<u>CORPORATE SOCIAL RESPONSIBILITY (CSR) AS A WORLD CULTURAL NORM?: A COMPREHENSIVE ANALYSIS OF GLOBAL CSR GOVERNANCE</u>

by

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DEDICATION

I would like to dedicate this dissertation to my parents, Kun Soon Choi and Jin Suk Kim, whom I admire the most. Their wisdom and strength have always inspired me.

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LIST OF ABBREVIATIONS

CEO	Chief Executive Officer
CERES	Coalition for Environmentally Responsible Economies
CSP	Corporate Social Performance
CSR	Corporate Social Responsibility
CSV	Creating Shared Value
ETI	Ethical Trading Initiative
FSC	Forest Stewardship Council
GFSI	Global Food Safety Initiative
GRI	Global Reporting Initiative
IAEA	International Atomic Energy Agency
IFC	International Finance Corporation
IGO	Intergovernmental Organization
IMF	International Monetary Fund
ISO	International Organization for Standardization
Logit	Logistic
MNC	Multinational Corporation
NGO	Nongovernmental Organization
OECD	Organization for Economic Cooperation and Development
SAI	Social Accountability International
SASB	Sustainability Accounting Standards Board
SOP	Statement of Progress
UN	United Nations
UNEP	United Nations Environmental Programme

UNGC	United Nations Global Compact
Var.	Variable
WBCSD	World Business Council for Sustainable Development
WCD	World Commission on Dams
WEF	World Economic Forum
WTO	World Trade Organization
WWF	World Wildlife Fund

ABSTRACT

CORPORATE SOCIAL RESPONSIBILITY AS A WORLD CULTURAL NORM?: A COMPREHENSIVE ANALYSIS OF GLOBAL CSR GOVERNANCE

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Since the late twentieth century, vibrant activism of civil society groups and non-governmental organizations has been proliferated against corporate misbehaviors such as environmental destruction, labor and human rights abuses, and corruption. The term Corporate Social Responsibility (CSR) has been popularized in business and academia, encouraging companies to participate in social and environmental activities. In addition to growing CSR involvement by firms, a number of global organizations have been established to guide, and arguably control, corporate social and environmental behaviors, which form global CSR governance. Although there is insufficient evidence to date of a positive relationship between CSR and long-term benefits, or of clear incentives or disincentives of participation in these organizations, increasingly multinational corporations (MNCs) have not only implemented various CSR activities but also participated in a number of global CSR organizations and adopting their rules.

Why do presumably rational actors (firms) deliberately participate in CSR-motivated, collective action arrangements? Understanding shortcomings of dominant rationalist theories explaining this phenomenon, the research invokes alternative theories of neo-Gramsican, World Polity and Constructivism in order to unpack complex motivations of MNCs participating in global CSR governance. Through multi-level, multi-dimensional empirical analyses on rhetoric and behaviors of MNCs on CSR and global CSR governance, it pursues a more in-depth and detailed understanding of the phenomenon, expands the scope of CSR research, and offers methodological diversification and refinement. Through quantitative and qualitative research methods (multivariate logistic regression and content analysis), the research endeavors to examine various economic, political and social factors influencing corporate CSR rhetoric and behaviors, to reveal how arguably "profit-seeking" behaviors of corporations have interacted with these multiple factors, and to draw scholarly, political, and practical implications for theorists, policymakers, and businesses accordingly.

CHAPTER 1: Introduction

> *I propose that you, the business leaders gathered in Davos, and we, the United Nations, initiate a global compact of* ***shared values and principles****, which will give a* ***human face*** *to the global market. ...Without your active commitment and support, there is a danger that* ***universal values*** *will remain little more than fine words.* (Kofi Annan, 1999, World Economic Forum (emphasis added))

In 1999, Kofi Annan, former secretary general of the United Nations (UN), addressed business leaders from around the world at the annual World Economic Forum (WEF) in Davos, Switzerland. During his speech, he suggested the formation of an organization to attract corporate engagement and enable collective action to address global social problems. This resulted in the United Nations Global Compact just one year later (a public-private, UN-affiliated initiative) and would mark the first time that business actors would be accepted as official UN rulemaking partners (vs. mere participants in public rulemaking processes via lobbying, corporate public affairs, and political campaigns).

Thus, the United Nations Global Compact (UNGC)—along with other initiatives and organizations such as the Global Reporting Initiative (GRI), Social Accountability International (SAI), World Business Council for Sustainable Development (WBCSD), Global Corporate Citizenship Initiative organized by World Economic Forum (WEF), and Ethical Trading Initiative (ETI)—now enable corporations to act as authoritative actors in the context of global policymaking processes.[1] To date, participation by such firms remains voluntary and a myriad of decisions (e.g., to follow certain rules and policies) are made by the individual members; in the past, these types of rulemaking privileges had only been endowed to nation-states and intergovernmental entities.[2] However, while such organizations encourage corporate participation in global rulemaking (under the umbrella of Corporate Social Responsibility (CSR))[3] and generate voluntary rules, principles, standards, and policies to guide corporate behaviors in relation to global social issues (Pattberg 2005; Abbott 2011),[4] the effectiveness of such voluntary rulemaking mechanisms has been questioned by both scholars and practitioners.[5]

Globalization and the expansion of corporate social influence have significantly encouraged the direct involvement of firms in official rulemaking processes. Additionally, the world has become more densely interconnected and intertwined through the globalization process, which has (i) precipitated intensified political interdependence among nations, (ii) expanded the migration of people across borders, and (iii) increased

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[1] "Authoritative" actor(s) refers to the socially recognized (tacitly accepted) authority holders associated with making rules.
[2] Unlike other previously established UN affiliates, the UNGC invites both public and private entities to become official members, including governmental agencies, public companies, non-governmental organizations (NGOs), and corporations. Other private actors, like NGOs, have been accepted as the organizational partners of various intergovernmental organizations (IGOs)—including the UN—since the 1990s (prior to the acceptance of firms into the UN system) (Willetts 2002, 191). The term "authority" here refers to the legitimate right and power to make rules and policies affecting the behaviors of individuals and organizations, in a bounded society.
[3] Corporate Social Responsibility (CSR), along with similar terms (e.g., corporate citizenship, corporate accountability, corporate sustainability, and creating shared value (CSV)), generally refers to the notion that corporations should take their social and environmental responsibilities beyond the traditional responsibility of profit maximization.
[4] The rules and policies—also known as *soft laws*—generated by these organizations do not have legally binding power. Global social issues include various matters (e.g., environmental destruction, global poverty, social marginalization, corruption, gender/race/ethnicity discrimination, and labor and human rights issues).
[5] More discussion on the voluntary rulemaking mechanism follows (in subsequent chapters).

social and cultural intermingling among different territories, sectors, and industries (Meyer 2000, 233). Indeed, the negative aspects of globalization are also becoming apparent (e.g., increasing inequality, social marginalization, environmental destruction, and human rights abuses) and various actors—including public actors (e.g., national governments and international governmental organizations (IGOs)), private actors, and multi-stakeholder entities—have been seeking solutions for these problems.[6] Such changes and challenges, in the global political economy, have invoked questions about traditional state-centric systems and the mechanism of *global governance* (which is a term developed to provide an analytical framework for understanding globalization-based changes in rulemaking processes and organizational dynamics) (Cutler et al. 1999; Overbeek 2004; Dingwerth and Pattberg 2006; Dingwerth 2007).

Globalization has also supported the proliferation of multinational corporations (MNCs), which have been significantly affecting various global social agenda (Vogel 2005, 8-9) and controlling a vast amount of resources (e.g., "financial capital, technology, employment, and natural resources") due to the growth of privatization and deregulation processes worldwide (Cutler et al. 1999, 8-9). Oftentimes, individual national governments can no longer control or monitor the operations of MNCs effectively because many MNCs have become so large and influential—even more so than a number of nation-states (Utting

[6] Multi-stakeholder organizations are organizations comprised of members from multiple sectors (including the public and private sectors).

2005; Vogel 2005, 8).[7] A number of MNCs have even been participating in global rulemaking processes that are associated with social agenda and CSR.

Corporations have been described as self-interested entities that are removed from the public domain and directed only at profit maximization (Friedman 1970). This rationalist perspective can only partially explain growing corporate involvement in global CSR movements and global rulemaking processes that are associated with social and environmental agenda.[8] In fact, there is insufficient evidence to date of a positive relationship between CSR activities and the long-term financial benefits of MNCs (as many business scholars insist) and clear incentives (or disincentives) for corporate participation in global CSR organizations (as group theory scholars suggest) (Freeman 1984; Olson 1971).[9] Thus, the advent of global CSR movements has raised questions about whether a corporation is solely a self-interested being or has nurtured an "enduring capacity to operate on the basis of civil virtue" (e.g., as a civilized member of global society, which the term "corporate citizenship" implies) (Banerjee 2008. 57).

If such firms are not motivated solely by profits, what motivates them to take collective, CSR-related actions and to join global, CSR organizations? Dominant

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[7] For example, the revenue of Wal-Mart was more significant than the GDPs of countries such as Austria, South Africa, and Denmark in 2013. Examples of such firms can be found at http://makewealthhistory.org/2014/02/03/the-corporations-bigger-than-nations/

[8] "Rationalist perspective" refers to a perspective that focuses on the interests and rationality behind actors' behaviors. There is further clarification of this perspective in a later chapter.

[9] The dominant proposition, suggested by business scholars in explaining corporate CSR involvement, is that CSR activities would generate long-term financial benefits via enhanced reputation, employee morale, and customer loyalty. Most studies on this perspective have tried to confirm positive relationships between CSR and some of these benefits—but only via the use of certain companies (in specific circumstances) as study samples; also, some studies show no such relationships (Dufays 2005, 10). Group theory suggests that an individual participates in collective action only when there is a clear incentive to join—or disincentive not to join.

(rationalist) theories do not sufficiently answer this; however, neo-Gramscian theorists argue that the proliferation of transnational policymaking organizations and voluntary private standards are evidence of "a remarkable capacity" of capitalism (and its proponents) "to accommodate oppositions and resistance, and to deal with crisis conditions and contradictions by developing new institutions" (Utting 2005, 378). This theory suggests that growing corporate involvement in global policymaking processes enables firms with international operations (i.e., transnational capitalist elites) to achieve greater political power by creating their own defense mechanisms against external criticism. Neo-Gramscian theory differs from typical rationalist perspectives and assumes that a firm acts not only upon economic interests but also upon political ones. Thus, this perspective might offer a better theoretical foundation for clarifying the corporate pursuit of political power (e.g., the deepening involvement of MNCs in global rulemaking processes).

However, several important questions remain unanswered by this theory. What has caused firms to expend time and resources on creating transnational CSR policymaking organizations? Why have firms become so sensitive to routine (i.e., "normal" and "rational") oppositions, resistances, and external pressures associated with their business operations? Have evolving social expectations played a role in changing corporate behaviors? Why have certain corporations struggled to adhere to their traditional identities as profit optimizers?

The greater influence of firms, within the global political economy, is precipitating changes in their social roles and identities. However, while it is important to understand the economic and political interests of these firms, this dissertation research assumes that corporate behaviors are not determined and organized in a social vacuum. In fact, world polity theory and constructivism recognize the crucial role of institutions and cultural norms on organizational behaviors and can potentially yield alternative insights and "substantive interpretations of those processes and factors" that are downplayed by other dominant theories (Wendt 1992; DiMaggio 1994; Boli 1998; Meyer et al. 1997; McNeely 1995; Eriksson and Giacommello 2006, 232). [10] These theories have been used to clarify a variety of global social phenomena (e.g., globalization, state-building processes, human rights movements, global civil movements, and the global expansion of environmentalism) (McNeely 1995; Meyer et al. 1997; Keck and Sikkink 1998; Schofer et al. 2010).

Academic explorations into organizational dynamics and norm development processes have emerged (i) based on this perspective, (ii) in recognition of the rapidly growing social influence of businesses, and (iii) are reflected in global CSR movements.[11] There has also been "small but growing literature linking" CSR with theories that focus on institutions and social contexts (Bondy et al. 2012). This dissertation research is an endeavor to contribute to this line of thought—both theoretically and empirically. Specifically, this research (i) utilizes multiple theories (e.g., neo-Gramscian, world polity theory, and constructivism) in the burgeoning research field of CSR, (ii) sheds light on factors downplayed by more dominant theories, and (iii) provides global-level, empirical analysis on the behaviors and rhetoric of firms participating in CSR-related global

[10] An equivalent (or similar) theory to the theories of world polity theory and constructivism, developed and used in business departments, is called institutional theory.

[11] See Arthaud-Day 2005; Dufays 2005; Segurlund 2010; Hofferberth et al 2011; and Shamir 2011; Preuss 2011; Bondy et al. 2012; Khan et al. 2014; Nam 2015

governance. [12] Socially constructed interests, identities, norms, and institutions significantly affect organizational behaviors; thus, the primary objective of this research is to determine whether such growing corporate social involvement speaks to the legitimization processes of corporations in the world polity where CSR is presented as a global social organizational norm (Nam 2015).

Furthermore, this research pursues a more in-depth and detailed understanding of corporate social behaviors, expands the scope of CSR research, and offers methodological diversification and refinement. The application of a mixture of methods (e.g., a multivariate logistic regression model and content analysis) enables consideration of both the quantitative and qualitative natures of the subject matter in order to (i) examine corporate behaviors and rhetoric on CSR, (ii) understand complex motivations (e.g., economic, political, and social aspects), and (iii) generate broader implications for corporate, public, and scholarly contexts. Thus, this research recognizes the greater interdependence and interconnectedness of the modern-day global society and reveals how the arguably "profit-seeking" behaviors of corporations have interacted with multiple social and cultural factors (embedded in global society) via a close examination of corporate behaviors and rhetoric in the context of global CSR governance.

Since most of the research on this topic has focused on the corporate level, a more holistic approach is rare; thus, an initial, closer examination of corporate behaviors and

[12] Global governance on CSR (or Global CSR governance) refers to a notion explaining the global rulemaking by both public and private actors regarding corporate behaviors on CSR. This term is further clarified in a later chapter.

rhetoric at the global level—particularly from a social-cultural perspective—is timely and important. This research also examines corporate-, regional-, and global-level factors that affect corporate participation in global CSR governance in order to determine whether world polity models, associated with CSR, have been fairly distributed among MNCs and whether there are still noticeable variations in CSR behaviors and rhetoric due to corporate- or regional-level differences. Therefore, cross-industrial and cross-regional comparisons are also conducted. The ultimate objective of this global-level research is to generate a more comprehensive understanding of the (i) current structures and patterns of global CSR governance and (ii) complex motivations of MNCs that participate in such governance.

Associated research studies include "self-reported" and "claimed" CSR-related behaviors and rhetoric and may thus not always reflect the entire scope of such activities in practice.[13] However, the main purpose of this research is not to confirm that certain CSR-related behaviors and intentions are genuine; instead, it is to understand the factors that motivate firms to partake in global CSR rulemaking processes and represent themselves, in these contexts, accurately. Although a complete understanding of global CSR governance (and the organizational dynamics of participating actors) is difficult to attain, this research explores a more critical perspective that (i) encompasses various patterns and

[13] Certain scholars (following a critical perspective) believe that firms are likely to exaggerate their marginal, CSR-related inputs and hide misbehaviors. Clearly, there are examples of MNCs "greenwashing" or "bluewashing" their corporate images via CSR campaigns. Greenwash refers to the endeavor of a firm to change its image—from an environmental disrupter to an environmentally responsible firm—via the use of false environmental campaigns. Bluewash refers to similar efforts of a firm, in association with its social misdemeanors. “Window dressing” is another term to explain the corporate pretense to appear (vs. act) more socially responsible.

structures undergirding global CSR governance and (ii) considers some of the complex motivations, rhetoric, and behaviors of corporations in the governance.

Subsequent chapters are organized in the following order. Chapters 2 and 3 clarify the design of the operational research model and need for a couple of initial steps (i.e., the development of specific definitions of critical concepts and a descriptive study on the theoretical background of this research). Chapter 4 explores the research questions and hypotheses (that were developed based on conceptual and theoretical understandings discussed in the earlier two chapters). Chapter 5 depicts the research design associated with these research hypotheses (e.g., clarifications of research models, research methodology, variable identification, and data-collection methods). Research findings are described in Chapter 6 and conclusions follow in the final chapter.

CHAPTER 2: Conceptual Development

This chapter delineates the central concepts (i.e., global governance, CSR, and global CSR governance) undergirding this paper's research, research questions, and hypotheses; additionally, a clarification of global governance yields an understanding of changes in global rulemaking processes that reflect the growing involvement of private actors. As previously noted, CSR is a relatively new and widely used concept that is associated with corporate social and environmental engagements. Global CSR governance combines these two core concepts and is conceptualized as a depiction of CSR-related organizational dynamics and global rulemaking processes (i.e., the main focus of this research). Definitions of these terms (and clarifications of their conceptual relevancies to this research) follow accordingly.

Global Governance

The term global governance helps to better clarify the growing involvement of private actors in global rulemaking, replacing the concept of International Relations (IR) (Cutler et al. 1999; Overbeek 2004; Dingwerth and Pattberg 2006; Dingwerth 2007). Simply defined, global governance is "governance in the age of globalization" (Overbeek 2004). The growing popularity of the term reflects the decreasing capacities of national governments to solve global social and political problems (e.g., environmental destruction, global poverty, and rampant development) (Knill and Lehmkuhl 2002, 42; Reich 2010).[14]

According to a widely cited definition, global governance is "the sum of myriad control mechanisms, driven by different histories, goals, structures, and processes"; furthermore, it is brought about by "a remarkable expansion of collective power" that is more extensive in scope and larger in size than a conventional state-centric mechanism (Rosenau 1995, 18-27; Brassett and Tsingou 2011).[15] While traditional systems only accept the legitimate rulemaking authority of nation-states, global governance includes diverse mechanisms to control or govern coordination, cooperation, conflicts, and interactions among various global actors beyond nation-states (Rhodes 1996, 652; Vogel 2009). In short, the term global governance is conceptualized to clarify methods for controlling the "government-like" policymaking activities of various actors—including public and private entities—in the absence of a centralized global government (Finkelstein 1995, 368).

The fundamental assumption of global governance is that "power is shared" (Dingwerth and Pattberg 2006, 197). However, while diverse actors have led global rulemaking—and "boundaries between and within public and private sectors have become

[14] Some argue that growing private participation in global rulemaking indicates that the existing "state-centric tradition of multilateralism" has failed to achieve an effective global governance mechanism (Thérien and Pouliot 2006, 59).

[15] The control mechanisms of global governance encompass a variety of methods purposefully designed to guide and control actors' behaviors. Brassett and Tsingou (2011) define this as "both a set of practices and as a broadly defined set of *norms* regarding correct behavior" (Brassett and Tsingou 2011). [15] Norm is defined here (and in literature) as "a standard of appropriate behavior for actors with a given identity" (Reich 2010, 22).

blurred" (Stoker 1998, 17)—it is debatable whether the expansion of authority has been fairly distributed among all actors.[16] This expansion is evident in the development of a number of transnational regulatory frameworks (e.g., the World Commission on Dams (WCD), Forest Stewardship Council (FSC), and Global Food Safety Initiative (GFSI)) "signaling a major relocation of political authority and important changes in the way law is deployed on a global scale" (Herter 2003; Shamir 2011; Rudder et al. 2016).[17]

Several characteristics help to summarize the concept of global governance: (i) there is no single global authority (e.g., a world government) exclusively controlling the global public, (ii) there are multilayered conflicts of interest among actors (and thus a consensus among them is more difficult to attain (vs. in prior eras)), and (iii) as the scope of global social problems becomes broader and more complex, the methods to deal with a myriad of issues (associated with national laws, governmental policies, international laws, transnational rules and standards, and multilevel and multi-stakeholder endeavors correlated with rulemaking) are diverse.

Many scholars have already examined global governance from different theoretical perspectives (e.g., realism, liberalism, Marxism, and constructivism) and disciplines. Some of the associated arguments cover different perspectives (and their theoretical applicability to this research) and are discussed in the following chapter. As previously noted, the concept of CSR is also integral to this research.

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[16] Scholars argue that there is still a hierarchy among different global actors participating in global governance. Read Cooley, Alexander. 2003.

[17] Read Rudder el al. (2016) to see how privately made rules are implemented as public rules—both nationally and globally.

Corporate Social Responsibility

Global movements associated with CSR inform the concept of global governance and are often correlated with other similar terms such as Business Ethics, Corporate Citizenship, Corporate Social Responsiveness (CSRII), Corporate Social Performance (CSP), Corporate Accountability, and Corporate Sustainability (Neron and Wayne 2008, 4-5). While there are subtle differences in meaning, they are, in practice, used interchangeably. Among them, CSR is the most commonly used term and generally refers to corporate engagement in social and environmental matters (Doh and Guay 2004, 7).

CSR is broadly defined as the notion that firms should take their legal, economic, environmental, and social responsibilities beyond the pursuit of profits; however, there have been arguments about the definition and scope of its application (Sadler and Lloyd 2009, 613; Carroll 1998).[18] Furthermore, the abundance of similar terms and failure to reach solid conceptualization have yielded confusion about its interpretation, application, and implementation, which enables practitioners to interpret CSR broadly—for different purposes, in different manners, and oftentimes for their own benefits (Blowfield and Frynas 2005, 503).

The initial use of the term dates back to the early twentieth century (i.e., the 1930s to 1950s) when several business scholars referred to the social performances of businesses—mostly in the context of charitable contributions of businessmen (Clark 1939;

[18] A widely cited definition of CSR today is "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (Commission of the European Communities, Green Paper 2001, 6).

Kreps 1940; Bowen 1953 cited in Carroll 1999). In the late twentieth century, the term aligned more closely with today's meaning; during this time, large businesses were being vigorously targeted with accusations of contributing to certain problems associated with globalization (e.g., the maltreatment of labor, child labor, poor factory conditions, environmental destruction, and corruption) by the media and NGOs.[19] Such arguments quickly "went viral" and have proliferated ever since.

This was initially met with harsh resistance from myriad business scholars and liberal economists who argued that the only social responsibility of businesses is to maximize profits for shareholders and create wealth for the national economy. However, such responses ultimately became more positive with the further development and evolution of the concept; in fact, more scholars and practitioners have started to believe that there is a positive correlation between CSR and the long-term financial performances of firms (Garriga and Mele 2004, 54).

As mentioned in the first chapter, corporate involvement in public rulemaking processes is not a completely new phenomenon. Such firms have long been actively engaging in policymaking processes via various activities (e.g., lobbying, political campaign contributions, coalition building, and corporate public affairs) (Garriga and Mele 2004; Reich 1998). However, while these corporate activities represent indirect methods for participating in policymaking, the emergence and growing popularity of CSR has

[19] In the 1980s and 1990s, a series of corporate scandals were reported in the media and contributed to public distrust against corporations. Ronen Shamir (2011) stated that "[t]he 1980s U.S. savings and loan crisis and a series of accounting frauds were followed in the 1990s by other type of corporate scandals, all in all contributing to a general sense of systemic corporate behavior" (Shamir 2011, 320).

encouraged corporations to take more active roles by enabling them to (i) set rules and policies and (ii) provide social goods and services directly (i.e., without going through governmental institutions).

