse companies’ environmental activities including their efforts for reducing the environmental impacts of their products and operations. Secondly, it measures companies’ activities taken for community and the society. The activities mainly contain their handling about human rights issues, their treatments to local population and philanthropic activities. Next category is about employees and supply chain. In this category, it is about assessing companies’ labour-management relations, employees’ safety, anti-discrimination policies and labour rights through the supply chain. Following is about measuring the quality and safety of companies’ products provided for customers as well as practicing in markets. Final category is about companies’ activities in governance and ethics. This category includes the sustainability reporting, business ethical policies and practices (KLD, 2011).

Deliverables of implementing CSR are strongly connected to the driving forces since many companies’ implement CSR for gaining maximum profits or receiving cost reduction. The benefits of implementing CSR can be divided into internal and external perspectives. For external benefits, they might contain corporate reputation for good activities with social responsibility oriented. These benefits help companies building solid and strong corporate image (Kokash et al, 2011). Also when consumers perceive the good CSR performance from companies, they will be significantly affected. Consumers’ trust to products will positively affect their buying choices to private-label products and the trust will finally become the brand loyalty (Pivato et al, 2008). Consequently, brand loyalty also boosts sales revenue for companies (Auger et al, 2003). Another external benefit mentioned is the implementation of CSR can increase rival’s costs (Mc Williams et al, 2002). At the same time, Orlitzky and Benjamin (2001) argued that high quality of companies’ social performance would have low business risks.

There are many empirical studies regarding to internal benefits. Orlitzky (2008) noted that learning is one of the internal benefits for company in the implementation of CSR. Learning can help to develop employees’ competencies, skills and knowledge by understanding the mechanism of CSR. Also, the implementation of CSR can create an equal working environment through providing equal position and chance for employees (Gholami, 2011). Moreover, the implementation of CSR can attract better
new employees and strengthen the current employees’ morale, motivation, trust and loyalty to the companies (Branco and Rodrigues, 2006). CSR activities can lead to higher organizational commitment to employees (Backhaus et al, 2002) and can help making positive relationship between employees. Good relationships among employees in a company are intangible assets and it differentiates the companies in a value-producing way (Fulmer et al, 2003).

4.3. **CSR in China**

CSR is becoming a strong interest in knowledge study of management in China and it is regarded as a management practice in both internal and external environment. According to Moon and Shen’s (2010) research, the growing salience of CSR research in China was started in 1993. The proportion of CSR study among all the management study is increasing every year. The exact evidence proves that the issues of CSR are going to be the popular topic in nowadays and even the future (Moon, and Shen, 2010). Normally, CSR varies in different countries and cultures. In China, it also has its own features (Abreu et. al, 2005). Thus it is necessary to mention the Confucians, the people who reflect the whole mental world of Chinese civilization. Thanks to Confucianism, the Chinese society advocates the harmony between human and environment. Among of the rules and norms, the acceptable social behavior was defined using guide from Confucianism. These behaviors are still demanded in modern China (Warner and Zhu, 2002). Another feature of CSR in China is its central planned economy. State-owned enterprises (SOEs) control most of business sectors. So SOEs are the main power in Chinese business. SOEs in China seldom pay attention to the business impacts to the environment and the society. Only after China joined the World Trade Organization (WTO), all the SOEs received orders from government to implement CSR. Thus it then seriously camp up with government oriented CSR implementation. In the SOEs’ practical implementation, the economic driving force is still the first issue that they considered with (Gao, 2009).

4.3.1. **CSR in enterprises**

Taking the CSR study in-depth, previous researches conducted a sample of top 100 Chinese companies and investigated the perception of CSR. In the top 100 enterprise list, most of them are state-owned enterprises. The sample selection is according to each company’s annual income. The implementation of CSR always refers to cost in the beginning stage (Tsai et. al, 2010). So the selection of the sample is no doubts appropriate, it helps to study the situation of CSR in enterprises in China. Those companies listed on the rank more or less represent the leading Chinese enterprises’ CSR implementation quality. How those top Chinese companies implement CSR is still a question in the academic circle. Especially, what are the activities to engage CSR into companies’ strategy? According to Gao’s (2009) research, the results shows that it only reached about one third of top 100 companies which has established sustainability responsiveness or social responsiveness reports on companies’ websites.
This tacit indicates that Chinese CSR development still has a long way to go. Within these companies, the motivation for them to implement CSR mainly lies on the economic factor in comparison with the other enterprises standing on leading position in western countries. In the rest of it, what Carroll (1979) proposed is legal, ethical and philanthropic factors. These factors are the least concerned aspects, and there is difference between different industries. For example, power, oil and chemical industries pay more attention to legal and ethical responsibility. On the contrary, transportation and business trade industries concern legal and ethical responsibilities in a very low level. Although they are top 100 enterprises in China, but diversity of their work on CSR keeps large (Gao, 2009).