The minimalist and expansionist perspectives enable us to view CSR differently. The minimalist perspective (reflected in the earlier, negative response to CSR) is also called shareholder theory and was originally suggested by the well-known business scholar, Milton Friedman (1970). Friedman, and his advocates, claim that businesses—as a "mono-functional group" in a society—have the sole function and responsibility of maximizing profits for their shareholders (Friedman, 1970). Thus, corporate responsibility—CR (vs. CSR) is preferred by these scholars—is limited to traditional business operations that maximize stockholders' returns (on their investments). According to this perspective, corporate social and environmental activities are "a waste of corporate resources" because the agent (i.e., firm) does good for itself with the money of its principals (i.e., shareholders) through these activities (Ferrell et al. 2014).[20]

The expansionist perspective insists that corporations have broader responsibilities (vs. strictly profit maximization). Stakeholder (vs. shareholder) theory defines CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Commission, 2001).[21] Supporters of this theory believe that the environmental and social

[20] This interpretation—which is also called "agency view"—applies the Principal-Agent problem to CSR. See studies like Benabou and Tirole 2010; and Cheng et al. 2013.

[21] Stakeholders of a corporation generally (i) include shareholders, employees, suppliers, governments, communities, and society at large and (ii) hold certain stakes in that business (Sadler and Lloyd 2009; Neron and Norman 2008).

activities of corporations can bring long-term benefits via enhanced corporate reputation, brand image, employee morale, and customer loyalty. As CSR discourses have matured (with various theoretical and practical explorations) over time, stakeholder theory has gained more acceptance and become the dominant theory in business and academia—almost like a rationale that is taken for granted (Shamir 2011, 329; Bondy et al. 2012, 281).[22]

The social (vs. business) case of CSR follows a more radical perspective and places more pressure on corporations via its emphasis on social impact; it argues that firms should proactively engage in seeking solutions for social problems (regardless of the financial implications) as responsible members of society.[23] Supporters of this perspective (e.g., NGOs and civil activists) believe that more government intervention and the establishment of a common, global, and mandatory regulatory framework is necessary for generating meaningful changes in business behaviors (Gonzales at al. 2004; Shamir 2011).[24]

Over the past few decades, CSR-related perspectives have been debated by scholars and practitioners in related fields. CSR has become the most commonly used term by

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22 For big businesses, the stakeholder theory has become a "basic taken-for-granted rationale" for implementing CSR actions (Shamir 2011, 329).

23 Although their definitions of CSR differ, both the shareholder theory and stakeholder theory focus on business-related CSR contexts and utilize a corporate perspective. The emphasis of shareholder theory is on short-term profits; stakeholder theory focuses on long-term corporate benefits.

24 Scholars and practitioners who focus on CSR-related social needs argue that companies would not alter their business behaviors more responsibly without mandatory regulations. Read Shamir (2011) stating that "At a minimum, they (social case advocates) emphasized the need to introduce legislation that would make directors and managers personally responsible for the social and environmental performance of their organizations, require mandatory social and environmental reporting by corporations, impose on parent corporations a legal duty of care toward all those affected by the actions of their subsidiaries, and enable those who are harmed by MNCs and their subsidiaries to seek judicial redress in the home countries of those corporations" (Shamir 2011, 323).

businesses and academics, is broadly defined, and the scope of CSR has been expanded from charitable contributions to environmental protection and social activities that are associated with labor rights, human rights, anti-corruption, development, and global poverty (Prieto-Carron et al. 2006, 977).[25] The expansion of CSR topics is evidenced in the Ten Principles that the UNGC has been promoting (detailed below):[26]

The Ten Principles of the UN Global Compact

Human Rights

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

[25] Researchers have tried to understand various aspects of CSR, including (i) studies on CSR-related concepts and theories (Fridman 1970; Freeman 1984; Carroll 1998; Reich 1998; Joseph 2002; Garriga and Mele 2004; Bremer 2008; Jamili 2008; Neron and Norman 2008), (ii) causality between CSR activities and financial performances (Wood 1991; Hill et al. 2007), (iii) case studies associated with the CSR activities of individual corporations (Vogel 2005), (iv) the influence of CSR on development (Blowfield and Frynas 2005; Banerjee 2008; Visser 2008), (v) governmental CSR policies and public roles (Aaronson 2002; Gonzalez and Martinex 2004; Doh and Guay 2004), and (vi) case studies on global CSR organizations (O'Rourke 200; Williams 2004; Deva 2006; Bremer 2008).

[26] https://www.unglobalcompact.org/what-is-gc/mission/principles [accessed 02/23/2016]

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Global CSR Governance

Global governance and CSR are essential concepts within this research. Global CSR governance—a term combining these two concepts—can be utilized in order to help clarify changing organizational dynamics that are associated with CSR-related, global policymaking processes. A number of organizations (e.g., national governments, NGOs, corporations, IGOs, business associations, transnational organizations, and multi-stakeholder organizations) generate policies to guide CSR-related, corporate behaviors and have formed institutional networks of global CSR governance.

Global CSR governance is defined here as a totality of global rulemaking mechanisms, with various global actors that identify, understand, and promote the concept of CSR; set rules and standards; and guide the CSR-related behaviors of corporations. Policies, rules, guidelines, and standards generated by global CSR organizations are exemplary working outcomes of global CSR governance. As mentioned earlier, some prominent examples of associated organizations are the UNGC, GRI, WBCSD, and SAI. The rules generated by these organizations (e.g., the Ten Principles of the UNGC, reporting guidelines of GRI, Action2020 of WBCSD, and SA 8000 of SAI) are "soft laws" that guide and control the CSR behaviors of corporations (as idealized social norms). [27]

In order to empirically and theoretically examine the phenomenon of global CSR governance (and the corporate motivations for participating in the governance), the following chapter explains the theoretical background, examines relevant theories, and contains literature reviews—including theories frequently applied by scholars and some of their alternative theories (e.g., neo-Gramscian, world polity theory, and constructivism). The reason for selecting the three alternative theories (as the main theoretical framework) is also explained in the following chapter (via comparisons of the theories).

[27] Members of the UNGC are encouraged to incorporate the Ten Principles of the UNGC into their business operations. GRI reporting guidelines (GRI G4 is the most recently updated version) are the most widely accepted guidelines for the environmental and social reporting of corporations. Action 2020 includes action plans (set by the WBCSD) to guide member firms towards achieving sustainable development goals. Lastly, SA 8000 (set by SAI) is a certification standard that was developed to protect workplace safety and labor rights.

CHAPTER 3: Theoretical Background

The previous chapter introduced the concept of global CSR governance in order to examine some of the corporate motivations for participating in it. Different theoretical lenses have been applied to analyze the phenomenon of global CSR governance (i.e., the growing public and private involvement in CSR-related, global rulemaking processes) and this chapter explores these perspectives. Furthermore, dominant theories (explaining this phenomenon) are introduced, their theoretical constraints are clarified, and alternative theories (e.g., neo-Gramscian, world polity theory, and constructivism) are explored—along with (i) their theoretical significances and (ii) insights associated with interpretations of the factors which are downplayed by dominant theories. Research design is subsequently constructed based on this theoretical background (Chapter 5).

Rationalist Perspective

Although different interpretations exist, most of the dominant theories explaining the phenomenon of global governance are based upon rationalism (Hofferberth et al. 2011); the basic assumption of this perspective is that the behaviors of actors are largely determined by their own best interests. Some scholars have also applied group theory—a popular social theory developed to understand actors' collective behaviors and actions—in order to understand private involvement in global rulemaking. A famous group theorist, Mancur Olsen (1971), has suggested that an individual (or an individual organization) participates in collective actions only when it brings more benefits (vs. losses). Leading global CSR organizations (e.g., the UNGC, WBCSD, and GRI) are voluntary initiatives (i.e., "latent groups," according to Olsen) that were established to generate collective, CSR-associated actions. Based on his perspective, corporations would generally prefer *not* to join such groups when (i) there are no notable and exclusive incentives (that are associated with joining them) and (ii) the collective goods of these organizations (e.g., social betterment) cannot be distributed exclusively to members.[28]

Some argue that intangible gains (e.g., enhanced reputation, networking opportunities, access to information, strategies, knowledge, and organizational resources and tools) are acquired via participation in such organizations; however, it is debatable whether such gains are exclusive and sufficiently compensate firms (for participation-associated costs).[29] Furthermore, the majority of global CSR organizations will not allow firms to utilize their membership status to enhance their corporate images via "bluewashing" and "window dressing." In fact, this type of membership places member firms under greater public scrutiny (particularly in association with their CSR behaviors). In addition, the information and networking opportunities, associated with global CSR

[28] Olsen (1971) argues that an individual actor is likely to be hesitant to participate in a latent group since its contributions will not fully resolve issues or attain collective goals and thus it will likely prefer to "free ride" (vs. assume the actual burden of participation).

[29] Scholars argue that major global CSR organizations help provide "a global platform for establishing partnership to coordinate CSR activities across a broad spectrum of economic applications" (Nam 2015). This networking opportunity can be an intangible gain that a participating firm is expected to achieve; however, this alone cannot fully explain growing corporate engagement in these organizations.

organizations, may not be exclusively offered to members; oftentimes, such opportunities are available to any interested entities (including nonmembers). For example, GRI reporting guidelines can be utilized by any public or private entity, regardless of its membership status. Thus, many believe these intangible gains are not the primary reasons why firms join such organizations. Nevertheless, firms have been increasingly joining various global CSR organizations—as members, partners, and decision makers—and enact various policies and rules that are generated by these organizations.

The aforementioned stakeholder theory may help explain why corporations implement CSR activities individually; however, it cannot fully explain why they are participating in collective, CSR-related actions (e.g., joining global CSR organizations). Since tangible gains are not the key motivation (as in the case of global CSR governance), what is the rationality behind the growing corporate participation in these types of collective actions and platforms? Several other theories, under the rationalist rubric, have been applied to understand this phenomenon.

Neorealists have assumed the world as an anarchical space, with no centralized authority controlling the global public. In their eyes, a nation-state is a "natural, purposive, and rational actor" fighting other nation-states in pursuit of its self-interests and survival (Meyer et al. 1997, 146). State-centric international systems (e.g., the UN) have been established based on this worldview and the assumption of (i) a lack of hierarchy among nation-states and (ii) an absence of a central world government (Finkelstein 1995).[30]

[30] In reality, however, the existence of veto power in the UN system (which is endowed only to members of the UN Security Council) reflects that there is some sort of hierarchy among nations (Finkelstein 1995).

A state-centric system will generally struggle to attain collective solutions that can effectively address complex global problems because most of these problems involve conflicts of interest among different nation-states.[31] In fact, IGOs (e.g., the UN and International Atomic Energy Agency (IAEA)) frequently struggle to reach collective goals since they are not supranational authority holders with control over national sovereignties; instead, they are collections of national members who prioritize national interests. Clearly, this theory cannot fully explain the (i) growing private engagement in global policymaking and (ii) vibrant global movements focused on collective matters.

Neo-liberalists (i.e., idealists) believe that the preferences and characteristics of a nation-state (which vary among nations) determine its behaviors in global politics.[32] They argue that a nation-state is not a unitary actor with identical goals, which realists assume to be wealth and survival. Furthermore, they believe that it (i) is a collectivity, (ii) results from a contract between individuals with different interests and goals (Yockey 1948, 210),[33] and (iii) regards individual freedoms (both economic and political) as the highest goal to be achieved. Thus, this theory emphasizes the roles of liberal states and global organizations in achieving liberal values in global politics[34] and is theoretically more suitable (vs. realism) for explaining global CSR governance—since the growing

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[31] There are winners and losers associated with most policy choices that focus on global social problems.

[32] A notable scholar, within this line of thought, is Andrew Moravcsik. See Andrew Moravcsik (2001). *Liberal International Relations Theory: A Social Scientific Assessment*. Cambridge, MA: Harvard University. http://dev.wcfua.harvard.edu/sites/default/files/607_Moravcsik.pdf [accessed 10/07/2014]

[33] "Liberalism is Rationalism in Politics. It rejects the state as an organism, and can only see it as the result of a contract between individuals" (Yockey 1948, 210).

[34] IGOs—such as the International Monetary Fund (IMF), World Trade Organization (WTO), and World Bank—were established based on neo-liberalist beliefs.

involvement of private entities can be partially explained as their efforts to proliferate liberal values.

Liberalism can sometimes overemphasize the positive sides of globalization and has fatal theoretical limitations in the comprehension of certain issues (e.g., social marginalization and unequal power distributions), which are associated with the current system of global governance. Thus, a myriad of questions, associated with global CSR governance, remain unanswered. For example, is a corporation a political entity aimed at proliferating liberal values (like a liberal state)? Assuming it is, why would a large number of corporations from relatively authoritarian societies (e.g., China) participate in global CSR governance—sometimes more actively than those from more liberal societies? Also, what causes different corporate participation patterns—even among liberal societies?

To compensate for the shortcomings of these rationalist theories, and to achieve a more in-depth understanding of the phenomenon, alternative perspectives and theories must be invoked, and one of them is neo-Gramscian theory, which has been brought up by scholars frequently in recent times.

Neo-Gramscian Theory

Neo-Gramscian theory has been receiving growing attention from scholars as it helps to explain the changing nature of the global political economy and is an alternative to more dominant theories (e.g., realism and liberalism). Antonio Gramsci, the Italian socialist who founded this theory, focused on the fundamental asymmetries in organizational power structures in the political economy (Cutler et al. 1999, 17). His theory was originally grounded in Marxism and has been expanded and reinterpreted to understand (i) inequalities embedded within current structures of global governance and (ii) power struggles among different actors (Cutler 1999; Cooley 2003; Haufler 2003; Falkner 2003; Pattberg 2005; Webb 2006; Pieto-Carron et al. 2006).[35] Neo-Gramscian scholars argue that growing private involvement in CSR governance signifies "shifts from more traditional forms of politics to market-oriented, corporate-sponsored regimes that clearly benefit corporate interests" (Pattberg 2005, 497).[36]

The active participation of MNCs in various global CSR organizations can be interpreted by this theory as efforts to (i) attain greater political influence in CSR rulemaking and (ii) form and maintain “hegemonic blocs” comprised of political social elites (e.g., MNCs and major NGOs) that lead current, global CSR discourse.[37] This suggests that global CSR rules and policies provide a normative framework for securing the group interests of transnational capitalist elites (Cutler 1997, 67).[38] In other words, firms would participate in global CSR organizations and follow their rules in order to (i)

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[35] Neo-Gramscian theorists are contemporary political scientists who have broadened Gramscian theory to incorporate new applications (at both the macro and micro levels) into analyses of power distributions and organizational dynamics.

[36] Scholars (who follow this perspective) believe that a private sphere has gotten mystified by modern liberalism (neo-liberalism) to be operating "neutrally and consensually as a domain of freedom" apart from the "political and potentially coercive realm of the state." However, the presumed separation of public and private spheres has created "false imagery" of a free civil society and free economy and this has disguised the "asymmetry in power relations" (Cutler 1999, 65-66). They also criticize the privatization of authority and inclusion of private actors in rulemaking processes that may "consciously or unconsciously come to represent private companies' interests instead of broader public interests" (Prieto-Carron et al. 2006, 986).

[37] Hegemonic bloc (also called "historic bloc" or "organic intellectuals") refers to political and social elites that are allied together to secure their group interests—representing "a common elite identity and lock in the unresponsiveness of those elites to popular discontent" (Webb 2006, 83; Levy and Newell 2002; Pattberg 2005).

[38] Myriad forms of CSR-related rules and policies exist (e.g., voluntary standards, guidelines, codes of conduct, and principles guiding CSR-related corporate behaviors).

avoid additional public regulations and the criticism from civil society actors and (ii) frame issues and discourses to secure their group interests (Hofferberth et al. 2011; Shamir 2011).[39]

Thus, this theory can effectively help (i) unveil the political motives behind corporate participation, (ii) reveal some of the asymmetric power structures associated with current global CSR governance, (iii) overcome many of the shortcomings of more dominant theories, and (iv) generate critical insights via analyses of diverse issues (e.g., the growing involvement of major NGOs from advanced societies, proliferation of voluntary rules, unequal power distributions, "Northern dominance,"[40] inherent conflicts of interest among participating actors, and the negative characteristics of private rulemaking such as issues related to accountability, legitimacy, transparency, and fair representation) (Pattberg 2005; Cutler 1999; Haufler 2003; Rudder et al. 2016).[41] Nonetheless, this theory also has several limitations associated with this phenomenon. For example, it does not partially or fully clarify (i) all of the reasons why hegemonic power holders (e.g., MNCs) have actively participated in collective actions (which are sometimes against their self-interests) and what made them act as activists (vs. free-riders);[42] (ii) the growing participation of (a) firms in developing countries, (b) small and medium-sized

[39] Shamir (2011) explains that transnational capitalist elites rely on "critiques of the existing order in order to alert it to threats, to neutralize opposition, and moreover, to develop new moral justifications for its drive of profitability" (Shamir 2011, 316).
[40] "Northern dominance" refers to the leading roles and impacts of global actors from northern (vs. southern), advanced societies.
[41] Those criteria (e.g., legitimacy, accountability, fair public representation, and transparency)—which are socially expected to be met (as public rules) in democratic societies—become problematic when applied to privately set rules (Rudder et al. 2016).
[42] If the hegemonic elites are powerful enough to control global CSR discourses (and thus promote their own interests), why have they not consistently rejected the idea of CSR?

enterprises (SMEs), and (c) local NGOs that are not so powerful and resourceful; and (iii) the incoherence and "decoupling" behaviors of actors in the governance that cannot be explained by terms like “power” and “interest” (Meyer at al. 1997).[43]

Similar to the rationalist theories explained above, neo-Gramscian theory has a narrower focus on power and interests; thus, other factors (e.g., norms and institutions affecting the behaviors of actors) are significantly underestimated.[44] Rationalist and neo-Gramscian theories are, in fact, mostly based on actors’ assumed-to-be-static rationalities and interests and are therefore inadequate at providing comprehensive explanations of the complex natures of the phenomenon. Moreover, these actor-centric theories undervalue certain social and institutional factors that would have significant influence on the consciousness and behaviors of actors. In this sense, world polity theory and constructivism might offer clues for "questions about phenomena that are unsolved or unremarked upon by more conventional actor-centric and power-based dominant theories" (Schofer et al. 2010, 5; Eriksson and Giacomello 2006, 232).

[43] Decoupling occurs when "both the claims and policies are frequently inconsistent with practice" (Meyer et al. 1997, 154) and refers to a mismatch in behaviors and/or policies—such as the case of a nation-state when its domestic policy objective is contradictory to its international one (as seen with the Obama Administration's climate change positioning). An interesting duality exists in this kind of situation: while a nation-state is an institution representing public interests against private interests domestically, it becomes a self-interested entity fighting for its self-interests at a global level. Thus, the domestic interests of a country, at times, differ from its international ones.

[44] Scholars in constructivism and world polity theory have stated that neo-Gramscian theory only "emphasizes the efficiency and effectiveness of the exploitative potentials of organizations" including corporations, by recasting capitalism and class considerations (Drori et al. 2006, 6-8).

World Polity Theory and Constructivism

A small (but growing) number of scholars have begun to focus on the impact of norms, ideas, and institutions that affect corporate behaviors in relation to global CSR governance (Campbell 2007; Hofferberth et al. 2011; Bondy et al. 2012; Khan et al. 2014; Nam 2015).[45] World polity theory focuses on institutions, cultures, and structural patterns that comprise the world polity (DiMaggio 1994; McNeely 1995; Boli and Thomas 1997; Boli 1998; Meyer et al. 1997; Meyer and Jepperson 2000; Lagos 2005; Hornberg 2009).[46] World polity refers to a political sphere that is "shaped by a broad cultural system developed and embedded in Western societies"—with actors exercising their "rational voluntaristic authorities" that are constructed via this cultural system (Hornberg 2009, 245).[47] Associated scholars (who follow this perspective) argue that core Western values (e.g., universalism, rationality, progress, and individualism) are deeply embedded in global culture and reciprocally shape interests and institutions.[48] World polity theorists acknowledge the changing nature of world culture and believe that it is currently a historic product, which has been created by (i) the diffusion of European values (due to European

[45] Institution refers to "powerful patterns of social action that influence how we think and act in relevant social contexts" (Bondy et al. 2012).
[46] While neo-Gramscian theorists believe that the capitalist system and its economic relations affect ideas and worldviews, world polity scholars argue that overarching world culture shapes economic systems as well as political systems and social institutions.
[47] Rational voluntaristic authority ("philosophized to utopian purity by Habermas") refers to the authority of making decisions and rules that rational people collectively set in order to pursue their goals (Boli 1998, 380-381).
[48] World polity theory suggests that world culture, formed by Western models, dominates "world discourse about the rights of individuals, the responsibilities and sovereignty of the state, and the nature of preferred organizational forms" (Meyer and Jepperson 2000, 106). According to this theory, "interest" and "rationality" are not given as rationalism assumes; instead, they are sociocultural products constructed by the norms and values embedded in the world polity.

colonial expansion until the early twentieth century) and (ii) more liberal and individualistic values, dominant in U.S. culture (Schofer et al. 2010, 3).

A central claim of this theory is that the rhetoric, actions, and institutional outcomes of actors (participating in global CSR governance) will become more homogenized, uniform, and universal over time (although they represent different backgrounds) (Boli 1998; Schofer at al. 2010, 2); thus, it would be actor's rationality—as a socially constructed, changing term—to speak, behave, and organize in ways that abide by global cultural norms and universalistic social models (e.g., citizenship, socioeconomic development, rationalized justice, environmentalism, and social betterment) (Meyer et al. 1997). According to this perspective, nation-states, IGOs, and NGOs are (i) organizational actors, (ii) recognized as "world polity agents," and (iii) have certain functions and responsibilities that promote global norms and principles (Meyer and Jepperson 2000). In this perspective, international and transnational organizations play an important role in disseminating world cultural norms and constructing a common culture.

Myriad researchers consider international NGOs to be good examples of world polity agents that are actively proliferating global social values (e.g., human rights, environmentalism, equality, and justice). Earlier world polity theorists have expressed skepticism on MNCs insisting that they are "seen as likely infringers of world citizenship rights, not as rights-endowed loci of inherent worth" (Boli 1998, 393). However, corporations are now recognized by many world polity theorists as one of the legitimate organizational actors in the world polity due to their growing economic and social influence and deepening involvement in social rulemaking processes worldwide.

According to this theory, active corporate involvement in global CSR governance signifies the legitimacy of corporate processes in the context of the world polity where CSR is presented as a global social norm.[49] Prominent global CSR organizations could thus play a crucial role in "driving corporations to adopt socially responsible behaviors" (Shamir 2011, 319). Furthermore, the proliferation of associated transnational rules and standards—which have been set by these organizations (e.g., the 10 principles of the UNGC and the GRI reporting guidelines)—can be described as "world polity projects" attempting to (i) spread global, cultural values and (ii) structure organizational behaviors accordingly.[50] In the view of world polity theory, these organizations are the leading world polity agents for making rules, setting standards, propagating principles, and broadly representing the "socially responsible" business community and humanity at large (Boli and Thomas 1997, 172).

Constructivism (i) offers similar benefits,[51] (ii) draws upon the extension of world polity theory, and (iii) suggests that the actions of an individual (or an individual organization) are significantly affected by the institutional settings surrounding it. One of the key assumptions of constructivism is that "people act toward objects, including other actors, on the basis of the (collective) meanings that the objects have for them" (Wendt

[49] In other words, according to the world polity perspective, "the question of legitimacy to operate might be the prime driver for businesses to endorse their social responsibility" and to take part in global CSR governance (Dufays 2005).

[50] It is argued that global CSR organizations are "reshaping the rules by which large global corporations play, creating a new context in which external stakeholders hold companies responsible for their impacts" (Nam 2015).

[51] The major difference of world polity theory from constructivism is the critical emphasis on the "world cultural model" that yields homogenization in actors' behaviors, globally.