4.3.2. Importance of Stakeholder

Stakeholders are also an important group in organization as they are part of the CSR work. How they understand the CSR and what their interest of CSR is crucial questions need consider with. Consumer is one key group of stakeholders when talking about CSR. The feature of Chinese consumer is founded that the supportive function is stronger than the other western countries (Ramasamy and Yeung, 2009). Shareholders and company’s managers as another group of stakeholder, they have fairly significant perception and understanding to export-oriented business. The reason is that there is local regulation need to be obeyed and the shareholders only expect the business involve in the CSR and meet the standards (Tsoi, 2009). Generally speaking, Chinese enterprises present CSR practice and principles in different ways and have different major stakeholders (Tang and Li, 2009).

4.4. CSR in Sweden

CSR exists in Swedish society for long. CSR has influenced traditional business sectors such as employers, trade unions or government and etc. (de Geer et al, 2009). Similar to academy research of CSR in China, scholars including de Geer et al. (2009) also recorded the proportion of CSR report existence on largest enterprises’ websites. The result shows that 75 out of 100 Swedish corporations had published information of CSR or equivalence. Coincidently, Salin-Andersson analyzed CSR’s developing trends and he pointed out three different trends while management trend is one of the three (Salin-Andersson, 2006). Based on the studies from media, Swedish companies are categorized into world-leading groups when it comes to CSR implementation issues (de Geer et al, 2009).

4.4.1. Organization and stakeholders

CSR in Sweden entered public policy stage and got strengthen when the ‘Swedish Partnership for Global Responsibility’ launched in 2002 (Gjølberg, 2010). Scandinavia companies were facing strong environment obligations since 1980. They worked with it not only on research but also on management practice in order to obey the regulations (May et al, 2007). By the way, Swedish young people also intend to work
for employers who have clear moral norms and social responsibilities (De Geer et al, 2009). According to scholar Apéria et al’ (2004) research, CSR in Sweden is ranked as the sixth important factors regarding to evaluating the reputation of Swedish companies. So that is the reason of why CSR has rapidly grown in Swedish enterprises. In terms of today’s CSR development, stakeholders play an important role on influencing the implementation of CSR (Freeman et al, 2006). In Sweden, scholars have mentioned the central role of non-government organizations (NGOs), the media, and the investors. They all contribute to the establishment of CSR (Windell, 2006). NGOs are emphasized to be the group that reflects the implementation of CSR more (De Geer, 2005). In this regards, it is different from China. Since feature of CSR in China is that consumers have stronger supportive functions. Hawkins (2006) also proposed that by combining with democratic government, NGOs are encouraged to reflect the performance of CSR in enterprises and indicate the policy establishment.

5. Empirical findings

Empirical findings contain the detail information about China South Rolling Stock, Sandvik AB and Korsnäs AB. The three companies’ profiles, CSR reports and answers of interviews are included in this section.

5.1. China South Rolling Stock, Ltd.

China South Rolling Stock group is a SOE that headquartered in Beijing, China. As a joint-listed enterprise in both the Shanghai stock exchange and the Hong Kong Stock exchange, the enterprise is supervised by State Assets Supervision Administration Commission (SASAC). China South Rolling Stock is the one of two rolling stock producers in China while the other one is China North Rolling Stock Group. China South Rolling Stock’s products are ranging from manufacture, sells, and repair electronic locomotives, freight wagons, passenger coach and etc. (Adachi, 2013). According to the information provided on its annual report in 2011, China South Rolling Stock gained total revenue 90 billion RMB and a net profit 4.85 billion RMB (CSRS group, 2012). In the same year, it published their first CSR report to the public.

5.1.1. CSR report

The case company’s CSR report is guided by the Global Reporting Initiatives (GRI) and other supportive reporting’s guideline. It contains activities, deliverables, driving forces. Like most companies’ report, there is no barrier ever mentioned in the whole report. So it is necessary to have an interview for find detail information of the barriers later that will be mentioned later. In the China South Rolling Stock’s CSR report, it shows clear and strong interest on implementation of CSR. The best proof is the logo design of China South Rolling Stock Corporation. The abbreviation of the company’s name is always used as CSR group that is coincidently same to CSR.
Another meaning of the logo stands for comfort, safety and reliability. Those three words also match to the core value of Corporate Social Responsibility.

In the president statement section, China South Rolling Stock proposed its mission to promote Chinese cutting-edge equipment manufacturing and to lead the world rolling stock development. Following the market tendency, it aims to catch opportunities on developing low carbon economy and electric railways. Furthermore, the company also mentioned in its strategy that it devotes to provide sustainable transport solutions for the society. By offering customers safe, comfort and reliable service, China South Rolling Stock can contributes to the social economy development and returns to stakeholders. Customer can get high-value-added products and services while the employees can also benefit for having a platform of career development.

Guiding by those driving forces, China South Rolling Stock launched the green development strategy. The green strategy includes green producing, green products and green organization. It covers all the areas within its operations in China South Rolling Stock. The green strategy sets clear goals and objectives such as reducing the amount of greenhouse gas emissions, 100% passing rate of ISO14001 certification, controlling the total energy consumption under 950000 tons coal. All the subsidiaries have certified by ISO 14001 environment management certification standards. For the green producing, the green concept goes through the design, manufacturing, and service. For example, criteria on choosing material weight on the sustainability consideration. China South Rolling Stock also takes response for recycling old product from customers, and old products will be resolved into most basic parts. Regarding to the basic materials, reusing will renew them and make them parts in the new products. So the green cycles saved energy and material in a sustainable way. In terms of green products, they have built energy-efficient metros, high-speed railway, electric buses and maglev trains. All those products have energy-efficient feature even some of them have already the leading technology in the world. China South Rolling Stock insists on using innovation driving strategy combining with green development strategy on products’ design and production, to produce innovative and sustainable products. The typical product of China South Rolling Stock is the high-speed railway since it reached the velocity of 400km/h and it is very quiet and comfortable for passengers. Therefore the high-speed railway boosts the regional economy communication indirectly. Green organization contains CSR education, building green utilities, and integrated information systems. Those activities reduce the energy consumption and increase the awareness of CSR among employees. Internal report control of risk management is conducted to minimize the risks in the production and operation.

Despite the operation and production, China South Rolling Stock has done lots of activities for the society. For example, it provides varies of training educational training for employees based on ISO 15001 International training standards. When the severe earthquake happened in Sichuan 2008, China South Rolling Stock donated 10 millions of RMB and many other goods to support the disaster saving. Furthermore,
the group helped a lot of poor village survivors from the poverty. The help is carried out by giving subvention to students, offering career education and developing local tourism industry. As the report’s information provided, China South Rolling Stock has done effective performance of being corporate citizen (CSRS, 2011).

5.1.2. Interview

According to the interview answers, motivations and reasons of implementation of CSR in China South Rolling Stock Company are summarized. Firstly, it aims to increase the competitiveness and brand image in society since the market and community pay more attention to it gradually. Secondly, as a state owned enterprise in China, CSR issues are inherent mission for every SOE to complete. SOEs do not only need to make profit from market but also take responsibility to return the society. Thirdly, differs from other SOEs in China, China South Rolling Stock directly supervised by State Assets Supervision Administration Commission (SASAC). And in recent years, SASAC enhanced the requirements with systematic suggestions for SOE to implement CSR constantly.

Based on representative’s answers, barriers are also disclosed. There are mainly three barriers which are the perception problem of CSR, problem on building CSR system, and human resource problem. Like other enterprises, China South Rolling Stock is experiencing transition stage from the shallower to the deeper understanding of CSR. China South Rolling Stock realized that the extent of CSR is extending. Reducing emission, stakeholder communication, and green products are all issues becoming part of CSR. This barrier will be solved by the implementation of CSR strategy gradually. The last barrier is human resource problem. In order to implements the CSR strategy well, it require lots of staff being occupied in the implementation activities. Refers to activities, the interviewer answered same as its CSR report presents. Whilst, no negative deliverables were recorded or mentioned in both interview and CSR report.

5.2. Sandvik AB

Sandvik is a Swedish global leading group major in industrial area. In 2012, it has 49000 employees located in 130 countries with annual sales of around SEK 99 billion. Sandvik founded in 1862 and it focus on sustained growth and market-leading position in specified niches. It offers advanced products and world-leading positions in selected area through its high-technology development. Sandvik also takes global perspective and holistic approach to feedback to financial, environmental and social responsibility. Based on these approaches, operations in Sandvik are divided into research, production, marketing and sales. And it has Sandvik mining, Sandvik Materials Technology, Sandvik Machining Solutions, Sandvik Venture and Sandvik Construction which all those constitute main five business areas of Sandvik Group (Sandvik, 2013).

5.2.1. CSR Report
Different to China South Rolling Stock Company, Sandvik AB does not have specified CSR report. But it combines all the information related to CSR in its Sustainability report 2012. As the Sustainability report (2012) described, it covers the group’s goals, governance, risk, opportunities assessment, operation performance, and strategy of Sandvik’s business from CSR perspective. Economic, social and environment information are included in the report as well. So the sustainability report is applicable to use as CSR report for research Sandvik AB. For Sandvik, issues of CSR refer to different aspects, responsibility for environment, health, safety, anti-corruption and human rights. Those CSR work is carried out in a decentralized manner. And objectives, targets and performance indicators are given at group level. In the CSR ambitions table, Sandvik AB described each responsibility’s goal. For environmental responsibility, Sandvik AB will strive to reduce and minimize the effects of its operation to environment. For financial responsibility, Sandvik aims to contribute sustainable economic development by being successful company focus on customer value and sound business ethics. For social responsibility, Sandvik pay most attention to its employees and suppliers with their working environment (Sandvik, 2012).

Sandvik endeavors to engage the communication with different stakeholders. Five stakeholder groups are identified by Sandvik group as they are shareholders, employees, customers, suppliers and society. Depending on different group, various methods of communication will be used. For example, key CSR issues are communicated to stakeholders through annual report and sustainability report while communication between employees is conducted directly at local level. The dialogs with society are accomplished by attending local club activities, sponsorship for sporting events and cultural project. By representing in 180 countries in the world, it also gives Sandvik opportunities to influence surrounding communities. Sandvik released the general exemplification of Sandvik’s community involvement plan. Encompassing the goal to be a good corporate citizen, Sandvik initiated HIV program in southern regions of Africa, high education program in Europe, Asia, and North and South America.