1992, 396); it argues that social realities—such as rationality, interest, and identity, which are also correlated with rationalist theories—are unavoidably interpreted and distorted in accordance with social and political surroundings. According to this theory, "identity" is (i) defined as "role-specific understandings and expectations about self" and (ii) acquired by participating in such collective meanings so that it is inherently relational (Wendt 1992, 398; Hofferberth et al. 2011). This theory also argues that "interest" is not exogenously given; instead, it is constructed via processes of "social formation," which are constituted by social interactions and collective meanings (Wendt 1992, 410). Thus, the constant construction and reconstruction of identity and interest occur in accordance with changes in social expectations and norms.

This perspective supports some assertions of the *social case of CSR* and stakeholder theory, and emphasizes certain roles that stakeholders expect a firm to play. Based on this perspective, firms should be accountable to their stakeholders and satisfy the expectations of associated parties (e.g., consumers, employees, suppliers, and communities) (Dufays 2005, 7). Thus, firms, as social organizations, have responsibilities beyond profit maximization, such as training workers, contributing to communities, and demonstrating other prosocial and environmental behaviors (Drori et al. 2006, 3).

There have been several studies that utilize this alternative perspective to clarify various phenomena of globalization, such as (i) states and interstate systems (Wendt 1999), (ii) NGOs and transnational advocacy groups (Keck and Sikkink 1998), and (iii) epistemic communities (Adler and Hass 1992). While the examination of global CSR governance, from this perspective, is at an early stage of development,[52] the application of world polity theory and constructivism is expected to offer important scholarly contributions (e.g., to theoretical developments and understandings of associated social and organizational dynamics). The growing popularity of CSR and active corporate rulemaking involvement would be interpreted by these theories as corporate identity shifts—from more narrowly defined economic actors to more broadly defined social beings—generated by changing social and political expectations. Thus, this phenomenon would arguably reflect changing corporate interests and identities in modern-day global societies where social betterment has become a desirable social objective (Drori et al. 2006; Hofferberth et al. 2011).[53]

In short, world polity theory and constructivism offer useful theoretical insights that can help reconcile some of the limitations and shortcomings of the more dominant theories. They allow an in-depth understanding of the (i) fundamental structure and culture of current global CSR governance and (ii) possible influences of changing ideas, norms, and institutions shaping organizational behaviors. These theories are especially beneficial because this research involves unconventional and complex motivations associated with corporate participation in global CSR governance.

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[52] A few studies have recently been undertaken to examine global CSR movements that apply this perspective; See Arthaud-Day 2005; Dufays 2005; Drori et al. 2006; Segurlund 2010; Mühle 2010; Hofferberth et al. 2011; and Shamir 2011. Hofferberth et al. applied constructivism to examine "what motivates private business actors to participate in CSR" (Hofferberth et al. 2011).

[53] Hofferberth et al. state that "as part of the social structure, norms create and constitute new forms of identity. Put simply, the norms an actor accepts and chooses to adhere to define what he or she is and what others see in him or her" and that "the identity and thus also the interests of an actor are no longer exogenously defined but instead endogenously constituted and constantly reformulated through interaction with the social structure" (Hofferberth et al. 2011)

Thus, the application of the different theories (i.e., neo-Gramscian, world polity theory, and constructivism) might expand cognitive understanding of this phenomenon, by going beyond actor-centric, rationality-focused, dominant perspectives. Some scholars see the neo-Gramscian (world-capitalism) and world polity (world-culture) theories as contradictory and competing; however, this research employs these seemingly contradicting theories complementarily and understands that both logics are likely to overlap.[54] Through the utilization of these alternative theories as a theoretical framework for this research, the following chapter explores some of the clarified research questions and hypotheses.

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[54] Read Shamir (2011) for example. He argues that the "world-capitalism" and "world-culture" paradigms are the two major opposing worldviews that explain global CSR movements. In his article, he suggested that the world-capitalism (vs. world-culture) paradigm offers "a more plausible account of the relationship between the political drivers of CSR and its institutionalized outcomes" (Shamir 2011, 315). This research—via an understanding of the complexity of the phenomenon and complementary nature of the two perspectives—rejects the contradictory interpretations of the two theories.

CHAPTER 4: Research Questions and Hypothesis

Research Questions

Due to the growing popularity of CSR and increasing social involvement of firms, a number of global organizations have been established in order to pursue collective, CSR-focused actions. They are global governance (vs. fully self-governing) organizations that seek to control and govern corporate, CSR-related behaviors globally.[55] One of the basic functions of these organizations is to develop universally generalizable rules and standards to guide corporate activities, such as the (i) Ten Principles of the UNGC (see Chapter 2), (ii) social reporting guidelines of the GRI, and (iii) SA 8000 standards of SAI. Since these are "voluntary" rules (with no legally binding obligations), it is theoretically up to an individual entity whether to follow them or not. The underlying assumption (behind this voluntary mechanism) is that firms can alter their behaviors responsibly in the absence of mandatory laws and regulations, based on neo-liberalist principles. Thus, the success of this governance relies on whether or not firms actively participate in these organizations and adopt and follow the associated rules.

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[55] Self-governing organization (SGO) refers to an organization that sets rules to control the actions of participating members. Certain organizations (e.g., the UNGC, GRI, and WBCSD) are more than SGOs since their standards and rules are set not only to guide the actions of members but also to influence the behaviors of non-participating corporations.

As explained in the previous chapter, the dominant rational-actor perspective can only partially explain corporate participation in global CSR governance. Indeed, even when no clear incentives are evident, the overall number of participating firms has been continuously growing during the last two decades. Accordingly, the primary inquiry of this research is to understand various factors that motivate firms to participate in global CSR governance.[56] In other words, why do presumably rational actors (firms) deliberately participate in CSR-motivated, collective action arrangements?

Corporate participation in such governance can include (i) more active participation (e.g., as direct members of prominent global CSR organizations), (ii) less active participation (e.g., via the straightforward adoption of such standards and rules, and (iii) least active participation (e.g., as individual actors developing unique CSR programs and activities that are influenced by the global CSR rules and policies). In order to make this research clearer and more operative, "corporate participation in global CSR governance" considers only the direct participation of firms in prominent global CSR organizations—as members, decision-makers, organizational partners, and insiders in the rulemaking processes.

Business scholars (especially advocates of stakeholder theory) suggest that corporations pursue CSR actions with the expectation of attaining long-term benefits (e.g., via enhanced reputation, brand image, employee morale, and/or consumer loyalty). This expanded rationalist calculation may explain why firms implement CSR activities;

[56] This question is different from an exploration of factors that motivate an individual firm to pursue CSR activities. This research focuses on the reasons that firms partake in global CSR regulatory frameworks that sometimes "narrow their potential scope of action" (Hofferberth et al. 2011).

however, it does not explain why they partake in collective regulatory arrangements voluntarily, which can potentially constrain their scope of activities. When tangible gains are not directly associated with such participation, what is the "rationality" behind the growing corporate participation in such governance?

Neo-Gramscian theory offers partial explanations for this phenomenon (as clarified in an earlier chapter) and acknowledges the "political interests" of private groups (transnational capitalist elites). The increasing involvement by firms is interpreted as corporate-related efforts to (i) achieve greater political influence within global CSR-rulemaking processes and (ii) secure their own (i.e., firm-related) interests. However, neo-Gramscian theory (along with other rationalist theories) can only partially answer several key questions: (1) What has been encouraging (or forcing) corporations to participate in collective actions that are directed at "social problems," which are sometimes against their self-interests? (2) Why are there participatory differences (e.g., active to reluctant), even among major MNCs? (3) Why are the total numbers of participants still growing, even as CSR-related organizations are generating more stringent and specific rules over time? (4) Why do firms generally participate in several different organizations and assume the burden of multiple regulations (vs. simply joining the weakest organizations with the weakest rules)?

As previously mentioned, these actor-centric theories—based on understandings of self-interest and rationality in behavioral decisions—may not fully reflect complex realities since social and contextual factors may also uniquely affect the actions of actors—both consciously and unconsciously. World polity theory and constructivism, in this regard, simply offer theoretical benefits (e.g., understanding various aspects of global CSR governance); however, they are not fully explained by the actor-centric perspective. These theories suggest that certain significant and diverse concepts (e.g., interest, identity, and rationality) are socio-historical constructs that are modified to cope with changing social expectations.

Based on this theoretical understanding, the research questions herein are reconstructed as such:

What factors have motivated firms to participate in global CSR governance?

Have economic and political interests encouraged corporate participation?

Have associated regional cultures affected corporate participation?

Have changing global social expectations and world cultural norms affected growing corporate participation?

What roles have global CSR organizations played in the growth of corporate participation?

Are there rhetorical and behavioral differences between participants and non-participants? Have business identities consequently changed (e.g., from economic to social beings)?

This research aims to examine factors that motivate firms to participate in global CSR governance by applying alternate (i.e., neo-Gramscian, world polity, and constructivism) theories that are reflected in the first research question. The second question is based on neo-Gramscian theory and explores whether firms participate in global

CSR governance more actively when they have more (vs. fewer) economic and political interests.

The latter four questions focus on how firms' CSR-related rhetoric and behaviors are potentially affected by cultures, norms, and institutions. The third question (which is based on constructivism) is an inquiry into potential cultural impacts of the regions surrounding firms. The fourth question explores whether changing world cultural norms, values, and institutions have encouraged corporations to participate in global CSR governance. The fifth question assumes they have done so and is thus intended to examine world cultural models disseminated by global CSR organizations and how they affect corporate rhetoric and behaviors over time. The sixth question seeks answers to the fourth and fifth questions by (i) comparing how rhetoric and behaviors differ between participants and nonparticipants and (ii) examining whether there has been a corporate identity shift—from an economic to a social being—over time. Three sets of research hypotheses are developed (based on the aforementioned theoretical framework) in order to formulate an operational research design that can seek answers to these questions.

Research Hypotheses

The six research questions have been developed based on the aforementioned theoretical framework (which was explained in the previous chapter). The three theories (i.e., neo-Gramscian, world polity, and constructivism) suggest that there would be complex economic, political, and social motivations behind the growing corporate involvement in global CSR governance.[57] In order to examine them, they are organized into corporate-, regional-, and global-level factors.

The first set of hypotheses examines corporate-level factors and is primarily based on neo-Gramscian theory. This theory suggests that (i) the economic and political interests of an individual corporation would affect its participation in global CSR governance and (ii) firms would join global CSR organizations in order to attain greater political power over their agendas (Pattberg 2005; Dingwerth 2008; Shamir 2011). Hypothesis 1 and its sub-hypotheses (regarding the economic and political interests of a corporation) are developed as follows:

Hypothesis 1. [Corporate-level factors] Firms would participate in global CSR governance in order to acquire political power and protect their group interests. Thus, firms with greater numbers of economic and political interests would participate in global CSR governance more actively (vs. those with fewer interests).

H1a. (Economic outcomes) More (vs. less) affluent firms would participate in global CSR governance more (vs. less) actively.

H1b. (Brand Sensitivity) When firms are more (vs. less) highly attuned to their brand images, they will participate in global CSR governance more (vs. less) actively.

H1c. (Industry) Firms within (vs. outside) industries that are closely aligned with CSR topics (e.g., energy, environment, consumer goods, and retail) would participate in global CSR governance more actively. Conversely, firms

[57] There have been a few studies on this inquiry. Hofferberth et al. state that "there is an ideational motivation for corporate action beyond rational calculation and expected consequences, indicating that corporate action itself is more complex than rationalist theories commonly suggest" (Hofferberth et al. 2011, Abstract).

***within industries that are less related to CSR topics (e.g., banking and finance) would participate in global CSR governance less actively*.**

For the first set of hypotheses, the corporate-level factors are (i) economic outcome, (ii) brand sensitivity, and (iii) firm-related industry category. There have been several studies examining the correlations between various corporate factors and CSR performance; however, few have studied correlations between corporate factors and participation in global CSR governance empirically. Neo-Gramscian theory suggests that more affluent firms would have more discretionary resources and capital (e.g., to cover participation costs) and could thus be at the forefront of global rulemaking and better manage public regulations and protect their corporate interests (H1a). Additionally, firms would also participate in global CSR governance more actively when they have a greater number of CSR-related economic interests, more brand sensitivity, and/or can identify CSR-related pursuits in a greater number of closely related industries (H1b and H1c).[58]

The second set of hypotheses, developed mainly based on constructivism, examines how regional contexts can affect a firm's actions. According to constructivism, the behaviors of an actor are affected by its surroundings and social expectations—at least in certain cultural contexts. For example, firms are part of cultural and regional clusters, their behaviors are affected by their surrounding cultures, and their regional identification will thus affect their levels of participation in global CSR governance.

[58] Scholars suggest that firms in certain industries (e.g., the chemical and energy industries) have a high level of interest in CSR; however, firms in other industries (e.g., banking) have a low level of interest in CSR (Preuss 2011).

Neo-Gramscian theory suggests that firms from developed societies (i.e., more economically affluent firms) would have greater political interests and thus participate in global CSR governance more actively. World polity theory also supports the assertion that when firms are centrally located within the world polity, they would show more active participation.[59] Therefore, these two theories would argue that firms in advanced countries (e.g., within Europe and North America) should be more active in global CSR governance than firms that are headquartered in other regions. However, some constructivism-based studies have recognized the impact of regional and national cultures on corporate CSR actions (Kats, Swanson, and Nelson 2001; Aaronson 2002; Dufays 2005; Choi 2011).[60] According to literature, there are disparate levels of CSR activism between Europe and North America although the two regions are both economically advanced and culturally leading. Scholars have found that European firms are more (i) active in collective CSR rulemaking and (ii) likely to work closely with governments to promote CSR activities; however, North American firms (especially U.S. companies) tend to be reluctant to join collective initiatives and prefer to take on CSR via independent initiatives (Aaronson 2002; Doh and Guay 2004; Dufays 2005). Thus, the second set of hypotheses is utilized to examine if these regional effects exist in global CSR governance.

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[59] Following the perspective of world polity theory, firms located near the center of world polity would participate more in global CSR governance. Regarding the active participation of firms that are headquartered in advanced countries, neo-Gramscian theorists criticize this "northern dominance" in CSR discourses. They argue that global CSR policies are developed based on the interests of powerful MNCs, NGOs, governments, and academia—mostly from European and U.S. regions (Prieto-Carron et al. 2006).

[60] Dufays (2005) examined how cultural factors affect corporate motivations that are associated with CSR activities using Hofstede's cultural index as indicators. Similarly, Choi (2011) studied the possible impact of various national factors on corporate participation in the UNGC (e.g., political systems, economic conditions, and cultural aspects)—also using Hofstede's cultural index.

Hypothesis 2, and its sub-hypotheses, examine these regional (cultural) factors are developed as follows:

> ***Hypothesis 2. [Regional factors] Firms will participate in global CSR governance more actively when this is valued (and expected) by their regional cultures. Thus, firms within certain regions will consequently participate in global CSR governance more or less actively (vs. firms in other regions).***
>
> ***H2a. European firms would participate in global CSR governance more actively (vs. firms in other regions).***
>
> ***H2b. North American firms would participate in global CSR governance less actively (vs. firms in other regions).***

The third set of hypotheses examines global-level factors and is based on both constructivism and world polity theory. These theories suggest that the emergence and proliferation of certain terms since the late twentieth century (e.g., CSR, sustainability, and sustainable development) signify a process of world polity reinforcement and is growing recognition of an expansion of social values based on an increasing awareness of mutual interdependence among global actors. According to these theories, the development of global CSR governance can be considered as a representative example of a world polity project. In other words, the development of global CSR governance would reflect the reality that "social betterment" has become a sociocultural norm of world polity and involves a division of responsibilities among all members of world society—even "self-interested" corporations (Hofferberth et al. 2011). Thus, firms would participate in global CSR governance because they believe that it is an idealized, global social norm. Hypothesis 3 is developed based on this theoretical understanding:

Hypothesis 3: World polity norms and values would affect corporate CSR participation in global CSR governance.

This proposition makes sense "only if common world forces are at work" (Meyer et al. 1997, 152). Among them are world polity agents that disseminate global norms and values. [61] In the case of global CSR governance, most of the influential world polity agents are prominent global CSR organizations that represent the "socially responsible" business community. The rulemaking of these organizations (e.g., setting reporting guidelines, codes of conduct, general principles, best practices, and other types of CSR standards) could be interpreted as institutionalization (i.e., legitimization) processes of idealized and rational CSR models. When firms directly participate in these organizations (e.g., as creators and early adopters of these models), they would communicate, behave, and organize their CSR activities in more standardized ways (vs. indirectly and non-participating firms).

In order to examine the influence of world polity norms and institutions, the CSR-related behaviors and rhetoric of corporations should be studied. First, when global norms and values are disseminated via global CSR models (i.e., when rules and standards are established and promoted by prominent global CSR organizations), they affect corporate CSR behaviors. Participation in global CSR governance—and adoption of these "culturally promoted" models—would be viewed as corporate proclamations of conformity to world

[61] Norms and values, embedded in global social issues, are created, discussed, and proliferated by various actors—transnational coalitions or networks of individuals (i.e., world polity agents) (Sikkink 1998, 518).

cultural models. These models would be set by world polity agents—in this case, significant, global CSR organizations.

This examination of corporate CSR behaviors is limited to recognizable and generalized behaviors due to the difficulty of tracing various forms and patterns of CSR-related corporate behaviors. Institutional and practical behaviors should be considered separately in order to generate a more detailed understanding of the influence of world cultural norms on institutions and practices. Institutional behaviors include firm-related actions that incorporate CSR into business operations (e.g., establishing CSR departments, setting a code of conduct, arranging specialized CSR web pages, and publishing CSR/social/environmental reports). Practical behaviors (i.e., CSR practices that are followed by firms on a daily basis) might include activities in the areas of environmental protection, employee welfare, community development, and charitable programs. If CSR-focused world cultural models are disseminated by major world polity agents (within the context of global CSR governance), participating firms would accept these institutional and practical CSR behaviors more actively and comprehensively. Regarding these CSR behaviors, two sub-hypotheses (H3a and H3b) are developed as follows:

H3a. Firms participating in global CSR governance would adopt institutional CSR behaviors more actively (vs. non-participating firms).

H3b. Firms participating in global CSR governance would take on more comprehensive CSR practices (vs. non-participating firms).

A study on corporate rhetoric is one way to (i) examine the impact of global cultural norms on corporate participation in global CSR governance and (ii) track and confirm the

CSR-related behaviors of corporations. If world cultural values and norms can affect firm participation in global CSR governance, then firms would generally explain their CSR intentions via the logic of "social" (vs. "business") case.[62] In other words, firms would have accepted their corporate identities as social beings; thus, they would explain their CSR intentions with the terms such as norms and values more (vs. costs and benefits). The following sub-hypothesis is developed based on this understanding:

> ***H3c. Firms participating in global CSR governance would use the logic of social case (social identity) more than the logic of business case (rational identity) in explaining their CSR-related behaviors (vs. non-participating firms)***.

Time can be another influential force. As suggested by constructivism and world polity theory, interest, rationality, and identity are socio-historical constructs for coping with changing social expectations. This change is inherently incremental and time-consuming. The following sub-hypothesis is developed in consideration of this impact of time:

> ***H3d. A corporate identity shift (from a rational to a social being) would have occurred over time.***

The aforementioned three sets of hypotheses are developed to examine various motivating factors of corporate participation in global CSR governance and include corporate-, regional-, and global-level factors. Since this research is examining multilevel, multidimensional factors, research models should be carefully designed to incorporate this

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[62] It is argued that "for CSR to be mainstreamed it has to be integrated into corporate policy development, technical tools, and performance measurement criteria in such a way that it affects everyday activities and eventually becomes part of the firm's **identity**" (Preuss 2011, 20, emphasis added).

complexity. The following chapter explains the research design (e.g., the research model and methodology, indicator identification, and data collection methods) developed to examine various factors.

CHAPTER 5: Research Design

The main research inquiry, herein, seeks to identify factors that motivate firms to participate in global CSR governance. The application of neo-Gramscian theory, world polity theory, and constructivism suggest a number of potential factors, such as the economic and political interests of a firm, its regional culture, and world cultural norms and values. In order to examine the various factors, the research is designed as sets of multilevel and multidimensional research models that employ a mixture of research methods.

Research Models

As presented in Chapter 4, there are three sets of hypotheses developed for this research. Three different levels (i.e., corporate, regional, and global) of factors have been identified that could affect corporate participation in global CSR governance. Figure 1 (below) shows the causal relationships that this research aims to examine.

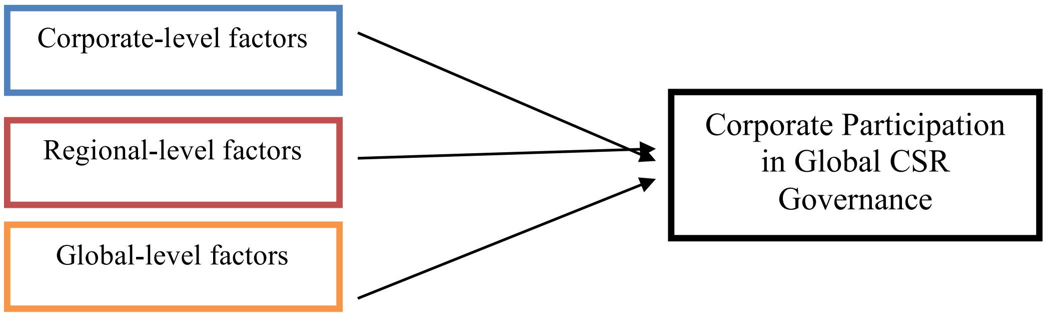


Figure 1. Causal Relationships

Three different research models have been developed, based on distinctive features of the factors and data. The first research model (Research Model 1) utilizes a firm as a unit of analysis and is designed to examine the first and second sets of hypotheses (i.e., H1 and H2). Neo-Gramscian theory suggests that firms with greater numbers of economic and political stakes would participate in global CSR governance more actively in order to achieve greater political power in global CSR rulemaking (H1). The corporate-level factors previously identified for Hypothesis 1 are revenue, brand sensitivity, and industry category. However, constructivism suggests that regional culture would also affect corporate participation in global CSR governance and firms from Europe would thus participate in global CSR governance more actively, while North American firms would participate less actively (H2). These regional categories (i.e., Europe, North America, and other regions) are the variables to test in Hypothesis 2. Research Model 1 is designed to examine corporate- and regional-level factors (Figure 2).

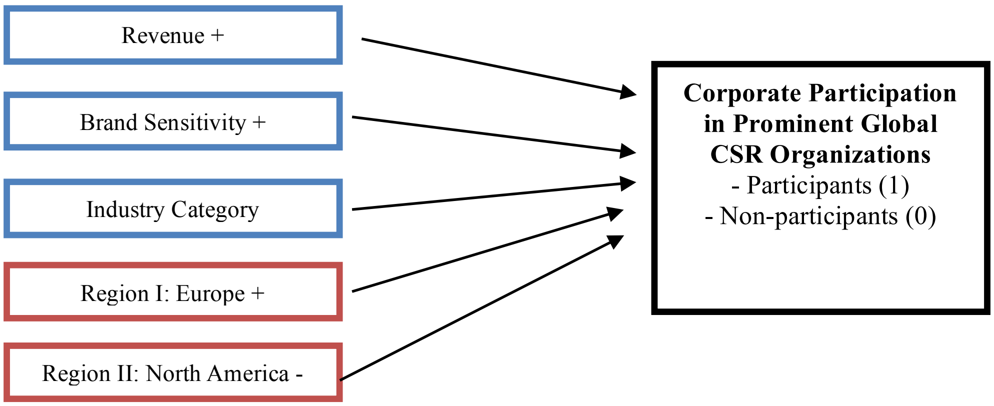


Figure 2. Research Model 1

Constructing a research model for the third set of hypotheses (Hypothesis 3) is more complex due to the qualitative nature of the factors (i.e., values, norms, rhetoric, and behaviors). World polity theory and constructivism suggest that growing corporate participation in global CSR governance would speak to the legitimization processes of firms in the world polity (where CSR is presented as a global, social, and organizational norm). In other words, firms participate in global CSR governance because it is believed to be a socially expected and appropriate action (H3). However, it is difficult (if not impossible) to estimate the exact impact of global social norms and values on corporate participation in global CSR governance (as explained earlier).