Sandvik established risk management process for evaluating risks. Totally there are nine risk areas listed, such as bribery, breaching labor bow, environment damage and etc. Anti-corruption is another area stressed in Sandvik’s CSR strategy. Sandvik works actively to combat corruption under the guideline of code of conduct. In its code of conduct, it described that the employees cannot accept bribes in any form. What’s more, employees are encouraged to report and monitor the related event to human resources department or the group’s general counsel. Due to the feature of Sandvik, its operations have significant impact to the environment. Therefore, Sandvik summarized three key environmental aspects which are consumption of energy, production emission and environmental liabilities. Objectives and targets are proposed in table such as increased recovery of material and reduced carbon dioxide emission by 10% before end of 2012 (Sandvik, 2012).
5.2.2. Interview

The information regarding to the barriers, deliverables and driving forces are always missing in company’s sustainability report. Thus an interview is done to supply more details to answer the research questions.

According representative’s answer, the driving forces are due to the demand from Strategy. Sandvik has a general strategy called ‘One Sandvik’ to generate synergies maximally between research& development, high value-added products, developed approach to sustainability and etc. (Sandvik, 2013). CSR strategy is included in it and work closely linking to Sandvik AB’s business and it gives dimensions for Sandvik to improve the quality of business. Sandvik AB pay attention to all the stakeholders and main listened to their advices from industrial owners, suppliers and employees. Sandvik keeps dialogues with different stakeholders and obey the law, rule and regulations from authorities. Sandvik AB has large numbers of subsidiaries in different areas. How to conduct common goals for all organization belongs to Sandvik is problem need concern. By adapting local feature and culture, common goal were set up and stimulate the fully achieving of goals.

Refers to the barriers for Sandvik when implementing CSR, the interviewee emphasized that no distinct barriers exist in implementation but one big challenge is the size of enterprise. Because Sandvik has around 50,000 employees representing in 130 countries in the world, so it is difficult to make all the employees participate in the implementation of CSR and receive high standard quality of training. In order to overcome the barrier to make everyone know about CSR, Sandvik deployed various types of training such as face to face and e-learning to educate all the employees in different positions and levels in organization. Considering CSR contains many topics, the training course is characterized respectively.

In terms of the deliverables after implemented CSR, representative mentioned several positive deliverables. Firstly CSR work enhances the performance on protecting employees. Safety statistics give figures shown the progress yearly that work-related injuries are decreasing. Sandvik also benefit from CSR when hiring employees and maintaining the diversity of employees, CSR is attractiveness to talent employees. Meanwhile, discrimination is also reduced among employees by implementing CSR. But only one negative deliverable is that the carbon dioxide emission didn’t decline compare to the last year in the environment figure on sustainability report. She is looking forward to see improvement in the future.

5.3. Korsnäs AB

Korsnäs AB is one of Swedish leading forestry companies producing board and paper. It aims to provide customer high-quality packaging solution. Korsnäs use soft and hardwood trees from sustainable managed forestry. Based on the renewable raw material, it develops materials and packaging solution to meet strict requirement
regarding to economic, quality, environment and function issues. Korsnäs has three main facilities located in Gävle, Frövi and Rockhammar. In 2009, the company exports around 90% of its products and has annual sales of SEK 8,039 million (Packgate, 2013). In November 2012, Korsnäs is emerged with Billerud AB and the combination between those is completed. The net sales rise up to SEK 20 billion with about 4400 employees representing in 13 countries (BillerudKorsnäs, 2013).

5.3.1. Sustainability report

In Korsnäs’s sustainability report, it described comprehensively about the sustainability work and also the responsibility to social, environment, financial perspective. Same to the two previous case companies, main driving forces is recorded in the introduction section of the sustainability report. The reason why Korsnäs AB develop its sustainability strategy is because it is convinced by the market trend. The focus on sustainability issue in the forest industry is truly encouraging.

As a leading forest company, Korsnäs implemented sustainability strategy on its production in order to have effective response to the environment. For example, Kornas launched comprehensive approach to optimize the product lifecycle. It will reduced the wood waste while generate more products. Korsnäs provides customers diagram showing the greenhouse gas emissions in each stage of products’ life. All the information is included in the EPD (environment product declarations) report available on Korsnäs’s webpage. In terms of response to the environment, Korsnäs aims to reduce the environment impact on transportation. It coordinates with other forest companies in form of exchanging timber, thus reducing the transport distance in the meantime. According to its environment objective, to promote a safe working environment, ensuring that operations maintain a sustainability balance with nature, Korsnäs took action on it as well. It established the preventive measures to make sure the number of work-related accidents is under control and has downwards tendency.

A dialog with stakeholders is also another area that Korsnäs’s sustainability report emphasized. It identified seven types of stakeholders as they customer, suppliers, staff, local community, owners & investors, authorities and stakeholder organizations. For each group of stakeholders, Korsnäs take specified approach and focus respectively. Refers to the communication between authorities for example, Korsnäs will conduct the dialogue especially with the authorities who grant permits and supervise the company’s operations. When talks to the local community, the meeting usually hold when particular change in Korsnäs’s facility operation is planned. Local residents are offered contact through phone or online. Korsnäs’s ambition is to act both globally and locally in order to be a good corporate citizen. Korsnäs get itself involved in community in various ways. For example, it supports the science and engineering camp in Örebro. In Gävle, Korsnäs is sponsor of an organization aiming to help children accept responsibility for schooling. All of the activities related to environment issues are managed by the risk management. Korsnäs’s risk management
system serves as foundation for regular assessment (Korsnäs, 2011).

5.3.2. Interview

Based on the answers from sustainability manager in Korsnäs, mainly there are several reasons to implement the CSR. The first is that CSR itself is part of the Korsnäs’s strategy. It strongly supports the employees to develop competence and social situation among personnel. The second reason is Korsnäs has been the dominant employer in local community, it is important to take care of the relations and future recruitment to return the community and inhabitant in some ways. Despite the basic driving forces, there is trend that the society and customers start to show interests and to assess company’s social performance. So it becomes the third reason for Korsnäs to implement CSR. Korsnäs intends to show customers that there is value added on Korsnäs’s products by working with the implementation of CSR.

Regarding to the barriers or obstacles in the implementation of CSR, the representative of Korsnäs answered that it is hard to say there are major obstacles. Since the company is free to decide its ambitious goal and it can always influence on the resources needed. Generally, there is no obstacle in Korsnäs’s CSR implementation. But one thing might be regarded as a barrier is supply chain involvement which may need some additional efforts in order to meet the overall ambitious. According to answers, suppliers and supply chain involvement are barriers mentioned in the interview.

Several deliverables are mentioned such as motivating employees’ performances by making them know company’s ambitions. Meanwhile, the CSR implementation also increases Korsnäs’s attractiveness when recruiting new staffs. Positive deliverables are can be seen on customer’s perspective which influences the business. Greenhouse gas emissions, transports, suppliers’ evaluation are all contained in Korsnäs’s CSR objectives in sustainability work in 2012. On the other hand, it has several far of minor importance negative deliverables which are direct costs, extra work and added management routines. For the activities section, information is sufficient on Korsnäs’s sustainability report such as stakeholder dialogs, funding of social initiatives and etc. However, the manager mentioned some important activities which are not in the sustainability report of Korsnäs. For example, Korsnäs sets clear policies on work environment and social behaviors in line of code of conduct and UN Global Compact. Comprehensive questionnaires are sent every third year to measure the status of quality, management in Korsnäs AB.

6. Discussion

In order to compare the driving forces between theory and the empirical findings by focusing on activities, barriers, driving forces and deliverables in the implementation of CSR between China and Sweden, Carroll’s (1991) pyramid model of CSR is adopted. The model is modified with the four factors which are driving forces,
barriers, activities and deliverables. Four dimensions of responsibilities are listed in the comparative four rows while each column stands for one case company. In this model, positions of all the items are evaluated according to the responsibilities’ definition of pyramid model. For example, the driving force of seeking competitive advantages coming from theory, it fits the economics dimension because it can raise the companies’ profits. So it is positioned in the row of economic dimension.

6.1. **Driving forces**

This thesis will discuss the driving forces between case companies and theory. The information is summarized into modified Carroll’s (1991) model.

**Table 1: Compare the driving forces between theory and case companies**

<table>
<thead>
<tr>
<th>Responsibilities</th>
<th>Theory</th>
<th>China South Rolling Stock</th>
<th>Sandvik AB</th>
<th>Korsnäs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Seek competitive advantage</td>
<td>Vision to be leader in industry</td>
<td>Demand from strategy</td>
<td>CSR in company strategy</td>
</tr>
<tr>
<td></td>
<td>Company tradition value</td>
<td>Logo design</td>
<td>Improve quality of business</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stakeholders’ interest</td>
<td>Increase brand image competitiveness</td>
<td>Meet stakeholders interests</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enhance or protect corporate reputation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethical</td>
<td>Meet expectation of community</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>External pressures from laws and politics</td>
<td>Inherent mission as SOE</td>
<td>Obey rules, laws and regulations from authorities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase the legitimacy</td>
<td>Orders from SASAC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philanthropic</td>
<td></td>
<td></td>
<td></td>
<td>Relation to local community</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Society and customer interest</td>
</tr>
</tbody>
</table>

Laudal (2011) proposed that due to different type and size of the company, there will have divergent drivers and barriers. China South Rolling Stock as a typical SOE, its driving forces mainly from economic motivations and pressures from the government which fully fit the Chinese companies’ characteristics. Compared with Sandvik AB, China South Rolling Stock regard CSR as a tool for getting profits and meeting the legal requirements while Sandvik AB implement CSR as a management strategy for improving their business quality. In the other hand, stakeholders’ interest is another driver for Sandvik AB implementing the CSR, which is supported by Aguilera (2007) employees, managers, consumers and stewardship could push company for involving in the implementation of CSR.
China South Rolling Stock as State-owned enterprises, it is controlled by SASAC. So, meeting requirements from government is also the action to satisfy stakeholder’s interest. The common driving force is that those three companies make the CSR into their general strategy. Driving forces in theory are mainly focus on economic motivation and legal requirements which match to the case companies’ situation. While Korsnä s AB’s driving forces also included some on philanthropic areas, for example it cares about the relationship with society and customers. This action might be explained as it has more direct environmental influence on local people’s life due to the company’s properties comparing with other two companies. Based on the interview, Korsnä s AB does not see CSR as tool for economic rising or increasing competitiveness but a strategy to set up relationship with local community.