In this paper, we assume that prominent global CSR organizations are major world polity agents that disseminate values and norms. One feasible method for examining the influence of world cultural norms and values on CSR is to study how CSR rhetoric and behaviors differ between participating and non-participating firms. Firms behave in accordance with idealized global social models disseminated by world polity agents via institutionalization processes associated with global CSR governance. The conceptual structure of this research design, developed to examine Hypothesis 3, is depicted below (Figure 3).

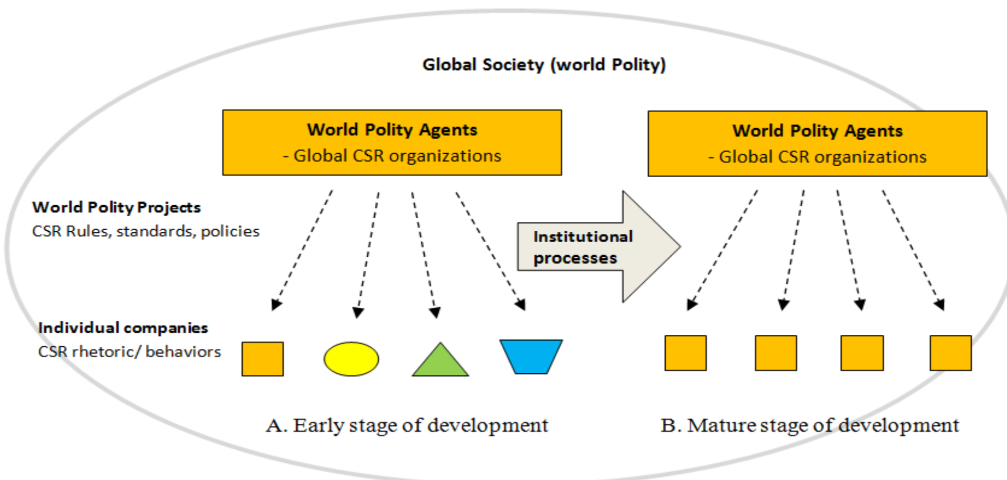


Figure 3. Research Design for the Global-Level Factors

An examination of CSR-related, corporate rhetoric and behaviors is a complicated task; furthermore, it is not feasible to track all such behaviors. Thus, only traceable and measurable CSR actions can be included in a study on behavioral differences between participants and nonparticipants (H3a and H3b). Institutional CSR behaviors (which are commonly observed among MNCs) include the (i) reporting of CSR actions online, (ii) building of CSR expertise (e.g., via the establishment of CSR departments and/or recruitment of CSR experts), (iii) setting of codes of conduct, and (iv) publishing of CSR reports (or other types of corporate reports with information on corporate social and environmental activities). These actions can be interpreted as the institutionalization of global CSR models by firms. World polity theory suggests that when firms actively participate in global CSR governance, they would exhibit this type of activity more frequently.

A significant number of MNCs have published CSR (or similar) reports in order to inform the public of their CSR practices.[63] For the purposes of this type of research, the CSR practices (reported in CSR reports) can be categorized into different topic areas (e.g., environmental protection, employee welfare, community development, anti-corruption, partnership programs with other entities (including both public and civil society organizations), and stakeholder engagement). These types of CSR-related activities also coincide with the scope of CSR defined by major global CSR organizations (which is reflected in their CSR standards and guidelines). Thus, when firms are active (vs. not active) in global CSR governance, they are influenced by global cultural models (set by global CSR organizations) and implement such practices more actively and comprehensively.

An examination of the differing CSR behaviors (between participating and nonparticipating firms) is expected to generate an understanding of how major global CSR

[63] It seems that the most common way for firms to report their CSR activities is to publish CSR reports. The naming of such reports (e.g., CSR reports, sustainability reports, sustainable development reports, citizenship reports, social reports, environmental reports, and social/environmental reports) varies by firm. Also some firms publish annual reports with separate sections on CSR (e.g., sustainable development) activities.

organizations shape different corporate CSR behaviors, in the context of varying roles. Research Model 2 is developed in order to examine the behavioral differences associated with these activities (Figure 4).

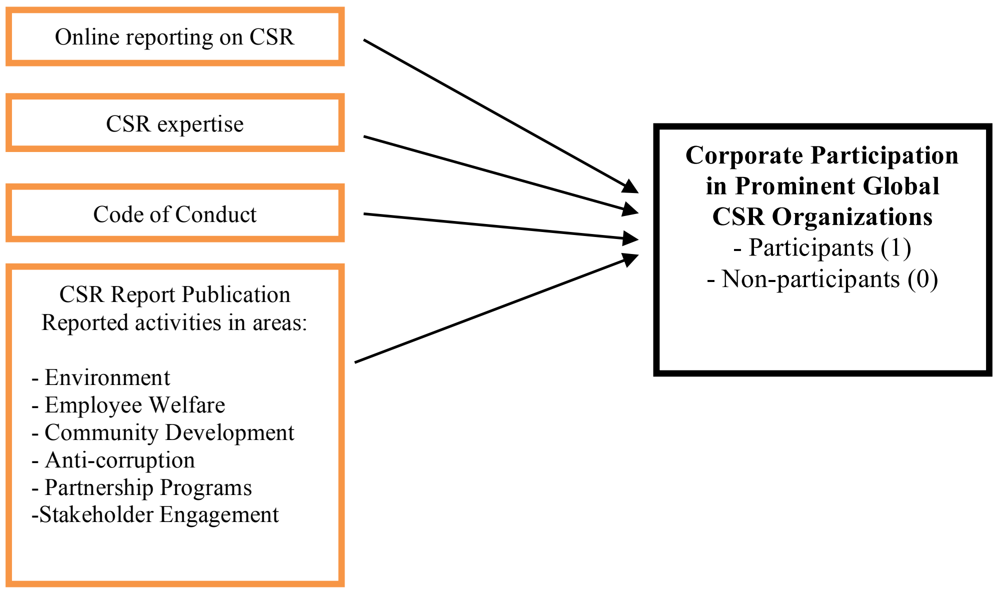
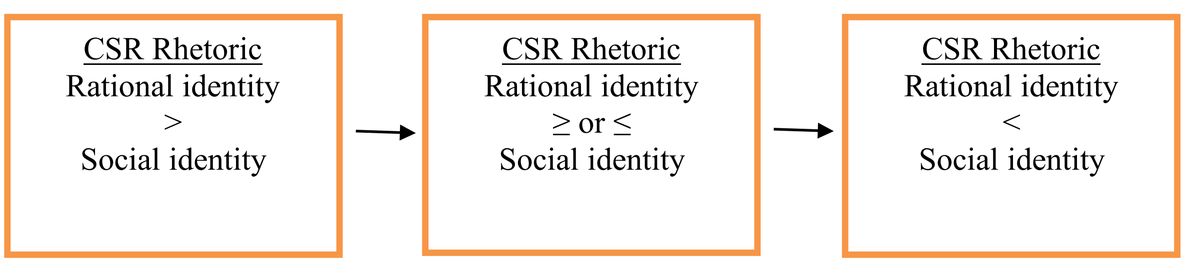


Figure 4. Research Model 2

Two separate analyses are conducted (for Research Model 2) to examine correlations between (i) institutional CSR behaviors and participation and (ii) practical CSR behaviors and participation. The separation of analyses is made due to differences in the nature of the behaviors, research sample, and available data. Thus, Research Models 1 and 2 examine correlations between independent and dependent variables (various factors and participation).

The third research model (i.e., Research Model 3) is designed to examine the effects of global cultural norms and values on corporate CSR rhetoric. Research Model 3 focuses on rhetorical comparisons to see (i) how firms characterize themselves in the context of explaining their CSR motivations and (ii) whether global cultural norms and values play any role in (a) shaping corporate identities and (b) corporate participation in global CSR governance (H3c).[64] An underlying assumption of this analysis is that corporate rhetoric reflects the CSR-related consciousness and behaviors of firms. This research model also examines whether there was a corporate identity shift—from economic to social beings—via comparisons over time (H3c).[65] Figure 5 depicts Research Model 3.



[64] Hofferberth et al. (2011) did a similar research on corporate speeches delivered by firms in the extractive industry in order to analyze "whether or not MNEs refer to different logics of action when publicly justifying their behavior" regarding CSR. However, temporal aspects are not considered in their research.

[65] One limitation to be noted is a possibility of data bias (given the type of documents). As explained later, CSR reports are used to form data, which intrinsically tend to emphasize social and environmental aspects more than other types of reports (e.g., financial reports). The inclusion of other types of documents (e.g., financial and annual reports, which also report social and environmental activities) is expected to partially ease this limitation. Regardless of the data bias possibility, content analysis on rhetoric (written in CSR reports) would show how firms perceive themselves and what logic they use in order to justify their CSR actions.

a. Early stage b. Middle stage c. Mature stage

Figure 5. Research Model 3

An examination of the three research models (described above) can generate a more comprehensive, empirical understanding of (i) the various motivating factors that affect corporate participation in global CSR governance and (ii) the impact of global values, norms, and institutions on corporate CSR-related rhetoric and behaviors. The following section explains the research methodology.

Research Methodology

Since the research is based on multilevel and multidimensional analyses that examine various (e.g., quantitative and qualitative) factors, several different methodologies are employed in order to encompass the complex dynamics of this research.

Research Model 1 examines the corporate and regional factors that affect corporate participation in this governance. As mentioned earlier, a few studies have examined the impact of country-level factors on corporate CSR actions via the utilization of multivariate regression analysis (Dufays 2005; Choi 2011). Inspired by these earlier studies, Research Model 1 examines the impacts of corporate and regional factors (independent variables) on corporate participation in global CSR governance (dependent variable) via the utilization of a multivariate regression model. Since the dependent variable is a nonlinear dichotomous variable (participant: 1, nonparticipant: 0), *logistic* *regression analysis (Logit analysis)*—which is one of the statistical methodologies—is conducted.[66] Pseudo R^2 is the measure of the goodness-of-fit of this model. The equation of this logit analysis is:

$$\ln\left[\frac{p\,(\text{direct participant})}{p\,(1 - \text{direct participant})}\right] = a + b_1X_1 + b_2X_2 + \ldots + b_kX_k + e$$

(Xn: Factors)

The identification of proper indicators for corporate- and regional-level factors (i.e., the independent variables) is critical since they should be representative and measurable in order for the statistical analysis to be valid. Table 1 (below) summarizes the factors (and identified indicators) to test Hypotheses 1 and 2 for Research Model 1. A primary sample, comprised of Fortune Global 500 lists (from 2005, 2009, and 2013), is utilized for two different analyses (Analysis A and B) for Research Model 1 and is thus divided into different sample sizes. Analysis A includes all 500 listed firms for each year and Analysis B includes 324 firms, which were listed in all three of the selected years.[67] Number of employees, age (since establishment), and net income are chosen as control variables.[68]

Table 1. Factors/Indicators of Research Model 1

Research Model 1	Hypothesis	Factor	Indicator

[66] Logistic regression analysis is used for the dichotomous dependent variable (two categories of participants and nonparticipants). For this research, this statistical analysis is done by using *STATA* (one of the widely-used software packages in academia).
[67] The data selection methods included the reasons for selecting Fortune Global 500s as a primary source for the research sample; the utilization of the three different years (i.e., 2005, 2009, and 2013) is explained later.
[68] Net income varies among firms and is considered a short-term financial condition; revenue is regarded as a better indicator when measuring corporate economic volume. Thus, net income is controlled.

Hypothesis 1 Corporate factors	H1a	Economic outcome	Revenue (continuous var.)
	H1b	Brand sensitivity	Brand power ranking (firms ranked on Top100 =1/firms not ranked on Top 100 =0) (dummy var.)
	H1c	Industry	Industry category (Financial service/Manufacturing/ Energy & Retail/Others) (categorical var.) [69]
Hypothesis 2 Regional factors	H2a	Region (Europe)	Headquarters location in Europe (categorical var.)
	H2b	Region (North America)	Headquarters location in North America (categorical var.)
Control variables	Age		Corporate age from establishment (continuous var.)
	Firm size		Number of employees (continuous var.)
	Net Income		Net Income (continuous var.)

Research Models 2 and 3 are developed to study global-level factors (e.g., world-cultural values, norms, and institutions) affecting corporate CSR rhetoric and behaviors. Research Model 2 examines behavioral differences between participants and nonparticipants. The methodology for Research Model 2 is also *logistic regression analysis*, which utilizes participation in global CSR governance as a dependent variable. As previously mentioned, two different analyses have been conducted for this research model (based on different factors and sample sizes). The first one (Analysis C) analyzes whether there is any difference between participants and nonparticipants in the context of

[69] These categories have been modified and thus differ from the Fortune Global 500 Industry categories.

institutional CSR behaviors (e.g., reporting CSR activities online, building CSR expertise, setting codes of conduct, and publishing CSR reports). The second analysis (Analysis D) focuses on practical CSR behaviors observed in CSR (or similar types of) reports and utilizes only firms that publish these reports in the sample. Analysis D is also divided into two sub-analyses: one to examine correlations between various CSR-activity categories and participation (Analysis D-1) and another to test correlations between the degree of comprehensiveness (associated with CSR practices) and corporate participation in global CSR governance (Analysis D-2).[70] *Content analysis* (of the CSR reports) enables the identification of practical CSR behaviors and measurements of their comprehensiveness. The factors and indicators for Research Model 2 are summarized in Table 2 (below).

Table 2. Factors/Indicators of Research Model 2

Research Model 2		Factor	Indicator
	Analysis C	Reporting CSR online	CSR web pages (dummy var.)
		CSR expertise	CSR department/CSR experts (dummy var.)
		Code of conduct	Code of conduct (dummy var.)
		CSR report publication	CSR report (dummy var.)
H3a		Practical CSR activity (D-1)	Activity categories (employee welfare, environment, community development, anti-corruption,

[70] The activities are categorized into six areas (e.g., employee welfare, environment, community development, anti-corruption, partnership program, and stakeholder engagement). Degree of comprehensiveness is (i) scaled from zero to six and (ii) correlated with the activity categories associated with each firm (among the six aforementioned areas).

	Analysis D		partnership program, and stakeholder engagement)
		CSR comprehensiveness (D-2)	Degree of comprehensiveness (0: reporting no activity in the six areas - 6: reporting all activities in the six areas*) (continuous var.)

Inspired by earlier studies (e.g., Hofferberth et al. (2011)), Research Model 3 is designed to examine CSR rhetoric and utilizes *content analysis* as a research methodology.[71] Corporate rhetoric does not always align with corporate behavior; however, content analysis, with a close examination of corporate CSR rhetoric, is still a good starting point for understanding how firms (i) perceive CSR, (ii) explain their CSR actions, and (iii) hope to be represented (e.g., via their corporate identities).

Letters written by chief executive officers (CEOs)—which are generally found at the beginning of CSR reports—were chosen to be examined (via content analysis) for the following reasons:[72] (i) these letters are publicly available, written records with some level of sincerity (because firms are held accountable for them); (ii) they are representative media (showing how key decision-makers, within a firm, perceive CSR and justify their

[71] Among the studies that apply constructivism and world polity theory to such contexts (i.e., global CSR movements), a study done by Hofferberth et al. offers particularly good insights for this empirical research. They utilized corporate annual and CSR reports to analyze corporate motivations for pursuing CSR activities, assuming that "an analysis of corporate rhetoric bears implications for their actions" (Hofferberth et al. 2011).; NVIVO (a program software for content analysis) is utilized for this research.

[72] In some cases, a letter might be written by a member of a firm's board of directors (or another major corporate decision-maker). These letters are usually found in the beginning of CSR reports—probably since most major reporting guidelines suggest doing so. As mentioned, there is a possibility of data bias since the data set is formed from CEO letters that typically appear in CSR reports (which tend to focus more on environmental and social vs. financial and rational aspects).

CSR actions); and (iii) corporate motivations, for making any change, generally depend largely on the primary motivations of major decision-makers (Dufays 2005, 7). Thus, CEO letters yield understandings of CSR-related corporate perceptions. In addition, an analysis of the letters is expected to clarify how the firms present themselves to the public (i.e., as economic (via the pursuit of profit maximization) or social beings).

Therefore, the firms (via their CEO letters) would explain their CSR engagement (and the fact that they perceive themselves as social beings) by referring to certain related concepts (e.g., morality, community, social expectations and roles). However, when they focus more on concepts like advantages, profits, and costs, they would be interpreted as identifying themselves as rational (economic) beings. In order to examine these different corporate identities and CSR motivations—and to code them via their correlations with the collected CEO letters—two groups of keywords are categorized accordingly (seen in Table 3 below). These keywords are chosen based on (i) literature and (ii) conceptual definitions of the two identities.

Table 3. Coding for Research Model 3

Code: Business Identity	Keyword
Rational identity	Advantage; competition; profits; benefits; growth; cost; cost reduction; survival
Social identity	Community; society; role; citizen; poverty; culture; morality; social expectation

While these identity categories are divided for theoretical purposes, they oftentimes overlap empirically (Hofferberth et al. 2011). For example, a number of firms would likely present as both economic and social beings (H3c). In addition, the length of the letters differs with each firm; thus, while some letters are fairly lengthy, others are shorter. This means that counting the absolute number of keywords could distort the analysis. Due to these reasons, this research does not compare absolute numbers; instead, it uses the percentages of phrases associated with the two identities in order to determine the greater focus of each firm (i.e., as a rational or social being). Comparisons based on different timeframes (i.e., early, mid, and mature stages) would also help to clarify how the corporate identities (and perspectives) have changed over time (H3d).

The research methods for the three research models were previously explained and data sets are formed to conduct actual analyses (on the research models). The following section details the data selection criteria, data sources, and data collection methods for each research model.

Data Collection

Efforts have been made to create comprehensive data sets that examine the aforementioned research models. For each research model, three sets of cross-sectional data are formed based on three different years and thus stages of development of global CSR governance (in order to reflect changes over time): 2004 (an early stage), 2008 (a mid stage), and 2012 (a mature stage).[73] As explained, the primary unit of analysis is a corporation. Five hundred corporations listed on the Fortune Global 500—published in 2005, 2009, and 2013 ranked based on the earlier year data—are selected as the main source (of the data sample), making 500 a primary sample size in the three selected years for the data sets (see Appendix 2 for the list of firms used as the research sample). The Fortune Global 500 list—a ranking of the top 500 largest MNCs—is chosen because it (i) is a representative data source and widely used by scholars for global-level studies on corporations,[74] (ii) publishes rankings every year (based on the prior year's corporate revenues), and (iii) includes most major global firms (in various industries). These MNCs represent firms with the largest numbers of economic and political interests in global CSR governance (neo-Gramscian theory) and the most central locations in the world polity. Thus, this sample representing major corporate actors is expected to generate a comprehensive understanding of the major participatory differences of MNCs in the context of global CSR governance.

Table 1 contains the indicators for Research Model 1, with (i) corporate-level factors (e.g., firm-related revenue and brand power ranking), (ii) regional factors (e.g., regional categories including Europe and North America), and (iii) control variables (i.e., number of employees, age, and firm-related net incomes). There is a possibility of

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[73] Inclusion of data from the year 2008 has a dual purpose: one, the 2008 data can be a good comparison point (with the earlier and later stage) in order to identify general patterns (if there are any); the other purpose is to see if there was any impact from the global financial recession (year 2007-2008) on corporate participation in global CSR governance.

[74] http://fortune.com/global500/

multicollinearity among some of the variables (A VIF test can detect the potential multicollinearity problem and remedies can be applied, if detected).[75] As explained, the dependent variable for Research Model 1 is corporate participation in global CSR governance (using a dichotomous variable). Membership in any of the three major global CSR organizations (i.e., the UNGC, GRI, and WBCSD) enables measurement of the dependent variable.[76] The data sources (associated with these variables) are summarized in Table 4 below.

Table 4. Data Sources for Research Model 1

Variable	**Indicator**	**Data Source**
Dependent variable	Participants (1)/ Nonparticipants (0)	Member lists of UNGC, GRI, and WBCSD
Independent variable [Corporate-level factors]	Revenue	Fortune Global 500 data Corporate financial and social reports
	Brand power ranking	Interbrand's Best Global Brands 100[77] (http://www.bestglobalbrands.com)
	Industry category	Revised categories (from Fortune Global 500 industry categories)
Independent variable [Regional factors]	Europe	Revised from UNDP regional category (Europe)
	North America	Revised from UNDP regional category (North America)

[75] For example, firms with higher revenue tend to generate more income and be more brand-sensitive.

[76] These three organizations are chosen to measure the dependent variable (from a number of international and transnational CSR organizations) for several reasons: (i) relative longevity (since they were established 10 or more years ago), (ii) extensive membership structures (across borders and industries), (iii) well-established global presences, and (iv) the popularity of their rules and policies (which have been adopted by many MNCs).

[77] This brand ranking (i.e., top 100 global brands), published by Interbrand, is considered to be the most renowned and cited ranking (among others) measuring brand sensitivity.

Control variable	Age	Calculated since the establishment year (of the firm) from Fortune Global 500 data
	Number of Employees	Fortune Global 500 data Corporate financial and social reports
	Net income	Fortune Global 500 data Financial and social reports of corporations

Research Model 2 indicators are shown in Table 2. The same dependent variable is used: corporate participation in the three major global CSR organizations. Also, two sets of independent variables are utilized: one is composed of corporate behaviors intended to institutionalize CSR (e.g., reporting CSR activities online, building CSR expertise, setting a code of conduct, and publishing CSR reports (Analysis C)) and the second set is composed of actual CSR practices in a variety of areas (e.g., environmental protection, employee welfare, community development, anticorruption, partnership programs, and stakeholder engagement (Analysis D)). Due to data availability, only activities reported within CSR (and similar types of) reports are considered for Analysis D. The sample size of Analysis C is 1,500 and includes lists of Fortune Global 500 firms for three different years. The Analysis D sample size is smaller (i.e., 215 companies in 2004, 330 in 2008, and 351 in 2012) as it is limited to firms that publish CSR reports. Table 5 (below) shows the data sources for these variables.

Table 5. Data Sources for Research Model 2

Variable	Indicator	Data source
Analysis C Independent variable	CSR web pages	Corporate websites
	CSR department/CSR experts	Corporate websites CSR reports/annual reports
	Code of conduct	Corporate websites CSR reports/annual reports
	CSR report	Corporate websites
Analysis D Independent variable	(D-1) activity areas: environment, employee engagement, community development, anticorruption, partnership program, and stakeholder engagement	CSR reports
	(D-2) Degree of comprehensiveness	CSR reports

Research Model 3 examines the CSR rhetoric of corporations. CSR reports comprise the main data source, along with other types of corporate reports with information on social and environmental activities that were published by firms listed on the Fortune Global 500 (Global 500) in the three aforementioned years. As explained earlier, the content analysis (for Research Model 3) focused on letters in the CSR reports that were generally written by CEOs.[78] The sample size for each of the data sets is 191 letters for 2004, 289 for 2008, and 323 for 2012 (since this research only includes CSR reports that contain such letters).