6.2. Barriers

After the discussion of driving forces, it comes to the barriers. In this section, both theory and empirical findings are summarized into modified Carroll’s (1991) model.

Table 2: Compare the barriers between theory and case companies.

<table>
<thead>
<tr>
<th>Responsibilities</th>
<th>Theory</th>
<th>China South Rolling Stock</th>
<th>Sandvik AB</th>
<th>Korsnä s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Cost/benefit ratio</td>
<td>Perception and understanding of CSR</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lacking of time or information</td>
<td>Human resources distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Problems with CSR strategy and system establishment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>External control</td>
<td></td>
<td>Size of company</td>
<td>Supply chain and supplier involvement</td>
</tr>
<tr>
<td>Ethical</td>
<td>Internal control</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

By summarizing the barriers from both theory and empirical finding’s perspective in the table 2, it is clear to see that each case company has different barriers in the implementation of CSR. All the barriers no matter in theory or empirical findings, they all lie into economic responsibilities and legal responsibilities according to Carroll’s (1991) definition of pyramid model. A common reason could be that community and other parties benefit more and receiving conveniences from the enterprise’s CSR activities in ethical and philanthropic category. Many CSR activities belong to legal responsibility and economic responsibilities. While the amount and complexity of work in ethic and philanthropic category is few and low. So barriers would be less relatively based on this reason. To Chinese company, it is interesting that all the barriers are in the economic responsibility, which matches to the theory regarding the Chinese enterprises’ CSR. In theory section, Gao (2009) pointed out that
the level of CSR among Chinese companies is rather low. That is why the Chinese companies are more concerned with economic responsibility more. While legal, ethical and philanthropic are least concern factors. Between the implementation from Sweden and China, a distinct difference is found that the two Swedish firms have barriers in legal responsibilities while Chinese enterprises have three barriers in the economic responsibility category.

As for the theory mentioned before, if a company intend to implement the CSR, it always faces lacking information, resources, or time to engage in CSR activities. This thesis agrees with Korsnäs’s sustainability manager’s viewpoint, every company has right to decide its ambitions, and the decision can always reflects to the resources if needed. All the case companies are large enterprises, and none of them mentioned the finance as a problem in the CSR implementation. But for China South Rolling Stock, its barriers are human resource, understanding of CSR and CSR strategy establishment. These barriers indicate that information, human resources and time are factors which may delay the CSR implementation. On the contrary, Swedish enterprises only have barriers in legal responsibility category.

Sandvik AB is representing in 130 countries in the world, so the size of company is very large. Then it is difficult to make all the subsidiaries implement the CSR in a same way. Supply chain and supplier involvement are barriers for Korsnäs to implement the CSR. So the external control and internal control are both facing difficulties in practice of the implementation of CSR in Swedish enterprises. The reason why Swedish enterprises have barriers on legal responsibilities may interpret by May et al’s (2007) research. Since Scandinavia companies were facing the strong environment obligations since 1980. Swedish companies work with it not only on research but also on management practice in order to comply with the regulations. Thus it proves the regional characteristic reflects the CSR implementation.

6.3. Activities
The activities section contains all the actions that case companies have done to accomplish the CSR implementation in practice. According to the theoretical framework, Sweden and China both regard the Corporate Social Responsibility as managerial practice. All the activities are divided and summarized into modified Carroll’s (1991) model.

Table 3: Compare activities between theory and case companies.
<table>
<thead>
<tr>
<th>Responsibilities</th>
<th>Theory</th>
<th>China South Rolling Stock</th>
<th>Sandvik AB</th>
<th>Korsnäs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Using recycled materials</td>
<td>Setting green manufacturing strategy</td>
<td>Put CSR into “One Sandvik” Strategy</td>
<td>Investment on green energy efficient facilities</td>
</tr>
<tr>
<td></td>
<td>Making innovative and good quality products</td>
<td>Dialogue with stakeholders</td>
<td>Link innovation with CSR</td>
<td>Stakeholder dialogues</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal report control of risk management</td>
<td>Risk management</td>
<td>Risk management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Help supplier implement ISO 9000 by training</td>
<td>Training of employees and suppliers</td>
<td>Questionnaire to measure status</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Using innovation driving strategy</td>
<td>Making suppliers evaluations</td>
<td>Evaluate supply chain and supplier</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Building green utilities and integrated IT system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>Labour-management activities for employees’ safety</td>
<td>Invest on employees safety and CSR education</td>
<td>Health and safety program</td>
<td>Get the certification of ISO 9001, ISO 14001, FSC and PEFC</td>
</tr>
<tr>
<td>Sustainability reporting</td>
<td>Publish CSR report</td>
<td>Publish sustainability report</td>
<td>Publish sustainability report</td>
<td></td>
</tr>
<tr>
<td>Waste management</td>
<td>Anti-corruption management guideline</td>
<td>Anti-corruption guideline</td>
<td>Code of conduct</td>
<td></td>
</tr>
<tr>
<td>Products with less environmental impact</td>
<td>Goals for saving energy and reducing emissions</td>
<td>Code of product adopted</td>
<td>Get ISO 14001 certification</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Get ISO 14001 certification</td>
<td>Water treatment system</td>
<td></td>
</tr>
<tr>
<td>Ethical</td>
<td>Hiring women and having anti-discrimination policies</td>
<td>Subsidiaries join Global Compact</td>
<td>Increase the number of women in executive position</td>
<td>Forest sustainable management</td>
</tr>
<tr>
<td></td>
<td>Business ethical practices</td>
<td></td>
<td></td>
<td>Participate in Swedish energy agency</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>UN Global Compact</td>
</tr>
<tr>
<td>Philanthropic</td>
<td>Scholarship programs and charitable donations</td>
<td>Give transport solution, and contribute to economy development</td>
<td>Strive to be corporate citizen in community</td>
<td>Community involvement</td>
</tr>
<tr>
<td></td>
<td>Care about local population</td>
<td>Help poor village come out of the poverty</td>
<td></td>
<td>Cooperate with university for long-term sustainability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Donate money and goods when disaster happened</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In economic responsibility, Johnson and Greening’s (1999) theory applied to the
findings mentioned in the case study. In the product dimension, China south rolling stock has setting their green manufacturing strategy which contains recycle the materials. It also combines innovative in its green strategy in order to produce innovative sustainable products and using green utilities for cost reducing. Sandvik AB embedded its CSR strategy into ‘One Sandvik’ strategy and Korsnäss also invested on green energy efficient facilities. Empirical studies show that both Swedish and Chinese enterprises performance for economic responsibility reached on a similar level. A lot of common issues are founded that both Chinese and Swedish companies put the CSR into their general strategy, make the risk management to evaluate the risks, communicate with their stakeholders for advices and publish CSR or sustainability report. The internal implementation of CSR is considered by these three case companies. Supplier involvement is also frequently mentioned in CSR report or interviews. This point is also supported by research of KLD (2011). In terms of economic responsibility, the implementation of CSR between China and Sweden is same.

In legal and ethical responsibilities, the common parts are that both Chinese and Swedish companies take actions to protect employees, get ISO certification, emission control and anti-corruption approach. Despite the common parts, difference is that Swedish companies also take consideration about gender problem. For example, Sandvik takes actions to increase the number of women in management positions which corresponds to anti-discriminations theory proposed by Johnson and Greening (1991). By standing on the Chinese enterprise’s perspective, gender issue is reflecting by the cultural and political factors as Warner and Zhu (2002) mentioned. So in Sweden, there is trend to keep the balance between man and women while in China, traditional culture does not appeal on this. Maybe it is the future agenda for Chinese companies to work with.

In philanthropic areas, all three companies have done diverse activities to make contribution to the society. Korsnäss AB takes care of the relationship with the local community by funding a group of clubs to improve quality of local people’s life. Sandvik encourages employees to participate in local activities and events. On the other hand, China South Rolling Stock Company offered much donation for supporting disaster saving and helping some village survive from poorness to become good corporate citizen. Generally speaking, Swedish enterprises and Chinese enterprises have done CSR implementation in order to be good corporate citizen through different ways.

6.4. Deliverables
Deliverables discussion is based on theory and empirical findings, and it is summarized into the table 4 modified with Carroll’s (1991) model.

Table 4: Compare deliverables between theory and case companies.
<table>
<thead>
<tr>
<th>Responsibilities</th>
<th>Theory</th>
<th>China South Rolling Stock</th>
<th>Sandvik AB</th>
<th>Korsnäs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Attracting new and good employees</td>
<td>Attracting new employees and maintaining the diversity of employees</td>
<td>Increase company attractiveness to employee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cost reduction</td>
<td>Consumption of metallic raw materials reduced</td>
<td>Extra work, management routines, and cost</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Develop employees’ competencies, knowledge and skill</td>
<td></td>
<td></td>
<td>Set up targets and goals</td>
</tr>
<tr>
<td></td>
<td>Strong current employees’ morale, motivation and loyalty</td>
<td></td>
<td></td>
<td>Motivate employees to perform</td>
</tr>
<tr>
<td></td>
<td>Maximum profits</td>
<td>Effectively increase brand image and competitiveness</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strong and solid corporate image</td>
<td>Gaining environment awards</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Low business risks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>ISO 14001 certified</td>
<td>Certified according to new ISO50001 energy management standard</td>
<td>Certification of ISO9001, 14001, FSC and PEFC</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Work-related injuries are decreased</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Carbon Dioxide emission did not decline due to higher production volumes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enhances the performance on protecting employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethical</td>
<td>Equal position for employees</td>
<td>Reduced discrimination</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philanthropic</td>
<td>Increase quality of local community life</td>
<td>Cooperate with government to strengthen economy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
To sum up, scholars have proposed plenty of deliverables. CSR can give cost advantage while maximize the profits. Solid brand image, low risk businesses are both results of having good corporate social responsibility. It also can develop employee competence, knowledge and skills. These deliverables are filled in the modified Carroll’s (1991) model. The deliverables from theory are also confirmed in the empirical findings. Chinese companies have received stronger competitiveness after implementing CSR as Kokash et al (2011) argued. Because China South Rolling Stock has made efforts on training and strategy concerning the environmental problem, it has been awarded environmental awards which increase the brand image as well. Still in the economic responsibility, Swedish enterprises have several positive deliverables. However, the difference comparing to Chinese enterprise is that both Sandvik AB and Korsnäs AB stressed the importance of employees. Firstly they both mentioned that the implementation of CSR can attract better employees and motivate current employees’ performance which agreed with Orlizky’s (2008) theory.