There are some data limitations herein associated with data availability and accessibility. Data had to have been attainable via online sources (e.g., websites and online CSR reports) in order to be included in the data sets. Onsite observations, interviews, and surveys could indeed generate more in-depth studies on various corporate CSR motivations; however, the more extensive sample size and methodologies would have

[78] The names of these letters (e.g., CEO message, executive message, and executive letter) vary by firm and they are usually written to stakeholders; however, they are sometimes written for shareholders or the general public.

exceeded the current study's resources and timeframes. There is also an issue of data reliability. While CSR reports describe a variety of self-reported, firm-related activities, the implementation of such activities cannot be easily tracked and confirmed. For this reason, third-party reviews and certifications are often required to confirm the reliability and validity of these reports. Thus, the creation of a data set with an array of secondary data seems to be the best alternative for this research. Also, the data sets have (i) been designed to be optimized (i.e., complete and comprehensive) via collections of available data and (ii) enabled analyses utilizing both the multivariate logistic regression model and content analysis method. The following chapter discusses the findings of these analyses.

CHAPTER 6: Research Findings

This chapter presents the research findings, following analyses of Research Models 1, 2, and 3. The aforementioned data sets were constructed with data collected from various sources; multi-level, multi-dimensional analyses were conducted based on the research designs described herein; and three organizations were identified as the most prominent global CSR organizations (i.e., the UNGC, GRI, and WBCSD), based on preliminary research that was conducted to identify the main organizational actors and understand how global CSR governance has been structured. These organizations are also the most influential world polity agents (according to the world polity perspective) and form and disseminate norms and values (that are subsequently embedded in CSR policies). Thus, memberships in these three organizations (i.e., the UNGC, GRI, and WBCSD) are utilized to measure the dependent variable (participants/nonparticipants in global CSR organizations) in this dissertation research, which represents the activeness of corporate participation in global CSR governance. Based on these preliminary research findings, analyses (associated with Research Models 1, 2, and 3) are conducted. The following section explains the results of the descriptive analysis associated with the data sets.

Descriptive Analysis

As previously explained, comprehensive data sets have been constructed in order to examine the aforementioned research hypotheses (which are based on the theoretical framework described herein). Three sets of data—based on three different time points (i.e., 2004, 2008, and 2012)—have been utilized to examine changes over time; 324 firms were listed in all three years.[79] A basic unit of analysis is a corporation; the 500 MNCs listed on the Global 500—at the three different times—compose the primary data set sample. A summary of the descriptive analysis, associated with the data sets for the logistic regression models (Research Models 1 and 2), is shown in Table 6 (2004), Table 7 (2008), and Table 8 (2012) below. As noted, one variable among others is only included in the 2012 data set (i.e., the specialized CSR web pages of a firm)—due to the inability to check for CSR web pages in 2004 and 2008 (at the time this research was conducted (Research Model 2)).

[79] Some (vs. these 324) firms are listed only one time and others are listed twice (in association with the three different years). If a firm was merged with (or acquired by) another firm during this time, the larger firm (in terms of revenue) is considered to be counted in the number of firms listed in all three years. For example, Suez, DaimlerChrysler, Arcelor, and UFJ Holdings (listed in 2004) were merged with or demerged from GDF Suez, Daimler, Arcelor Mitter, and Mitsubishi UFJ Financial Group in 2008 and 2012.

Table 6. Descriptive analysis of Research Models 1 and 2 (2004)

Variable		Mean	Std.dev.	Number	Percentage
Dependent variable	Participant			155	31.00
	Non-participant			345	69.00
Control variable	Age	89.49	67.40579		
	Number of Employees	94664.49	132422.1		
	Net Income ($M)	1859.052	3199.515		
Research Model 1					
Revenue ($M)		33596.17	33801.53		
Top Best Brand 100	Ranked			58	11.60
	Not ranked			442	88.40
Industry category	Energy & Retail			90	18.00
	Finance			112	22.40
	Manufacturing			163	32.60
	Others			135	27.00
Region	Europe			173	34.60
	North America			190	38.00
	Others			137	27.40
Research Model 2					
CSR department/CSR experts				136	27.20
Code of conduct				463	92.60
Publication of CSR reports				215	43.00
CSR activity reported in CSR reports	Employee welfare			196	39.20 (91.16)[80]
	Environment			213	42.60 (99.07)
	Community development			199	39.80 (92.56)
	Anticorruption			50	10.00 (23.26)
	Partnership program			160	32.00 (74.42)
	Stakeholder engagement			135	27.00 (62.79)
	Comprehensiveness	1.906 (4.349)	2.326368 (1.344489)		
	Adoption of major standards			122	24.40 (56.74)
	GRI guideline adoption			122	24.40 (56.74)
	Third-party verification			86	17.20 (40.00)

[80] Numbers in the parentheses are percentages by total number of companies published CSR reports.

Table 7. Descriptive analysis of Research Models 1 and 2 (2008)

Variable		Mean	Std.dev.	Number	Percentage
Dependent variable	Participant			238	47.60
	Non-participant			262	52.40
Control variable	Age	76.79	63.86153		
	Number of Employees	112060.6	165466.6		
	Net Income ($M)	1699.206	6513.543		
Research Model 1					
Revenue ($M)		50350.94	50016.56		
Top Best Brand 100	Ranked			57	11.40
	Not ranked			443	88.60
Industry category	Energy & Retail			97	19.40
	Finance			101	20.20
	Manufacturing			172	34.40
	Others			130	26.00
Region	Europe			180	36.00
	North America			157	31.40
	Others			163	32.60
Research Model 2					
CSR department/CSR experts				269	53.80
Code of conduct				469	93.80
Publication of CSR reports				330	66.00
CSR activity reported in CSR reports	Employee welfare			317	63.40 (96.06)
	Environment			326	65.20 (98.78)
	Community development			312	62.40 (94.55)
	Anticorruption			121	24.20 (36.67)
	Partnership program			285	57.00 (86.36)
	Stakeholder engagement			253	50.60 (76.67)
	Comprehensiveness	3.228 (4.876)	2.497296 (1.171996)		
	Adoption of major standards			235	47.00 (71.21)
	GRI guideline adoption			234	46.80 (70.91)
	Third-party verification			163	32.60 (49.39)

Table 8. Descriptive Analysis of Research Models 1 and 2 (2012)

Variable		Mean	Std.dev.	Number	Percentage
Dependent variable	Participant			247	49.40
	Non-participant			253	50.60
Control variable	Age	75.344	63.1919		
	Number of Employees	129755.9	174644.8		
	Net Income ($M)	3081.671	5957.292		
Research Model 1					
Revenue ($M)		60609.86	56965.8		
Top Best Brand 100	Ranked			55	11.00
	Not ranked			445	89.00
Industry category	Energy & Retail			93	18.60
	Finance			108	21.60
	Manufacturing			173	34.60
	Others			126	25.20
Region	Europe			144	28.80
	North America			144	28.80
	Others			212	42.40
Research Model 2					
CSR web page [81]				437	87.40
CSR department/CSR experts				312	62.40
Code of conduct				445	89.00
Publication of CSR reports				351	70.20
CSR activity reported in CSR reports	Employee welfare			341	68.20 (97.15)
	Environment			347	69.40 (98.86)
	Community development			346	69.20 (98.58)
	Anticorruption			219	43.80 (62.39)
	Partnership program			325	65.00 (92.59)
	Stakeholder engagement			290	58.00 (82.62)
	Comprehensiveness	3.736 (5.319)	2.579848 (1.025757)		
	Adoption of major standards			276	55.20 (78.63)
	GRI guideline adoption			274	54.80 (78.06)
	Third-party verification			200	40.00 (56.98)

[81] As explained, this variable is only included in the 2012 data set.

The three tables above show the means and standard deviations of the continuous variables, and total numbers and percentages of the dichotomous or categorical variables. Comparisons among these three tables yield an understanding of (i) how the listed firms are characterized, (ii) how they have acted on (or not acted on) global CSR movements, and (iii) how their CSR-related behaviors have changed over time. Furthermore, the results of the descriptive analysis partly prove some of the assertions of constructivism and world polity theory.

As seen in the three tables above, the total number of participating firms (in the three global CSR organizations) is increasing over time (i.e., 155 firms in 2004, 238 firms in 2008, and 247 firms in 2012). While less than one-third of the listed firms were members of the organizations in 2004, almost half of the listed firms were participating in at least one of the three major organizations by 2012. This suggests that more and more MNCs are actively participating in global CSR governance over time.

Figure 6 (below) shows changes in the total number of participants among the listed firms, in each of the three global CSR organizations (the number of organizational stakeholders for the GRI case). The total numbers of participating firms in the UNGC and GRI are growing over time; however, the number of WBCSD members (among the listed firms in 2012) has slightly diminished (vs. the figures in 2008).

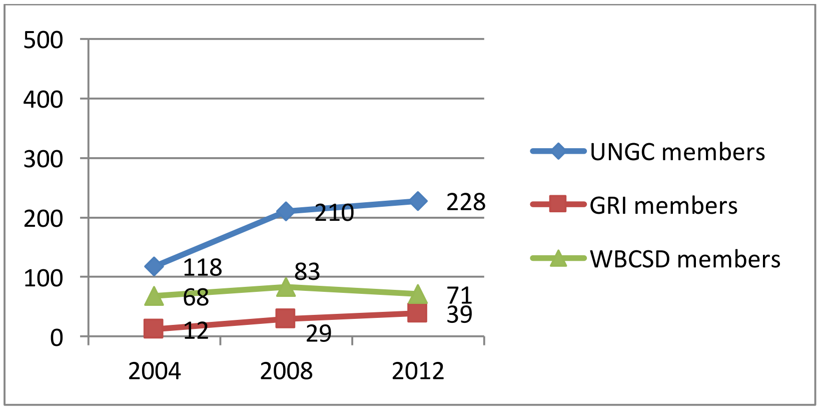


Figure 6. Number of participants [82]

While the average revenue of the listed firms has been continuously increasing (i.e., $33,596 million in 2004, $50,350 million in 2008, and $60,609 million in 2012), the average net income in 2008 is lower vs. in 2004 (i.e., $1,859 million in 2004 vs. $1,699 million in 2008). This decline (i) becomes even more remarkable when juxtaposed with the rate of inflation over the years, (ii) may be explained as a possible negative effect of the 2007-2008 global financial crisis on the revenues of many MNCs, and (iii) is one reason that the 2008 data set is included (i.e., in order to see if there is any impact of the global economic downturn on the CSR behaviors of MNCs and their participation in global CSR governance).

Additionally, it seems that the infusion of relatively young Chinese firms onto the Global 500 list more recently has lowered the average age of listed firms over time (i.e., 89.49 in 2004, 76.79 in 2008, and 75.34 in 2012). Approximately 11 percent of the listed

[82] Some firms participate in more than one of the three organizations.

firms were also included in the Interbrand Best Global Brands ranking during this timeframe.

Figure 7 (below) shows the regional compositions of the listed firms in the three different years. Approximately one-third are headquartered in Europe, another third are in North America (i.e., the United States and Canada), and the remaining are in other regions (e.g., Asia, South America, and Oceania).[83] While the regional composition has been relatively steady over time, the most recent data (2012) indicate that the composition has slightly changed. The percentage of "others" significantly grew—seemingly due to the rapid growth of Chinese firms and their growing prominence on the Global 500 list.

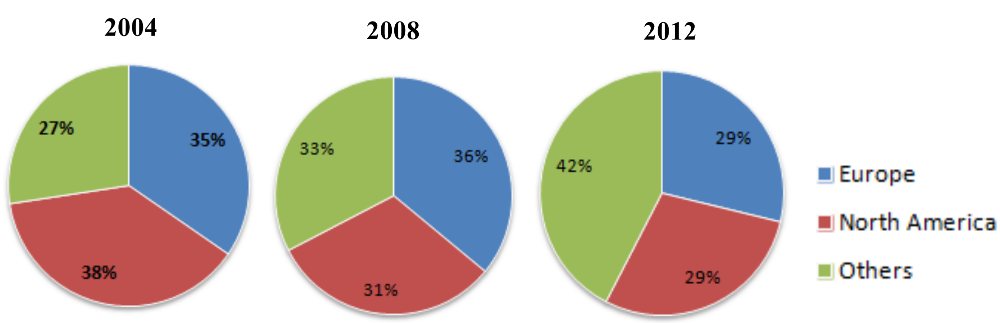


Figure 7. Regional Composition of Listed Companies

[83] This regional category is made to test H2c.

For the purpose of this study, the Fortune Magazine industry categories have been reorganized into just four groups: (i) energy and retail, (ii) finance, (iii) manufacturing, and (iv) others.[84] The industry compositions are fairly evenly distributed among the listed firms over the years. A comparison of industry compositions is shown in Figure 8 (below): manufacturing constitutes the majority (consisting of about one-third of listed firms) and finance is the second largest. Furthermore, this categorization assumes that the energy and retail sectors have greater interest in CSR (vs. the finance sector).[85]

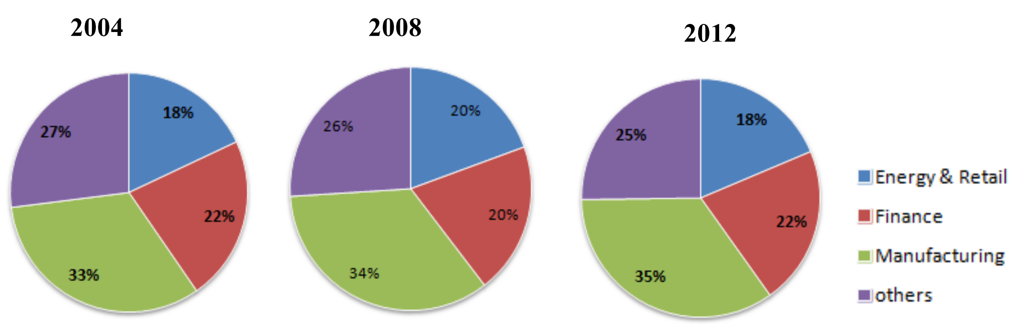


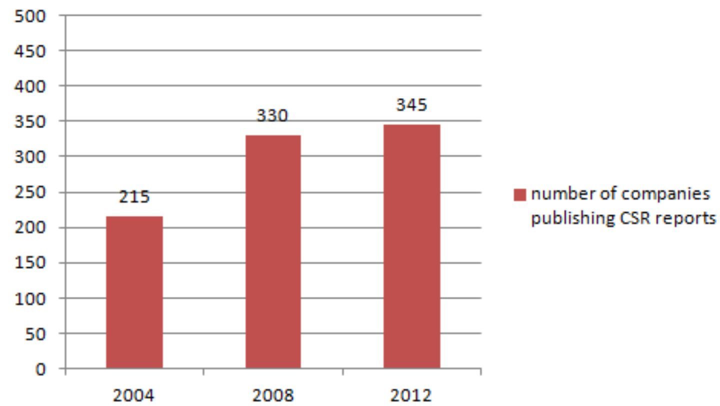
Figure 8. Industry Composition of Listed Companies

[84] Manufacturing and finance are the two largest industries and also believed to be less responsive to external criticism. Energy and retail are combined in one category and believed to have higher interests in CSR (vs. other industries).

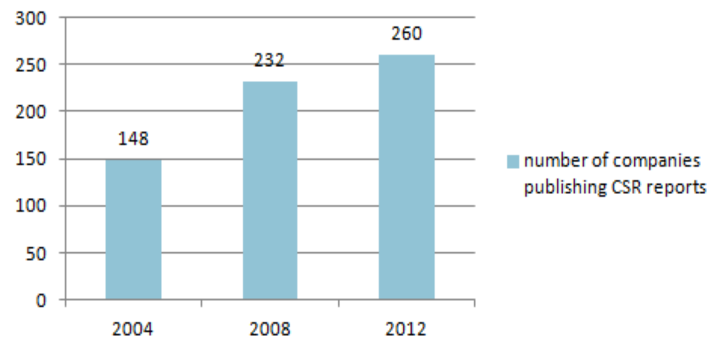
[85] Firms in the energy sector (e.g., oil and gas firms) have been the main targets of civil activists and NGOs and are primarily associated with environmental destruction. In order to change their bad images, big energy companies have actively engaged in environmental activities. Also, firms in the retail industry would be more attuned to their corporate images and reputations. Therefore, it is hypothesized that firms in these (vs. other) industries would be more interested in CSR.

The results of the descriptive analysis (on institutional CSR behaviors of firms) provide a good overview of the extent that listed firms have been institutionalizing CSR, in accordance with global CSR models. The numbers of listed firms with specialized CSR departments (or CSR experts) are growing over time (i.e., 136 in 2004, 269 in 2008, and 312 in 2012). Also, more than 90 percent of the listed firms have maintained an associated code of conduct throughout the years. Based on the 2012 data, approximately 87 percent of the listed firms have arranged separate CSR web pages on (or connected to) their corporate websites. Thus, it is fair to conclude that building CSR expertise, setting a code of conduct, and reporting CSR activities online are common institutional behaviors (among the listed firms).

The number of firms publishing CSR (or similar kinds of) reports has been growing over time as well (Figure 9). This growth is even more apparent with the 324 firms listed in all three years (Figure 12b). For example, approximately 70 percent of the listed firms (and 80 percent of the firms listed in all three years) published CSR reports in 2012. This suggests that most of the major MNCs are publishing CSR reports or reporting their CSR activities in their annual reports. Thus, publishing CSR reports is a common practice for big businesses.



a. Among all 500 listed companies



b. Among firms listed in all three years

Figure 9. The number of firms publishing CSR report

As explained, the most typical way for firms to clarify their CSR practices is via CSR reports (or similar types of reports delineating firm-related social and environmental activities);[86] however, firms also utilize other media (e.g., company websites, public

[86] Corporate websites often have pages that briefly explain their CSR activities; however, details of these activities are usually described in their CSR reports. In most cases, CSR (and similar kinds of) reports can be downloaded via these web pages.

relations (PR) materials, and advertisements) to inform shareholders, stakeholders, and the public of such practices. Thus, CSR reports provide an understanding of how firms act on global CSR movements and how these practices change over time.

As explained, activities reported in CSR reports are divided into six topic areas: (i) employee welfare, (ii) environment, (iii) community development, (iv) anticorruption, (v) partnership programs, and (vi) stakeholder engagement. These categories have become the most common CSR topic areas—defined and expanded by the development of various global CSR guidelines and standards. Figures 10 to 15 (below) show changes in the percentages of firms specifying their CSR activities in the chosen areas—among all 500 listed companies and only those firms publishing CSR reports.[87]

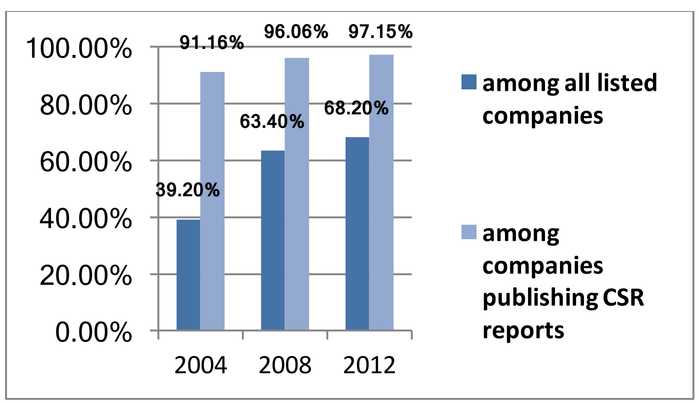


Figure 10. Rate Reporting Employee Welfare Activities

[87] It is noted that firms that take on activities in the six categories, but do not report them, are not included.

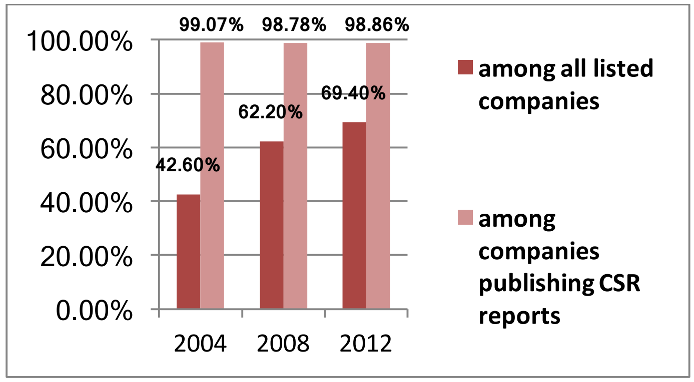


Figure 11. Rate Reporting Environmental Activities

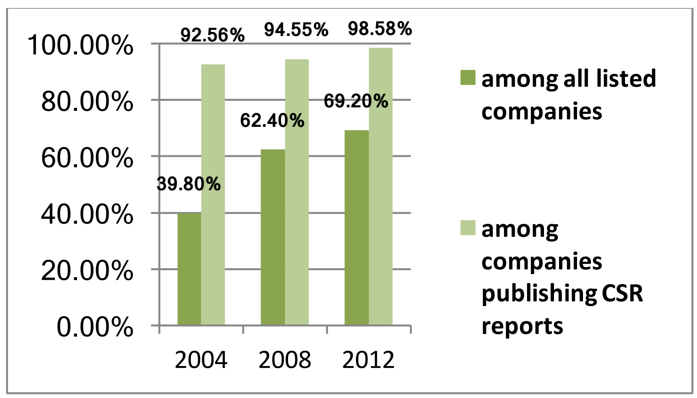


Figure 12. Rate Reporting Community Development Activities

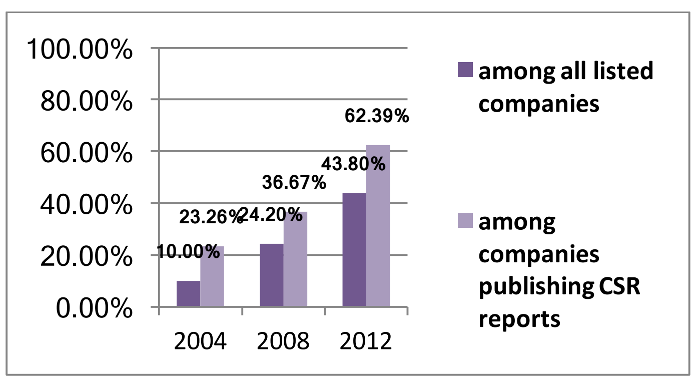


Figure 13. Rate Reporting Anticorruption Activities

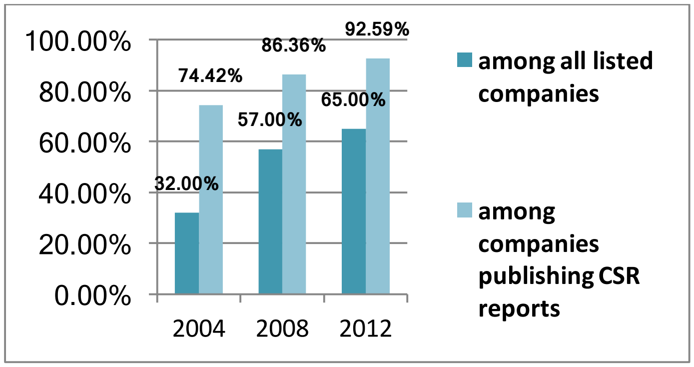


Figure 14. Rate Reporting Partnership Programs [88]

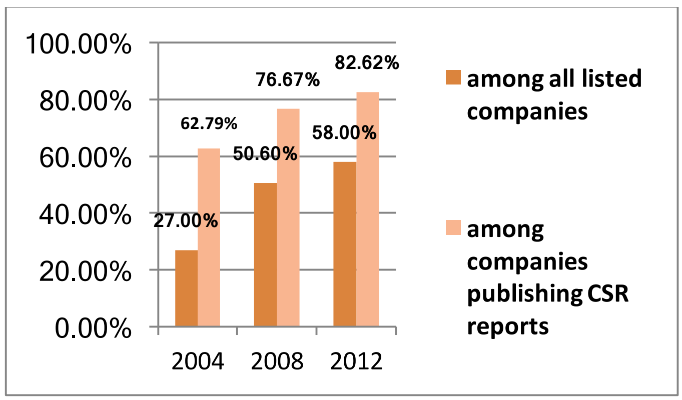


Figure 15. Rate Reporting Stakeholder Engagement Activities[89]

The six figures (above) show that more and more firms report activities in a variety of CSR areas. Indeed, most of the listed firms with CSR reports specified CSR activities in most of the six areas by the year 2012. Over 90 percent of firms publishing CSR reports

[88] "Partnership program" refers to any of the collaborative programs of a firm (e.g., with governmental entities, NGOs, and other firms).

[89] Activities in stakeholder engagement typically include meetings and conferences with stakeholders and/or getting feedback from stakeholders on various business operations.

indicated the presence of activities in the most common areas (i.e., employee welfare, environment, and community development) in their reports.

Anticorruption is a noteworthy category. Approximately 23 percent of firms publishing CSR reports (i.e., 10 percent of the 500 listed companies) reported the presence of anticorruption activities in 2004; however, this figure almost tripled in 2012. The low percentage in the earlier year, and subsequent rapid growth, seem to be influenced by the more recent global recognition of its importance (which is evidenced in the latest addition of the 10th Principle of the UNGC in 2004). Figure 16 shows the percentage of firms reporting all six categories of CSR activities.

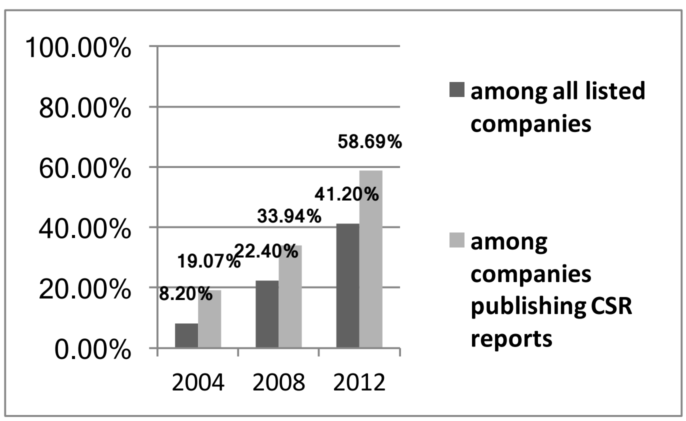


Figure 16. Rate Reporting Activities in All Six Areas

More than half of the firms publishing CSR reports stated their activities in all six areas in 2012. The 2012 figure of approximately 60 percent (vs. 19 percent in 2004) is remarkably high. The comprehensiveness variable, associated with CSR practices over this timeframe, is depicted below. Firms publishing CSR reports specified their CSR activities in four different areas in 2004 (4.35) and over five areas in 2012 (5.32)—on average. The changes in average scores of comprehensiveness (scale from zero to six) are shown in Figure 17 below.

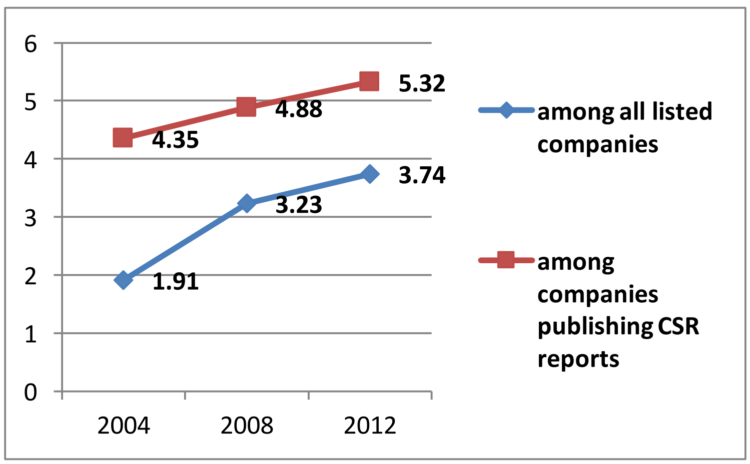


Figure 17. Average Score of Comprehensiveness

These figures, describing corporate CSR practices (Figures 10 to 17), suggest that (i) an increasing number of firms are implementing a variety of CSR activities in a more generalized way and (ii) the scope of CSR activities has also broadened over time. While most firms heavily focused on environmental and employee-welfare activities in 2004, the majority of firms implemented activities in a greater number of areas in 2012. Based on these findings, it is logical to conclude that the CSR activities of major MNCs have become more comprehensive and universal over time; however, in business and academia, there are still conceptual debates over the definition and scope of CSR. Nevertheless, in practice, CSR activities seem to have become better defined and universally generalized.[90] Indeed, it seems that the aforementioned six areas have been generally recognized and accepted by major MNCs as core areas of CSR.

A few additional details, associated with the CSR reports, have also been analyzed. Figure 18 (below) shows the percentage of firms confirming references to key global CSR standards (e.g., UNGC principles, GRI guidelines, and the WBCSD action plans) in their CSR reports (among the firms publishing CSR reports). GRI guidelines are the most popular standards among the major global CSR standards. Figure 19 shows changes in the percentages of firms adopting GRI guidelines (as reflected in their CSR reports). In 2004, approximately 50 percent of the firms that published CSR reports refered to GRI guidelines; however, this number has grown to almost 80 percent in 2012. This can be interpreted that the GRI guidelines have become the most common reporting reference for firms that prepare CSR reports.

[90] Actual CSR programs implemented by firms—even in the same topic areas—can vary; however, this research does not track these programs.

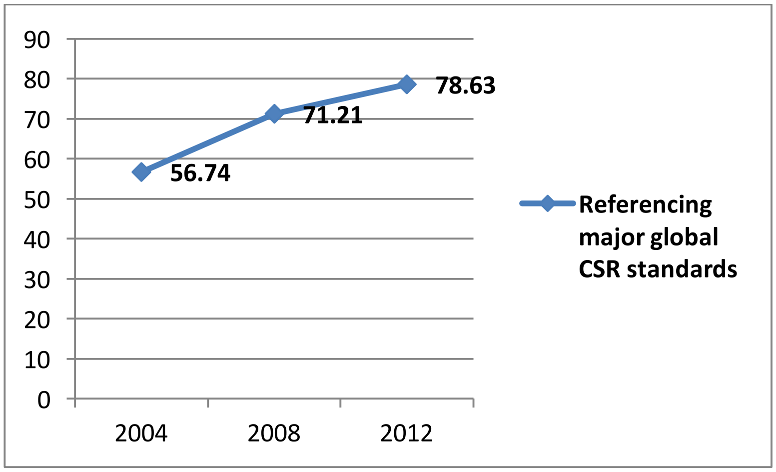


Figure 18. Percentage Referencing Major Global CSR Standards

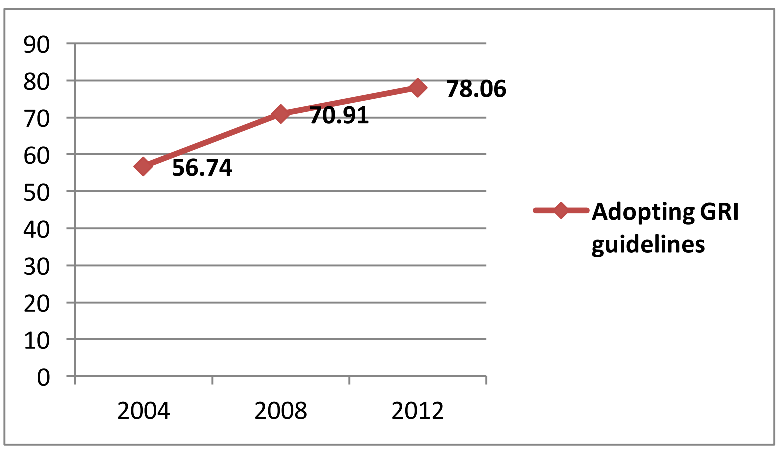


Figure 19. Percentage Adopting GRI guidelines

Thus far, the results of the descriptive analysis associated with the data sets—constructed for the logistic regression analysis (Research Models 1 and 2)—are explained. In sum, the descriptive analysis (on institutional and practical CSR behaviors) confirms that some assertions of constructivism and world polity theory are valid. Indeed, more and more MNCs are participating in global CSR governance over time and their CSR actions have become more generalized and universal. By 2012, the majority of listed companies had established CSR departments, set codes of conduct, developed CSR websites, published CSR reports, adopted global CSR standards, and operated activities in such areas as employee welfare, environment, community development, anticorruption, partnership programs, and stakeholder engagement. The logistic regression analysis, associated with these CSR behaviors, is expected to confirm these findings in a more concrete way (Research Model 2). The results are discussed in a later section.

The data collected for Research Model 3 consist of the CEO letters (contained in the CSR reports of Global 500 firms). A summary of the descriptive analysis (associated with this data set) is shown in Table 9 (below).

Table 9. Descriptive Analysis of Research Model 3

	2004		**2008**		**2012**	
	Number	**%**	**Number**	**%**	**Number**	**%**
Firms publishing CSR reports	215	100.00	330	100.00	351	100.00
CSR reports of participants	94	43.72	200	60.61	233	66.38
CSR reports of non-participants	121	56.28	130	39.39	118	33.62
	Number	**%**	**Number**	**%**	**Number**	**%**
CEO letters found in CSR reports	191	100.00 (88.84)[91]	289	100.00 (87.58)	323	100.00 (92.02)
CEO letters of participants	83	43.46 (88.30)[92]	176	60.90 (88.00)	217	67.18 (93.13)
CEO letters of non-participants	108	56.54	113	39.10 (86.92)	106	32.82 (89.83)

[91] Number in the parentheses (in this row) is the percentage of CSR reports published by listed firms.
[92] Number in the parentheses (in this row) is the percentage of CSR reports published by participating firms.

		(89.26)[93]				

As seen in the table above, approximately 90 percent of the CSR reports (published by the Global 500 firms) contain CEO (or similar types of) letters.[94] This suggests that the inclusion of such letters in a CSR report is a common business practice of major MNCs. Indeed, there are no significant differences between participating and non-participating firms at the three different times in terms of the inclusion rate; however, the rate is slightly lower in the year 2008 (vs. 2004) and it peaked in 2012.[95] As hypothesized in an earlier chapter, there would be differences in corporate identity (i.e., between participants and non-participants) and at different times. The content analysis, associated with the CEO letters, would show whether these hypotheses are supported. Research findings, associated with this content analysis, are explained in a later section.

Findings of the descriptive analysis (associated with the aforementioned data sets) show a general picture of global CSR governance and how institutional and practical CSR behaviors (of Global 500 firms) have changed over the selected years. An aforementioned limitation is the lack of knowledge about whether firms follow through on activities described in their CSR reports (due to the inherent difficulty in tracking and confirming all of the CSR activities of the listed firms). Nonetheless, the logistic regression analyses are

[93] Number in the parentheses (in this row) is the percentage of CSR reports published by non-participating firms.
[94] Examining the percentage numbers in parentheses, this trend is found with both participating and non-participating firms in major global CSR organizations. Regardless of participation, most MNCs contain CEO letters in their CSR reports.
[95] A comparison of the numbers in parentheses.

expected to offer more insights on the impacts of various factors on corporate participation in global CSR governance. The findings of the logistic regression analysis are discussed in the following section.

Logistic Regression Analysis

1. Results of Research Model 1

Research Model 1 is designed to examine the impacts of corporate and regional factors on corporate participation in global CSR governance. Logistic regression analysis is conducted because the dependent variable is a dichotomous variable; the two selected categories are participating companies (1) and non-participating companies (0) (in the three prominent global CSR organizations). The explanatory variables are (i) revenue, brand ranking, and industry categories (as corporate factors) (H1) and (ii) the three regional categories (as regional factors) (H2). Age, number of employees, and net income of a firm are used as control variables.

There are two versions of data sets: (i) one is composed of all firms listed on the Global 500 in the three different years (500 companies in each year) and (ii) the other version is composed of those firms listed in all three different years (324 firms) with an expectation of drawing enhanced comparisons among the different years. According to these different versions (of the data sets), two regression analyses (Analyses A and B) are conducted. The tables below (Tables 10 and 11) summarize the results of the regression analysis for Research Model 1.

[Research Model 1]

Table 10. Analysis A: Listed Companies

	2004		2008		2012	
Variable	**Coef.**	**P>|z|**	**Coef.**	**P>|z|**	**Coef.**	**P>|z|**
Revenue ($mil)	1.07e-06	0.164	**2.48e-06**	**0.000*****	**1.52e-06**	**0.002*****
Brand sensitivity	**0.1514936**	**0.016*****	**0.1538493**	**0.021*****	**0.2820239**	**0.000*****
Industry: Finance	**-0.1094812**	**0.043*****	**-0.1380729**	**0.023*****	**-0.1419587**	**0.015*****
Industry: Manufacturing	0.919866	0.056*	-0.0279939	0.590	-0.0368726	0.470
Industry: Energy & Retail	-0.567913	0.313	**-0.1861928**	**0.003*****	-0.0812435	0.184
Region: Europe	**0.2858619**	**0.000*****	**0.2133801**	**0.000*****	**0.2788076**	**0.000*****
Region: North America	**-0.1509324**	**0.001*****	**-0.2512363**	**0.000*****	**-0.3045624**	**0.000*****
Age	0.000409	0.141	0.0006131	0.058*	**0.000989**	**0.002*****
Number of Employees	2.03e-07	0.198	**-2.99e-07**	**0.028*****	**-4.31e-07**	**0.001*****
Net income ($mil)	0.0000139	0.061*	1.61e-06	0.625	6.93e-06	0.088*
[goodness-of-fit]	N = 500 Prob>Chi2 = 0.0000[96] Pseudo R2 = 0.2354		N = 500 Prob>Chi2 = 0.0000 Pseudo R2 = 0.2161		N = 500 Prob>Chi2 = 0.0000 Pseudo R2 = 0.2647	

* 10%, ** 5%, and *** 1% significance level. Emphasis added for the ones significant at 5% level.

Table 11. Analysis B: Companies Listed in All Three Years

[96] This means that at least one variable has a significant relationship between revenue and participation.

	2004		2008		2012	
Variable	**Coef.**	**P>|z|**	**Coef.**	**P>|z|**	**Coef.**	**P>|z|**
Revenue ($mil)	8.50e-07	0.323	**2.28e-06**	**0.000*****	**1.13e-06**	**0.022*****
Brand sensitivity	0.1024071	0.168	0.1270687	0.070*	**0.2278693**	**0.001*****
Industry: Finance	-0.1099184	0.118	-0.1342063	0.054*	**-0.1566503**	**0.020*****
Industry: Manufacturing	0.1144667	0.068*	0.0058388	0.925	-0.1314502	0.598
Industry: Energy & Retail	-0.0608123	0.402	**-0.179443**	**0.016*****	**-0.1633581**	**0.022*****
Region: Europe	**0.3584901**	**0.000*****	**0.2375473**	**0.000*****	**0.1944379**	**0.001*****
Region: North America	**-0.1647283**	**0.006*****	**-0.3117999**	**0.000*****	**-0.4184919**	**0.000*****
Age	0.0005551	0.122	0.0006293	0.078*	0.0005532	0.106
Number of employees	1.10e-07	0.522	**-3.08e-07**	**0.021*****	**-3.89e-07**	**0.004*****
Net income ($mil)	0.000012	0.184	-1.74e-07	0.963	6.64e-06	0.112
[goodness-of-fit]	N = 324 Prob>Chi2 = 0.0000 Pseudo R2 = 0.2649		N = 324 Prob>Chi2 = 0.0000 Pseudo R2 = 0.3036		N = 324 Prob>Chi2 = 0.0000 Pseudo R2 = 0.3443	

* 10%, ** 5%, and *** 1% significance level. Emphasis added for the ones significant at 5% level.

Based on the results shown in the tables above, some variables show significant relationships with the dependent variable.[97] In both analyses, the variable of revenue shows a positive correlation with the dependent variable in 2008 and 2012 at the five percent

[97] Results that are significant at the five percent level are marked in bold in the tables.

significance level.[98] This means that participating (vs. non-participating) firms, in the three major global CSR organizations, are likely to have higher revenues in both years. Thus, *H1a is supported*. Also, it is likely that the more (vs. less) economically affluent firms participate in global CSR governance more actively.

There is also a significant, positive relationship between brand sensitivity and corporate participation in global CSR governance (i) in all three years for Analysis A and (ii) in 2012 for Analysis B.[99] This suggests that participating (vs. non-participating) firms are likely to be more brand sensitive. In other words, it is likely that when firms are more (vs. less) focused on their brand images, they participate in global CSR governance more (vs. less) actively. Thus, *H1b is supported*.

Industry variables exhibit tricky results. The finance industry shows a negative relationship with the dependent variable (i) in all three years for Analysis A and (ii) in 2012 for Analysis B at the five percent significance level. This suggests that the firms, in this industry, participate in global CSR governance less actively (vs. firms in other industries). This industry category appears exactly as hypothesized, which makes sense since the financial industry is considered to be the most monetarily oriented and thus less likely to be interested in social and environmental matters (vs. other industries). In both analyses, the manufacturing industry fails to show any significant relationship with participation in any year.

[98] The 2004 data fail to show a significant relationship for both analyses at the 5 percent significance level.
[99] The 2008 data show a significant relationship between brand sensitivity and participation at the 10 percent significance level for Analysis B.

The industry category hypothesized to have a positive relationship with participation is the category of Energy and Retail; however, this result is the opposite of what is hypothesized. Indeed, the industry variable of Energy and Retail shows a *negative* relationship with participation in 2008 for Analysis A, and in 2008 and 2012 for Analysis B. This suggests that participating firms are less likely to be in the industry of energy and retail (vs. non-participants). Thus, *H1d is rejected*. There are several possible reasons for this seemingly contradictory result. One is that their higher industry-related sensitivities and stakes would deter them from making such global commitments since their risk of being accused by the public is also high. However, firms in these industries may simply prefer to implement CSR actions independently (vs. directly participating in collective platforms) so they can avoid increased social pressure via such participation. Another possibility is the issue of categorization; however, a more detailed specification of industries or a thorough re-categorization might solve this issue. Further research could clarify the correlations between different industries and corporate participation in global CSR governance.

In sum, Hypothesis 1 (about the impact of economic and political interests on corporate participation in global CSR governance) is partly supported by this analysis. Firms with higher (lower) revenue and/or brand sensitivity are more (less) likely to participate in major global CSR organizations. Furthermore, industry categories show tricky results. The industry with the lowest interest in CSR (Finance) and the industry with the highest interest (Energy and Retail) are both negatively correlated with participation. Further examination is necessary to clarify these industry effects. Nonetheless, neo-

Gramscian theory is effective at showing how certain impacts of economic and political interests motivate firms to participate in global CSR governance.

Both analyses of logit regression show significant impacts of regional factors (seen in the tables above). The regional variable of Europe shows a positive relationship with participation in both Analysis A and B throughout the years; however, the variable of North America shows a negative relationship throughout. These results suggest that participants in the three organizations are more likely to be headquartered in Europe and less likely to be headquartered in North America. Thus, both *H2a and H2b are supported*. This leads to a conclusion that regional culture does impact CSR participation of listed companies. Even though European and North American regions are considered to be more economically advanced and politically freer (vs. other regions), these two regions are culturally different (as explained earlier). The results prove the assertions of constructivism (that the social and cultural surroundings of an organization affect its behaviors). In short, Hypothesis 2 (that European firms are more likely to participate in global CSR governance and North American firms are less likely) is supported. Pseudo R^2 of Analysis B is generally higher throughout the years (vs. that of Analysis A). Thus, Analysis B (when utilizing only those firms listed in all three years as a sample) has greater explanatory power vs. Analysis A (with all listed firms).

2. Results of Research Model 2

Research Model 2 is designed to examine how the CSR behaviors of corporations differ between participants and non-participants in the three chosen global CSR organizations. In other words, this analysis examines whether major global CSR organizations can affect corporate institutional and practical CSR behaviors. Logistic regression method is also utilized for this model. Based on the two different categories of behavioral factors, two different analyses are conducted (Analysis C examining institutional CSR behaviors and Analysis D testing practical CSR behaviors). The sample sizes (N) of the two analyses are different since the second analysis only includes firms that published CSR reports in those selected years.

Analysis C examines factors indicating institutional CSR behaviors (e.g., publishing CSR web sites/pages,[100] establishing a specialized CSR department (or hiring CSR experts), setting a code of conduct, and publishing a CSR report). The results of this analysis (Analysis C) are shown in Table 12 (below).

Table 12. Analysis C: Institutional CSR Behaviors

	2004		**2008**		**2012**	
Variable	**Coef.**	**P>|z|**	**Coef.**	**P>|z|**	**Coef.**	**P>|z|**
CSR department/ experts	**0.1509208**	**0.009*** **	**0.2704681**	**0.000*** **	**0.2004055**	**0.001*** **
Code of conduct	-0.1158579	0.133	0.0376423	0.669	0.0588338	0.401
CSR report publication	**0.1541434**	**0.003*** **	**0.1861346**	**0.002*** **	**0.3673405**	**0.000*** **
CSR web pages					0.0334233	0.625
[goodness-of-fit]	N = 500 Prob>Chi2 = 0.0000		N = 500 Prob>Chi2 = 0.0000		N = 500 Prob>Chi2 = 0.0000	

[100] As mentioned, data on this variable are only included in the 2012 data set.

	Pseudo R2 = 0.0720	Pseudo R2 = 0.1676	Pseudo R2 = 0.2749

* 10%, ** 5%, and *** 1% significance level. Emphasis added for the ones significant at 5% level.

Seen in the table above, the results are similar throughout the three different years. Among these institutional CSR behaviors, the variables of CSR department (or hiring CSR experts) and CSR report show positive correlations with participation in global CSR organizations at the five percent significance level. This means that participating firms are more likely to have CSR departments in place and publish CSR reports (vs. non-participating firms). However, it fails to show significance in two other variables: code of conduct and CSR web pages. A possible reason for this failure is because most of the listed firms (whether they are participants or non-participants) already have codes of conduct and CSR web pages. The results fail to show if there have been noticeable changes in institutional behaviors over the timeframes.

Analysis D examines whether there are differences in CSR practices (reported in CSR reports) between participants and nonparticipants. Due to the inherent difficulty of studying CSR activities (which differ in a variety of issue areas, forms, and methods), only reported activities are studied; these activities are categorized into the aforementioned six topic areas (i.e., employee welfare, environment, community development, anticorruption, partnership program, and stakeholder engagement). Tables 13 and 14 show the results of the logistic regression analysis on these activities (Analysis D-1 with the six activity categories and Analysis D-2 with the degree of comprehensiveness).

Table 13. Analysis D-1: CSR Practices - Activity Categories

	2004		**2008**		**2012**	
Variable	**Coef.**	**P>|z|**	**Coef.**	**P>|z|**	**Coef.**	**P>|z|**
Employee welfare	0.1049399	0.380	0.1351015	0.339	0.0172481	0.921
Environment	-0.0812839	0.668	0.3488259	0.117	0.481236	0.084
Community development	-0.0082997	0.945	0.0394098	0.746	0.2414842	0.257
Anticorruption	0.1432859	0.078*	**0.2345219**	**0.000*****	**0.1292765**	**0.020*****
Partnership program	0.0825151	0.322	-0.0297719	0.730	-0.1164596	0.347
Stakeholder engagement	**0.1710027**	**0.000*****	**0.2595971**	**0.000*****	**0.2469992**	**0.002*****
[goodness-of-fit]	N = 215 Prob>Chi2 = 0.0000 Pseudo R2 = 0.1221		N = 330 Prob>Chi2 = 0.0000 Pseudo R2 = 0.1551		N = 351 Prob>Chi2 = 0.0000 Pseudo R2 = 0.0776	

* 10%, ** 5%, and *** 1% significance level. Emphasis added for the ones significant at 5% level.