In the legal responsibility category, Chinese and Swedish companies both got ISO certification. Since Sweden has long history regarding to the environment regulation and many non-government organization (NGO) monitoring, Sandvik and Korsnäs develop code of conducts to make sure its operation comply with the law. Due to the corporation type, Korsnäs as a forestry companies may have different certification such as Forest Management (FSC) and Program for the Endorsement of Forest Certification (PEFC). Facing pressures from government organization SASAC, China Rolling Stock also performs in a good way as Swedish one. So, in the legal responsibility, they all showed strong interest in legal responsibility. In ethical responsibility, only Sandvik mentioned about decreasing in discrimination among employees which matches to Gholami’s (2011) view. CSR implementation does promote equal chance for men and women in working environment. Whilst, in philanthropic responsibility, Chinese enterprise mentioned in its CSR report that the implementation of CSR increased quality of local community’s life. The explanation of this could be that China South Rolling Stock made donation to natural disasters such as earthquake. It has explicit result of improving local people’s life.

### 7. Conclusion

Combining the theory and case study, conclusion is made to accomplish the purpose of this study by answering the questions regarding the implementation of CSR between China and Sweden. Common driving forces between China and Sweden are that they all showed strong interests on the economic and legal motivation such as improving business quality, increasing brand image and obeying the regulations. In ethical and philanthropic responsibilities, there is not general agreement regarding the driving forces’ existence. Regional and cultural characteristic do influence on the enterprises’ CSR implementation. Barriers in the CSR implementation between Sweden and China are different, results show most of barriers in the Chinese enterprises belong to economic responsibilities such as human resources distribution.
Swedish enterprises have legal responsibility barriers such as supplier involvement and same regulation establishing. Most of the activities are quite similar between Chinese and Swedish companies which include ISO certification, safety program and publishing reports. Difference exists in a small extent due to the geographical and cultural reasons. As long as the final destination is same, activities could differ in a various ways depending on each enterprise’s situation. Generally speaking, the implementation of CSR regarding to activities between China and Sweden is almost on the same level. In the deliverables section, the positive deliverables are attracting employees, maintaining the diversity of employees and getting good brand image. These positive deliverables are found out on Swedish enterprises. For Chinese companies, the result becomes different to Swedish enterprises. Deliverables in the implementation of CSR in China has explicit attention to the society and community which is categorized in philanthropic responsibility. Despite the positive deliverables, some negative deliverables also exist such as extra work, costs and added management routines.

This thesis’s contribution is that it established comparison of the implementation of CSR in larger enterprises between Sweden and China. By focusing on driving forces, barriers, activities and deliverables in the implementation of CSR, both common and different features between Swedish and Chinese enterprises are found out. This thesis provides references for future researcher to study the implementation of CSR.

Based on this study, we suggest that cultural and political factors may have explicit influence on implementing the CSR. Especially western companies used to outsourcing in China or other Asian countries. So emissions are transferred to China. In this regards, Chinese enterprises may facing challenge when comparing the implementation of CSR between Sweden and China. The content of CSR concept is getting large. More issues and responsibilities are added to companies and even human being. Future study on the political influence on CSR implementation is recommended. For comparison between China and Sweden, this thesis also advises that it would be better to have more different background enterprises involved. When analyse the implementation of CSR, outsourcing and political influence on companies’ business is factor need consideration. Thus the results of comparison would be more comprehensive on general perspective.
Reference list


Gjølberg, M. (2010). Varieties of corporate social responsibility (CSR): CSR meets the


Appendix

Interview questions

Question 1: Why does your company implement CSR and what are the driving forces?

Question 2: What are the most important activities that your company has done for implementing CSR?

Question 3: What are the obstacles when your company implementing the CSR?

Question 4: What are the positive and negative deliverables after implemented CSR?

Information of interviewees:

China South Rolling Stock Company: chief economist and head of the president office in the group

Sandvik AB: manager of CSR in the Sandvik group

Korsnäs AB: sustainability manager