Table 14. Analysis D-2: CSR Practices - Comprehensiveness

	2004		**2008**		**2012**	
Variable	**Coef.**	**P>|z|**	**Coef.**	**P>|z|**	**Coef.**	**P>|z|**
Comprehensiveness	**0.1288926**	**0.000*****	**0.1589899**	**0.000*****	**0.1302646**	**0.000*****
[goodness-of-fit]	N = 215 Prob>Chi2 = 0.0000 Pseudo R2 = 0.1171		N = 330 Prob>Chi2 = 0.0000 Pseudo R2 = 0.1424		N = 351 Prob>Chi2 = 0.0000 Pseudo R2 = 0.0768	

* 10%, ** 5%, and *** 1% significance level. Emphasis added for the ones significant at 5% level.

The reason to run two different regressions (D-1 and D-2) is the possibility of multicollinearity.[101] The results of D-1 show that two activity categories are positively correlated with participation—anticorruption and stakeholder engagement—at the five percent significance level. This suggests that participating (vs. non-participating) firms are more likely to report activities in these areas. Other areas fail to show any significant differences. This is probably because these other areas have already become well generalized among the most listed firms regardless of their participation status (see Figures 13-18 above). Anticorruption and stakeholder engagement are the more newly recognized areas (vs. other activity areas) and it is likely that participating (vs. non-participating) firms assume these activities more actively—as early-adopters or active agenda-setters in global CSR governance.

In reviewing the temporal aspects, anticorruption does not show significance in 2004; however, it shows significance in 2008 and 2012. This time lag is understandable in the context of more recent global recognition of this agenda. Additionally, the result of D-2 shows a significant positive correlation between the degree of comprehensiveness and corporate participation. This suggests that participating (vs. non-participating) firms are likely to report an increasing number of firm-related CSR activities, in a greater number of areas, throughout the selected years.

[101] The variable of comprehensiveness is closely correlated with those activity categories in nature.

In short, based on the results of the regression analyses conducted for Research Model 2, *H3a and H3b are supported*. There are some noticeable differences between participants and nonparticipants in terms of their CSR-related behaviors—both institutionally and practically. In the context of CSR-related institutional behaviors, participating (vs. non- participating) firms are more likely to establish CSR departments and publish CSR reports. Additionally, on a practical level, there are some CSR-related activity differences (between participants and non-participants) found in CSR reports (e.g., participating (vs. non-participating) firms are more likely to take on activities in anticorruption and stakeholder engagement, as well as more comprehensive activities). This leads to a conclusion that firms actively participating in global CSR governance are more likely to conform to global cultural models and behave in ways suggested by the governance—versus less-actively or non-participating firms. Thus, assertions of constructivism and world polity theory are proven to be valid in explaining corporate CSR behaviors in global CSR governance.

Content analysis of Research Model 3

As mentioned earlier, it is not feasible to track and confirm the complete range of firm-related CSR activities that are associated with the Fortune Global 500. Thus, this research (i) focuses on the activities identified in CSR reports published by the listed companies (as well as their rhetoric), (ii) assumes that this reflects what firms do in practice (and how they want to represent themselves), and (iii) is expected to yield an understanding of CSR-related, corporate intentions and identities (via a review of CEO letters that are published in CSR reports). Research Model 3 examines these CEO letters via the utilization of content analysis.

The total number of CEO letters gathered for this analysis is (i) 191 letters in 2004, (ii) 289 letters in 2008, and (iii) 323 letters in 2012. As explained previously, content analysis is conducted by coding keywords representing the two corporate identities (i.e., of a rational being and a social being). Tables 15, 16, and 17 show the primary results of the content analysis.

Table 15. Content Analysis Results 1 (2004)

	Letters showing only rational identity	Letters showing both identities	Letters showing only social identity
All	1 (0.52%)	164 (85.86%)	26 (13.61%)
Participant	0 (0.00%)	76 (91.57%)	7 (8.43%)
Non-participant	1 (0.93%)	88 (81.48%)	19 (17.59%)

Table 16. Content Analysis Results 2 (2008)

	Letters showing only rational identity	Letters showing both identities	Letters showing only social identity
All	14 (4.84%)	229 (79.24%)	46 (15.92%)
Participant	9 (5.11%)	143(81.25%)	24 (13.64%)
Non-participant	5 (4.42%)	86 (76.11%)	22 (19.47%)

Table 17. Content Analysis Results 3 (2012)

	Letters showing only rational identity	Letters showing both identities	Letters showing only social identity
All	4 (1.24%)	275 (85.14%)	44 (13.62%)
Participant	4 (1.84%)	185 (85.25%)	28 (12.90%)
Non-participant	0 (0.00%)	90 (84.91%)	16 (15.09%)

Seen in the tables above, the majority of CEO letters contain words representing both identities (i.e., social and rational beings) within these timeframes; the CEO letters that only refer to social identity phrases comprise the second-largest group and the smallest group is comprised of letters that refer only to rational identity phrases. This order does not differ between participating and non-participating firms and during the three different timeframes. This suggests that there is no significant difference between participants and non-participants in terms of their corporate identities. Nevertheless, the percentage of letters containing only rational identity phrases is slightly higher in the year 2008; this seems to reflect more corporate attention on the economic aspects of the firm during the global financial crisis.

These results suggest that most of the listed MNCs use both logics in explaining their CSR intentions. This also means that firms have accepted their corporate identities as social beings *as well as* rational beings—at least at the rhetorical level. Among the firms using both logics, the tables above do not show whether individual firms place more emphasis on social or rational identities (Table 15-17). A further study on this is necessary in order to examine H3c. To check this point, the percentages of phrases associated with social identity and rational identity are compared. Table 18 shows the results of these comparisons.

Table 18. Phrases Associated with Rational/ Social/ Both identities

2004						
	Rational being only		Social being only		Both identities	
	Number	Av.%	Number	Av. %	Number	Av. X%
All	1	8.01	26	27.64	164	9.15
Participants	0	n/a	7	31.58	76	9.87
Non-participants	1	8.01	19	26.18	88	8.54
2008						
All	14	20.21	46	27.28	229	8.86
Participants	9	17.05	24	21.84	143	8.42
Non-participants	5	25.88	22	33.22	86	9.61
2012						
All	4	8.94	44	25.69	275	8.47
Participants	4	8.94	28	25.61	185	7.22
Non-participants	0	n/a	16	25.84	90	11.05

As seen on the right-end column of the table (above), the arbitrary number X is created in order to determine the identity (i.e., rational or social being) that is given the greater focus by a firm, assuming that a firm focusing on A would use words associated with A more than words with B. The equation of X is:

X (%) = % of phrases associated with social identity - % of phrases associated with rational identity

A positive X means that a firm focuses more on a social identity and a negative X means the opposite. As seen in the table above, average X percent is positive in all groups (i.e., participants and non-participants) throughout the three years. This can be interpreted that firms utilizing both identities focus, on average, more on their social identities vs. their rational identities. Based on these results, it is fair to conclude that firms in the sample emphasize their social identities (more than their rational identities) when explaining CSR intentions in their CEO letters. Thus, *H3c is supported*.

Regrouping (i.e., into a social identity group and a rational identity group) is thus performed based on identity emphasis.[102] Table 19 below shows the composition of the two identity groups.

Table 19. Phrases Associated with Rational/ Social identities

		2004		2008		2012	
		N	%	N	%	N	%
All	Total	191	100.00	289	100.00	323	100.00
	Rational identity	38	19.90	72	24.91	84	26.01
	Social identity	153	80.10	217	75.09	239	73.99
Participants	Total	83	43.46	176	60.90	217	67.18
	Rational identity	13	6.81	43	14.88	61	18.89
	Social identity	70	**36.65**	133	**46.02**	156	**48.30**
Non-participants	Total	108	56.54	113	39.10	106	32.82
	Rational identity	25	13.09	29	10.03	23	7.12
	Social identity	83	43.46	84	29.07	83	25.70

[102] The groups are comprised of a (i) social identity group (combining the letters only referring to social identity words with the letters with a positive X) and (ii) rational identity group (combining those letters only using rational identity words and those with negative X).

During these timeframes, the social identity group comprises the majority (among both participants and non-participants). Interestingly, already in 2004, over 80 percent of the CEO letters in the sample emphasized social identity more than rational identity. However, while the absolute number in the social identity group is continuously growing, the percentage has slightly diminished over time. Also, while the majority of firms already emphasized the social aspects of CSR in 2004, the results do not confirm a comprehensive corporate identity shift (i.e., from a rational to a social identity) during the studied years (2004-2008). Thus, *H3d is not supported*. However, this does not suggest that there was no corporate identity shift. One possibility is that the identity shift had already happened—even before the year 2004. Thus, the inclusion of earlier data may improve the research results and confirm an identity shift over time.

The content analysis revealed few noticeable differences between participants and nonparticipants in terms of their corporate identities; however, participants in major global CSR organizations (48.30% of all collected CEO letters in 2012) comprise the largest number within the social identity group.[103] This does not show a direct correlation between business identity and participation in major global CSR organizations; however, it does confirm that firms have accepted their social identities and utilize the logic of *social case* (vs. *business case*) when they explain their CSR-related behaviors.

[103] Compare the numbers in bold in Table 19.

In short, two different methodologies are applied, the content analysis and logistic regression model, in order to examine various corporate-, regional-, and global-level factors affecting corporate rhetoric and behaviors in global CSR governance. Logistic regression methodology is utilized in order to examine corporate- and regional-level factors affecting corporate participation (Research Model 1) and to study behavioral differences in CSR actions between participants and nonparticipants (Research Model 2).

Table 20 (below) summarizes the combined results of analyses examined by the logistic regression methodology.

Table 20. Results of the Logistic Regression Analyses

Research Model	Hypothesis	Variable		Result
Research Model 1	H1a	Revenue		Supported (+)
	H1b	Top 100 best brand		Supported (+)
	H1c	Industry	Finance	Supported (-)
			Manufacturing	-
			Energy & Retail	Rejected
	H2a	Europe		Supported (+)
	H2b	North America		Supported (-)
Research Model 2	H3a	Institutional CSR behaviors	CSR web page	-
			Code of conduct	-
			CSR expertise	Supported (+)
			CSR report	Supported (+)
	H3b	Practical CSR behaviors	Employee welfare	-
			Environment	-
			Community development	-
			Anticorruption	Supported (+)
			Partnership program	-
			Stakeholder engagement	Supported (+)
			Comprehensiveness	Supported (+)

The results of Research Model 1 show that the political and economic interests of a firm encourage corporate participation in the governance (as does regional culture). Furthermore, both neo-Gramscian theory and constructivism are proven to be valid in explaining corporate CSR actions in global CSR governance.

The logistic regression analysis, conducted for Research Model 2, confirmed significant differences in some institutional and practical CSR behaviors (between participants and nonparticipants). The CSR behaviors of participating (vs. non-participating) firms are more institutionalized, generalized, and comprehensive. This suggests that major global CSR organizations play important roles in shaping and institutionalizing CSR behaviors in accordance with the global cultural models that they generate and promote.

The third analysis of CEO letters, utilizing content analysis methodology, confirms that both participating and non-participating firms more often utilize the logic of social (vs. business) case in explaining their CSR intentions. This suggests that major MNCs have accepted their corporate identities as social beings (at least at the rhetorical level) and this acceptance of social identity is likely to reflect the changing social expectations towards corporations.

CHAPTER 7: Conclusions

Multilevel and multidimensional analyses are conducted on diverse factors in order to understand the complex corporate motivations and behaviors associated with global CSR governance. The research findings (of these analyses) are discussed in the previous chapter. There are several noteworthy benefits of this research that improve upon other studies on similar subjects. (1) The data sets are composed of a myriad of sample sizes (including most major global firms in various industries) to help generate a more comprehensive understanding of the complicated dynamics of global CSR governance. (2) This research incorporates multiple methodologies in order to consider both the quantitative and qualitative natures of this research topic (i.e., global CSR governance). (3) This research adds theoretical depth and breadth by engaging in certain alternative theories in order to draw a more comprehensive understanding of the complexities of global CSR governance. Furthermore, it shows the effects of diverse factors (e.g., political interests, values, norms, culture, and institutions) on corporate CSR rhetoric and behaviors that are often downplayed by dominant theories .

As explained in the earlier chapter, the research results show that more and more MNCs communicate and behave in ways that are desired by the world polity (where CSR is becoming a common world cultural norm). Firms are increasingly (i) joining major global CSR organizations, (ii) adopting various CSR rules and standards, (iii) partnering with other public and private entities to implement CSR programs, (iv) taking on a variety of CSR activities (that focus on diverse social issues), (v) hiring CSR experts, (vi) establishing specialized CSR departments, and (vii) publishing annual CSR reports. By representing themselves as social (more than rational) beings, they not only expect to achieve greater economic and political interests but they also conform to those culturally and socially expected norms and behavioral models (at least at the rhetorical level).

Based on these findings, it is logical to conclude that MNCs participate in global CSR governance for more complex and sophisticated reasons (beyond the rational calculation of expected costs and benefits); thus, an understanding of the complex corporate motivations associated with global CSR governance is important and insightful from at least three different perspectives (corporate, public policy, and scholarly perspectives). From a corporate perspective, the research results provide firms insights about CSR-related behavioral patterns and global business trends. Indeed, it is likely that there will be growing pressure on firms for more social involvement. Firms are likely to be pressured to implement more radical changes in the future—even as NGOs and civil society continuously call for corporations to alter their behaviors. Thus, changes would occur incrementally, along with CSR norm development and institutionalization processes.

Furthermore, it is predicted that more and more firms are going to implement CSR activities in a more isomorphic way and in accordance with the rules, standards, and models disseminated by global CSR governance. Not only should firms assume various institutional and practical CSR actions but they should also assume them in a more sophisticated way since they would be under enhanced, agenda-related public scrutiny over time. Firms would have to develop strategies to cope with this global trend and find ways to work with various other actors (e.g., governmental entities and civil society organizations). Thus, it is likely that those CSR models (disseminated by global CSR governance) would become "taken-for-granted," generalized business norms that any globally operating firm should follow.

From a public policy perspective, the research draws several policy implications for rule-makers—and especially for international and transnational CSR organizations. A number of global CSR organizations have been criticized for utilizing voluntary mechanisms based on beliefs that voluntary rules would not have binding effects (to control and regulate corporations). However, the research results show that these organizations play significant roles in shaping and framing corporate CSR rhetoric and behaviors and their standards and rules are also extensively adopted by a number of influential MNCs. Indeed, research results confirm that those global CSR organizations do affect corporate CSR rhetoric and behaviors. Nevertheless, while the potential social and political roles of global CSR organizations are confirmed as significant by the research, it is less clear whether the related behavioral changes of corporations will be genuinely meaningful and solve actual global social problems.

As they cope with the growing maturity of a global CSR culture, global CSR organizations and public rule-makers should consider how they can assume more active roles in the creation and enforcement of more specific rules and regulations that guide and control CSR behaviors in meaningful ways. Recent public efforts to institutionalize CSR, in more structured ways, are apparent (e.g., the UK Companies Act of 2006, Climate Change Act of 2008, Canadian Sustainable Development Act of 2008, and the Indian Companies Act of 2013). These public efforts are likely to continue in the future and both public and private actors (especially corporations) should develop policies reflecting such changes. Indeed, this research also confirms the effect of industry characteristics and regional cultures on corporate participation. This means that industry- and regional-level cultures and institutions affect corporate CSR-related behaviors in global CSR governance. Thus, public and private rule-makers should develop more differentiated rules and strategies to cope with the different circumstances affecting corporate behaviors.

Some scholars, associated with the neo-Gramscian perspective, have warned that strong corporate resistance to institutionalized CSR governance (e.g., via support of non-binding legal and quasi-legal instruments and resistance to any mandatory public regulations) would impede the attainment of genuine change in corporate social behaviors. The research findings, herein, clarify this issue as well as the associated benefits and limitations. Since CSR is becoming a common world cultural norm, firms with global operations can no longer ignore associated social influences; indeed, they incorporate socially desired CSR actions into their business operations.

Major MNCs follow and lead global CSR governance, which can involve certain risks and limitations; they (i) must concern themselves more with CSR issues that are aligned with their economic and political interests and (ii) are likely to neglect unrelated or less related issues. Consequently, interests associated with less-powerful actors are likely to be underrepresented. CSR-related pursuits focus on a number of environmental and social issues (that concern a significant percentage of the global public); however, the concentration of decision-making power, among major MNCs, can be undemocratic and even prove to be risky (Rudder et al. 2016). Policymakers must develop ways to deal with more comprehensive issues (including neglected ones) and bring a more balanced array of stakeholders into decision-making processes—in more transparent and accountable ways.

The research also has some scholarly implications. MNCs are increasingly conforming to world cultural models disseminated by global CSR governance and thus promoting the institutionalization (legitimization) of CSR—as evidenced by the research findings. This world polity project is led by economically, politically, and socially leading firms that are actively participating in major global CSR organizations. Both neo-Gramscian theory and world polity theory (which are oftentimes depicted as competing theories) work complementarily in explaining the complex dynamics of global CSR governance. Thus, the application of multiple theories (which are sometimes conflicting at a theoretical level) may help reveal more complex, associated dynamics and mitigate (over)simplifications of the phenomenon.

In conclusion, this research confirms that firms implement CSR activities and participate in global CSR governance based on a variety of motivations (e.g., economic and political interests, regional culture, and world cultural norms and values disseminated by world polity agents). Studies on the CSR-related rhetoric and behaviors of firms show that they are greatly influenced by (i) socially held expectations and (ii) social and cultural contexts surrounding corporations. The fact that the majority of firms in the sample have accepted their corporate identities as social beings means that global-level CSR norm development has progressed over time.

However, it is still too early to conclude whether CSR norms have fully matured enough to (i) generate meaningful changes in corporate social behaviors and (ii) achieve the ultimate goal of "social betterment." Nonetheless, more and more firms will certainly implement various CSR-related activities, participate in global CSR organizations, and work with a variety of public and private entities and thereby generate further involvement. The development of various CSR-related soft laws will continue and the coordination of (and conflicts between) these private rules and public regulations are expected to continue—in a dynamic way. As part of finalizing this research, the following section suggests ideas for future research.

Future research

This research clarifies the corporate motivations for participating in global CSR governance via the application of three theories (i.e., neo-Gramscian, constructivist, and world polity theory). The utilization of different methodologies and comprehensive data sets have enabled this research to incorporate complex corporate motivations; however, one key limitation is that the analyses exclusively focus on self-reported, written data sources. The utilization of more interpretative research methods (e.g., onsite observations, in-person interviews, and detailed surveys) could help to develop a more in-depth understanding of corporate CSR motivations at practical levels.

There are some ways to extend this research and they have been identified throughout the analyses. For example, the research results did not fully confirm the impact of "time" (via an examination of the selected years). Continuously similar results, throughout the selected years, may simply mean that the current global CSR governance has been established for quite some time. The inclusion of earlier years (before 2004) or panel data (using continuous time periods) might improve associated research results in the future. The variables associated with the industry categories yielded interesting results (e.g., the Energy and Retail industry is hypothesized to be positively correlated with the dependent variable but shows the opposite result). Further clarification of industry effects might result from the re-categorization (or further specification) of industries in future research.

A focus on different degrees of participation vs. a mere dichotomous categorization of participation (e.g., participants and nonparticipants) would also provide a more sophisticated understanding of corporate motivations, since most listed firms might participate in global CSR governance (directly or indirectly); thus, future studies should include an effective measurement for this (i.e., different degrees of participation). The expansion of sample sizes (e.g., “smaller-sized firms from various backgrounds”) could also draw interesting results. In addition, in this research, only the activities of parent companies are considered; thus, for example, the CSR-related rhetoric and behaviors of subsidiaries are not examined. Distinctions between parent companies and subsidiaries (and examinations of their differences) could draw interesting insights. Therefore, it is suggested that future research explore these aspects.

These research findings allow us to understand the effects of the three major global CSR organizations on corporate CSR rhetoric and behaviors. More detailed studies on the impacts of these organizations and other related rulemaking entities (e.g., on decision-making procedures, services, and available programs) could clarify the effectiveness of soft laws and roles of public entities. One critical issue, associated with soft laws and private regulations, is that no official entity verifies, monitors, and implements sanctions against corporations in relation to such behaviors. Thus, this issue (and the possible roles of governments associated with global CSR governance) should also be examined. In reality, more and more national governments have started to develop CSR policies, as explained earlier (Gonzales and Martinez 2004; Fraser 2007; Hiranandani 2015). Indeed, there are other critical issues associated with CSR-related private rulemaking (e.g., accountability, transparency, legitimacy, and public representation) and more in-depth studies should consider them in the future.

APPENDIX 1. List of Global CSR Organizations

This list includes public, private, and multi-stakeholder organizations that generate direct and/or indirect policies to guide and govern the CSR-related behaviors of corporations. Although I have attempted to include most of the global CSR organizations, this list is not fully comprehensive. Instead, the organizations, on the list, are identified through literature review. (Domestic CSR organizations are not included on the list.)

Organization	Standard/ Code/ Index
Amnesty International	
British Financial Times Stock Exchange Index (FTSE)	FTSE4Good Index
Business for Social Responsibility (BSR)	
Carbon Disclosure Project (CDP)	
Coalition for Environmentally Responsible Economies (CERES)	
CSR Europe	
Dow Jones Sustainability Indices (DJSI)	DJSI index
Earthwatch Institute	
Electronic Industry Citizenship Coalition (EICC)	Validated Audit Process (VAP)
Environmental Sustainability Index (ESI)	ESI Index
Equator Principles	The Equator Principles III
Ethisphere Institute	World's Most Ethical Companies (ranking)
European Foundation for Quality Management (EFQM)	
Fairtrade International (FLO)	Fairtrade certification
Forest Stewardship Council (FSC)	FSC certification
Friends of the Earth	
Global Business Coalition for Education	
Global Environmental Management Institute (GEMI)	
Global Reporting Initiative (GRI)	GRI reporting guidelines
Human Rights Campaign	

Human Rights Watch	
Intergovernmental Panel on Climate Change (IPCC)	
International Labour Organization (ILO)	
International Organization for Standardization(ISO)	ISO 26000/ ISO 14000
Johannesburg Stock Exchange SRI Index	JSE SRI Index
Nature Conservancy	
Organization for Economic Cooperation and Development (OECD)	OECD Guidelines for Multinational Enterprises
Oxfam	
SIX Swiss Exchange	SIX Swizz Sustainability 25 Index
Social Accountability International (SAI)	SA 8000
STOXX	STOXX Global ESG Leaders Index
SustainAbility	
Sustainable Asset Management (SAM)	
Sustainable Forestry Initiative (SFI)	SFI certification
Sustainalytics	Jantzi Social Index
Transparency International	
United Nations Centre on Transnational Corporations (UNCTC)	
United Nations Commission on the Private Sector and Development	
United Nations Environmental Programme (UNEP)	
United Nations Framework Convention on Climate Change (UNFCCC)	
United Nations Global Compact (UNGC)	UGNC 10 Principles/Global Compact 100 Index
World Business Council for Sustainable Development (WBCSD)	Action2020
World Commission on Dams (WCD)	
World Economic Forum (WEF) Global Corporate Citizenship Initiative	
World Resources Institute (WRI)	
World Wildlife Fund (WWF)	

APPENDIX 2. Companies listed on Fortune Global 500

Rank	Company	Rank	Company	Rank	Company
1	Wal-Mart	39	Samsung Electronics	77	Procter & Gamble
2	BP	40	State Grid	78	RWE
3	Exxon Mobil	41	Peugeot	79	Suez
4	Royal Dutch Shell	42	Metro	80	Renault
5	General Motors	43	Nestlé	81	Unilever
6	DaimlerChrysler	44	U.S. Postal Service	82	Target
7	Toyota Motor	45	BNP Paribas	83	Robert Bosch
8	Ford Motor	46	China National Petroleum	84	Dell
9	General Electric	47	Sony	85	ThyssenKrupp
10	Total	48	Cardinal Health	86	Costco Wholesale
11	Chevron	49	Royal Ahold	87	HBOS
12	ConocoPhillips	50	Altria Group, Inc.	88	Johnson & Johnson
13	AXA	51	Pemex	89	Prudential
14	Allianz	52	Bank of America Corp.	90	Tokyo Electric Power
15	Volkswagen	53	Vodafone	01	BASF
16	Citigroup	54	Tesco	92	Hyundai Motor
17	ING Group	55	Munich Re Group	93	Enel
18	Nippon Telegraph & Telephone	56	Nippon Life Insurance	94	Marathon Oil
19	AIG	57	Fiat	95	Statoil
20	IBM	58	RBS	96	NEC
21	Siemens	59	Zurich Financial Services	97	Repsol YPF
22	Carrefour	60	Credit Agricole	98	Dai-ichi Mutual Life
23	Hitachi	61	Credit Suisse	99	Fujitsu
24	Assicurazioni Generali	62	State Farm Insurance	100	Time Warner
25	Matsushita Electric Industrial Co., Ltd.	63	France Telecom	101	ABN AMRO Holding
26	McKesson	64	Electricite de France	102	SBC Communications
27	Honda Motor	65	J.P. Morgan Chase	103	Tyco International
28	Hewlett-Packard	66	UBS	104	Dow Chemical
29	Nissan Motor	67	Kroger	105	Albertson's
30	Fortis SA	68	Deutsche Bank	106	Saint-Gobain
31	Sinopec	69	E.ON	107	Morgan Stanley
32	Berkshire Hathaway	70	Deutsche Post	108	MetLife
33	ENI	71	BMW	109	EADS
34	Home Depot	72	Toshiba	110	Barclays

35	Aviva	73	Valero Energy	111	Telecom Italia
36	HSBC Holdings	74	AmerisourceBergen	112	AEON
37	Deutsche Telekom	75	Pfizer	113	Meiji Yasuda Life Insurance
38	Verizon Communications	76	Boeing	114	Telefonica

Rank	Company	Rank	Company	Rank	Company
115	LG	153	DZ Bank	191	Best Buy
116	Royal Philips Electronics	154	Canon	192	Sprint Nextel
117	SK	155	Banco Santander	193	New York Life Insurance
118	Arcelor	156	Mitsubishi Electric	194	KDDI
119	Walgreen	157	Nippon Steel	195	HVB Group
120	United Technologies	158	Sumitomo Life Insurance	196	Viacom
121	Groupe Auchan	159	Walt Disney	197	Millea Holdings
122	GlaxoSmithKline	160	Veolia Environment	198	International Paper
123	UnitedHealth Group	161	CVS Caremark	199	Vivendi
124	Bayer	162	AT&T	200	Johnson Controls
125	Petrobras	163	Caterpillar	201	Tyson Foods
126	CNP Assurances	164	Franz Haniel	202	JFE Holdings
127	Microsoft	165	Groupe Pinault-Printemps	203	Denso
128	United Parcel Service	166	Northrop Grumman	204	Caremark Rx
129	Lowe's	167	Goldman Sachs Group	205	J.C. Penney
130	Nokia	168	Deutsche Bahn	206	Honeywell International
131	Archer Daniels Midland	169	Fonciere Euris	207	Ingram Micro
132	Sears Holdings	170	Indian Oil	208	Bunge
133	Petronas	171	Sysco	209	Roche Group
134	Safeway	172	PepsiCo	210	Vinci
135	Lockheed Martin	173	Groupe Caisse d'epargne	211	Mazda Motor
136	Aegon	174	American Express	212	China Life Insurance
137	Medco Health Solutions	175	Bouygues	213	Anglo American
138	Motorola	176	Swiss Reinsurance	214	Alcan
139	Gazprom	177	Lloyds Banking Group	215	FedEx
140	BT	178	Lukoil	216	Norsk Hydro
141	Intel	179	Delphi	217	Mitsubishi Tokyo Financial Group
142	Nippon Oil	180	Volvo	218	Almanij
143	Allstate	181	Rabobank	219	Kansai Electric Power
144	Wells Fargo	182	J. Sainsbury	220	British American Tobacco
145	Ito-Yokado	183	Prudential Financial	221	Mitsubishi Heavy Ind.

146	Centrica	184	Mizuho Financial Group	222	Air France-KLM Group
147	Sumitomo Mitsui Financial Group	185	Marubeni	223	Alcoa
148	Mitsui	186	Novartis	224	China Mobile Communications
149	Mitsubishi	187	Wachovia Corp.	225	Sharp
150	Freddie Mac	188	DuPont	226	East Japan Railway
151	Merrill Lynch	189	A.P. Moller-Maersk	227	Fujifilm Holdings
152	Societe Generale	190	SNCF	228	HCA

Rank	Company	Rank	Company	Rank	Company
229	Industrial & Commercial Bank of China	267	AstraZeneca	305	AutoNation
230	TIAA-CREF	268	BBVA	306	Kmart Holding
231	TUI	269	National Australia Bank	307	Sara Lee
232	RAG	270	Lehman Brothers Hldgs.	308	General Dynamics
233	La Poste	271	Bertelsmann	309	Baosteel Group
234	Sunoco	272	Compass Group	310	Supervalu
235	Coles Myer	273	Lufthansa Group	311	UniCredit Group
236	Massachusetts Mutual Life Insurance	274	Electronic Data Systems	312	Royal Bank of Canada
237	Panasonic	275	Plains All American Pipeline	313	Sumitomo
238	George Weston	276	POSCO	314	McDonald's
239	Merck	277	Korea Electric Power	315	China Construction Bank
240	Travelers Cos.	278	Old Mutual	316	China Southern Power Grid
241	BHP Billiton	279	Manulife Financial	317	Otto Group
242	Delhaize Group	280	Wellpoint	318	Nippon Mining Holdings
243	Duke Energy	281	Landesbank Baden-Württemberg	319	Mitsui Sumitomo Insurance
244	BellSouth	282	News Corp.	320	Japan Tobacco
245	Hartford Financial Services	283	Magna International	321	Sanofi-Aventis
246	Weyerhaeuser	284	Nationwide	322	Publix Super Markets
247	MCI	285	Abbott Laboratories	323	Power Corp. of Canada
248	UES of Russia	286	Halliburton	324	Visteon
249	Gaz de France	287	Sinochem	325	AMR
250	Bridgestone	288	Mitsubishi Chemical Holdings	326	MAN Group
251	Samsung Life Insurance	289	Woolworths	327	Itochu
252	William Morrison	290	Comcast	328	Commerzbank
253	Mittal Steel	291	Dexia Group	329	Swiss Life

254	Cisco Systems	292	Raytheon	330	Goodyear Tire & Rubber
255	Suzuki Motor	293	Groupama	331	Sabic
256	Endesa	294	Michelin	332	ConAgra Foods
257	Coca-Cola	295	3M	333	Cigna
258	ABB	296	Deere	334	Coca-Cola Enterprises
259	Bristol-Myers Squibb	297	Cendant	335	Banca Intesa
260	Hilton Group	298	Aetna	336	L'Oreal
261	Legal & General Group	299	Georgia-Pacific	337	Japan Post
262	China Telecom	300	Chubu Electric Power	338	L.M. Ericsson
263	T&D Holdings	301	Japan Airlines	339	Bank Of China
264	UFJ Holdings	302	Tech Data	340	Lafarge
265	Adecco	303	Liberty Mutual	341	Wolseley
266	Idemitsu Kosan	304	Mitsubishi Motors	342	Northwestern Mutual

Rank	Company	Rank	Company	Rank	Company
343	KarstadtQuelle	381	Xerox	419	Banco Do Brasil
344	Sompo Japan Insurance	382	National Grid	420	U.S. Bancorp
345	Lagardere Groupe	383	TNT	421	Marks & Spencer
346	Wyeth	384	Kajima	422	AMP
347	Hutchison Whampoa	385	Continental	423	Loews
348	Alstom	386	Cepsa	424	Exelon
349	Hess	387	Federated Dept. Stores	425	Fortum
350	Corus Group	388	Emerson Electric	426	CFE
351	Groupe Danone	389	Koç Holding	427	Staples
352	SHV Holdings	390	Mediceo Holdings	428	May Dept. Stores
353	Daiei	391	Vattenfall	429	Bharat Petroleum
354	Aisin Seiki	392	Stora Enso	430	Edeka Zentrale
355	Lear	393	Hanwha	431	British Airways
356	Ricoh	394	Kimberly-Clark	432	GUS
357	Rite Aid	395	Premcor	433	American Electric Power
358	Sun Life Financial Services	396	Cosmo Oil	434	COFCO
359	BAE Systems	397	Agricultural Bank of China	435	ACS
360	Royal & Sun Alliance	398	CRH	436	Hindustan Petroleum
361	Royal Mail Holdings	399	Alcatel	437	United States Steel
362	Skanska	400	KFW Bankengruppe	438	Kingfisher
363	Bayerische Landesbank	401	Telstra	439	Countrywide Financial
364	Electrolux	402	Chinese Petroleum	440	Dominion Resources
365	Christian Dior	403	William Hill	441	Eurohypo
366	UAL	404	Gasunie	442	Samsung
367	Migros	405	Express Scripts	443	Sodexho Alliance
368	Nippon Express	406	Commonwealth Bank of Australia	444	Isuzu Motors
369	Alliance Unichem	407	Hochtief	445	Eli Lilly
370	Gap	408	Delta Air Lines	446	SK Networks
371	Hon Hai Precision Industry	409	Tohoku Electric Power	447	Eastman Kodak
372	Sumitomo Electric Industries	410	Nippon Yusen	448	China First Automotive Works
373	PTT	411	Anheuser-Busch	449	AREVA
374	Washington Mutual	412	Manpower	450	Shimizu
375	Flextronics International	413	TJX	451	Qwest Communications
376	Banco Bradesco	414	KT	452	Progressive
377	Taisei	415	San Paolo IMI	453	Seiko Epson
378	Computer Sciences	416	BCE	454	Oil & Natural Gas
379	Bombardier	417	Reliance Industries	455	Accenture
380	Akzo Nobel	418	Royal KPN	456	Asahi Glass

Rank	Company	Rank	Company	Rank	Company
457	Onex	472	Central Japan Railway	487	Daiwa House Industry
458	Nordea Bank	473	Kyushu Electric Power	488	Canadian Imperial Bank of Commerce
459	Office Depot	474	Humana	489	Scottish Power
460	WestLB	475	Obayashi	490	Australia & New Zealand Banking
461	Fuji Heavy Industries	476	FirstEnergy	491	Texas Instruments
462	Kobe Steel	477	Westpac Banking	492	Constellation Energy
463	Sprint Nextel	478	Solectron	493	Waste Management
464	Komatsu	479	Schneider Electric	494	Bank of Nova Scotia
465	AFLAC	480	Danske Bank Group	495	Tenet Healthcare
466	OfficeMax	481	Centex	496	Yamaha Motor
467	Dai Nippon Printing	482	Iberdrola	497	Heineken Holding
468	Whirlpool	483	Asahi Kasei	498	SCA (Svenska Cellulosa)
469	Chubb	484	Williams	499	EnCana
470	Henkel	485	Thales Group	500	Masco
471	Toppan Printing	486	Sekisui House		

A. Fortune Global 500 Companies in 2004 (Published in 2005)

Rank	Company	Rank	Company	Rank	Company
1	Royal Dutch Shell	16	Dexia Group	31	Pemex
2	Exxon Mobil	17	ENI	32	Hewlett-Packard
3	Wal-Mart	18	General Motors	33	Valero Energy
4	BP	19	Ford Motor	34	Petrobras
5	Chevron	20	Allianz	35	Banco Santander
6	Total	21	HSBC Holdings	36	Statoil
7	ConocoPhillips	22	Gazprom	37	Bank of America Corp.
8	ING Group	23	Daimler	38	Royal Bank of Scotland
9	Sinopec	24	BNP Paribas	39	Citigroup
10	Toyota Motor	25	Carrefour	40	Samsung Electronics
11	Japan Post	26	E.ON	41	Berkshire Hathaway
12	General Electric	27	Petroleos de Venezuela, S.A.	42	McKesson
13	China National Petroleum	28	ArcelorMittal	43	Societe Generale
14	Volkswagen	29	AT&T	44	Nippon Telegraph & Telephone
15	State Grid	30	Siemens	45	IBM

Rank	Company	Rank	Company	Rank	Company
46	Credit Agricole	84	U.S. Postal Service	122	Walgreen
47	Assicurazioni Generali	85	Nokia	123	United Technologies
48	Nestlé	86	Marathon Oil	124	Tokyo Electric Power
49	J.P. Morgan Chase & Co.	87	Hyundai Motor	125	China Construction Bank
50	Metro	88	Costco Wholesale	126	Groupe Auchan
51	Honda Motor	89	RWE	127	Dow Chemical
52	Hitachi	90	Home Depot	128	Mitsubishi UFJ Financial
53	GDF Suez	91	AmerisourceBergen	129	Seven & I Holdings
54	Deutsche Post	92	Industrial & Commercial Bank of China	130	Renault
55	Verizon Communications	93	Archer Daniels Midland	131	Mitsui
56	Tesco	94	Vodafone	132	MetLife
57	Electricite de France	95	Munich Re Group	133	China Life Insurance
58	UniCredit Group	96	Nippon Life Insurance	134	Rio Tinto Group
59	BASF	97	Toshiba	135	Veolia Environment
60	Cardinal Health	98	Robert Bosch	136	Goldman Sachs Group
61	Deutsche Telekom	99	China Mobile Communications	137	Intesa Sanpaolo
62	Enel	100	Target	138	Bunge
63	CVS Caremark	101	Nippon Oil	139	Dai-ichi Mutual Life Insurance
64	Fiat	102	Saint-Gobain	140	AEON
65	Lukoil	103	Johnson & Johnson	141	Sunoco
66	Telefonica	104	EADS	142	Wells Fargo
67	Nissan Motor	105	Indian Oil	143	United Parcel Service
68	Procter & Gamble	106	A.P. Moller-Maersk	144	Caterpillar
69	LG	107	HBOS	145	Bank of China
70	Deutsche Bank	108	Morgan Stanley	146	Medco Health Solutions
71	UnitedHealth Group	109	Hon Hai Precision Industry	147	LyondellBasell Industries
72	SK	110	Groupe Caisse d'epargne	148	Banco Bradesco
73	AXA	111	State Farm Insurance Cos.	149	Itausa-Investimentos Itau
74	ThyssenKrupp	112	WellPoint	150	Vinci
75	Peugeot	113	BBVA	151	Deutsche Bahn
76	Repsol YPF	114	Mitsubishi	152	Pfizer
77	France Telecom	115	Dell	153	Lowe's
78	BMW	116	Boeing	154	Bayer
79	Panasonic	117	Microsoft	155	Agricultural Bank of China

80	Petronas	118	PTT	156	Bouygues
81	Sony	119	UBS	157	Nippon Steel
82	Kroger	120	BHP Billiton	158	Rosneft Oil
83	Barclays	121	Unilever	159	Time Warner

Rank	Company	Rank	Company	Rank	Company
160	Sears Holdings	198	Johnson Controls	236	Danske Bank Group
161	Fujitsu	199	POSCO	237	Comcast
162	Landesbank Baden-Württemberg	200	FedEx	238	Itochu
163	Volvo	201	Walt Disney	239	Northrop Grumman
164	Credit Suisse	202	Intel	240	Air France-KLM Group
165	Rabobank	203	Nippon Mining Holdings	241	ACS
166	Telecom Italia	204	Sysco	242	China Railway Group
167	Best Buy	205	CVRD	243	Mitsubishi Heavy Ind.
168	GlaxoSmithKline	206	OMV Group	244	Idemitsu Kosan
169	Supervalu	207	Vivendi	245	DZ Bank
170	Sinochem	208	Iberdrola	246	Cepsa
171	Roche Group	209	SNCF	247	ANZ
172	Koç Holding	210	BT	248	Wolseley
173	Safeway	211	Royal Bank of Canada	249	PKN Orlen Group
174	Banco do Brasil	212	Honeywell International	250	News Corp.
175	PepsiCo	213	GS Holdings	251	KBC Group
176	Fonciere Euris	214	TUI	252	China Railway Construction
177	Kraft Foods	215	Mitsubishi Electric	253	Apple
178	Scottish & Southern Energy	216	Lufthansa Group	254	George Weston
179	Lockheed Martin	217	Sumitomo Life	255	Zurich Financial
180	Woolworths	218	Noble Group	256	Lloyds Banking Group
181	Sanofi-Aventis	219	Sprint Nextel	257	CHS
182	NEC	220	Baosteel Group	258	Tata Steel
183	Novartis	221	Aviva	259	Coca-Cola
184	Hess	222	Continental corporation	260	American Express
185	China Southern Power Grid	223	Enterprise GP Holdings	261	J. Sainsbury
186	Sabic	224	GMAC	262	DuPont
187	Royal Ahold	225	Sumitomo Mitsui Financial Group	263	China Telecommunications
188	Franz Haniel	226	Power Corp. of Canada	264	Reliance Industries
189	Marubeni	227	GasTerra	265	L.M. Ericsson
190	Canon	228	Mizuho Financial Group	266	Showa Shell Sekiyu

191	Cisco Systems	229	Sumitomo	267	Commonwealth Bank of Australia
192	KFW Bankengruppe	230	ABB	268	AstraZeneca
193	Centrica	231	Tokio Marine Holdings	269	New York Life Insurance
194	JFE Holdings	232	KDDI	270	Bridgestone
195	Royal Philips Electronics	233	Commerzbank	271	Denso
196	CNP Assurances	234	TNK-BP Holding	272	National Australia Bank
197	Meiji Yasuda Life Insurance	235	Ingram Micro	273	America Movil
Rank	Company	Rank	Company	Rank	Company
274	Aetna	312	Japan Tobacco	350	Emerson Electric
275	Flextronics International	313	Tyson Foods	351	3M
276	Manulife Financial	314	Alcoa	352	Mazda Motor
277	PPR	315	Bayerische Landesbank	353	Onex
278	CRH	316	Petroplus Holdings	354	Toronto-Dominion Bank
279	BAE Systems	317	Tesoro	355	Hyundai Heavy Ind.
280	La Poste	318	China Nat'l Offshore Oil	356	Chubu Electric Power
281	Hutchison Whampoa	319	Hochtief	357	Vattenfall
282	Motorola	320	Xstrata	358	Macy's
283	Westpac Banking	321	Delhaize Group	359	Shanghai Automotive
284	EnCana	322	Lafarge	360	Alcatel-Lucent
285	Arcandor	323	Formosa Petrochemical	461	International Paper
286	Plains All American Pipeline	324	Kansai Electric Power	362	Hanwha
287	Wesfarmers	325	Suncor Energy	363	State Bank of India
288	Nordea Bank	326	Murphy Oil	364	Mediceo Paltac Holdings
289	Bharat Petroleum	327	China Ocean Shipping	365	Occidental Petroleum
290	Suzuki Motor	328	Schlumberger	366	Travelers Cos.
291	Cathay Life Insurance	329	East Japan Railway	367	Samsung Life Insurance
292	China State Construction Engineering	330	Schneider Electric	368	MAN Group
293	Cosmo Oil	331	China Minmetals	369	Fujifilm Holdings
294	Abbott Laboratories	332	Softbank	370	CFE
295	Allstate	333	National Grid	371	Nippon Yusen
296	TIAA-CREF	334	Alstom	372	Sinosteel
297	General Dynamics	335	COFCO	373	Publix Super Markets
298	Prudential Financial	336	Anglo American	374	Tech Data
299	Adecco	337	Rite Aid	375	Hebei Iron & Steel
300	Wilmar International	338	Christian Dior	376	Michelin
301	Alliance Boots	339	Poste Italiane	377	Energie Baden-Wurttemberg
302	Mitsubishi Chemical Holdings	340	Petro-Canada	378	Merck

303	Humana	341	China Communications Construction	379	Migros
304	Liberty Mutual Insurance Group	342	Quanta Computer	380	China Metallurgical Group
305	Korea Electric Power	343	Bank of Nova Scotia	381	AMR
306	CPC	344	William Morrison Supermarkets	382	United States Steel
307	Deere	345	Philip Morris International	383	Evonik Industries
308	HCA	346	L'Oreal	384	Magna International
309	Sharp	347	Bertelsmann	385	China FAW Group
310	Sberbank	348	Accenture	386	Nucor
311	Hindustan Petroleum	349	T&D Holdings	387	Anheuser-Busch

Rank	Company	Rank	Company	Rank	Company
388	McDonald's	426	Aviation Industry Corp. of China	464	Gas Natural SDG
389	Standard Chartered	427	Northwestern Mutual	465	Constellation Energy
390	BG Group	428	China South Industries	466	Israel Corp.
391	Edeka Zentrale	429	Kobe Steel	467	Caltex Australia
392	Heraeus Holding	430	Hypo Real Estate	468	Bombardier
393	Holcim	431	CIC	469	DirecTV Group
394	Mapfre Group	432	Manpower	470	Mitsubishi Motors
395	Raytheon	433	Tyco International	471	Doosan
396	Husky Energy	434	Royal KPN	472	Goodyear Tire & Rubber
397	Staples	435	Bristol-Myers Squibb	473	Eiffage
398	Swiss Reinsurance	436	Asustek Computer	474	Japan Airlines
399	Finmeccanica	437	Sumitomo Electric Ind.	475	Kimberly-Clark
400	Metalurgica Gerdau	438	Korea Gas	476	Norddeutsche Landesbank
401	Wyeth	439	Groupama	477	Skandinaviska Enskilda Banken
402	Oil & Natural Gas	440	HeidelbergCement	478	Kajima
403	Delta Air Lines	441	S-Oil	479	Bank of Montreal
404	Cie Nationale Portefeuille	442	Heineken Holding	480	AREVA
405	Fannie Mae	443	Acciona	481	Neste Oil
406	Akzo Nobel	444	Jiangsu Shagang Group	482	Alfresa Holdings
407	Compass Group	445	Ricoh	483	U.S. Bancorp
408	Oracle	446	Erste Group Bank	484	L'Air Liquide
409	SeverStal	447	Grupo Ferrovial	485	Amazon.com
410	Telstra	448	Henkel	486	TJX
411	Jardine Matheson	449	Mol Hungarian Oil & Gas	487	Cigna
412	Fluor	450	Randstad Holding	488	Whirlpool
413	Groupe Danone	451	Fomento de Construcciones	489	Exelon
414	Galp Energia	452	Maruhan	490	Rexel
415	Citic Group	453	Delphi	491	Shimizu

416	BAT	454	Evraz Group	492	Premafin Finanziaria
417	Aisin Seiki	455	Eli Lilly	493	Massachusetts Mutual Life Insurance
418	Express Scripts	456	Sodexo	494	Bank of Communications
419	China United Telecom	457	EDP	495	Samsung C&T
420	Surgutneftegas	458	Mitsui Sumitomo	496	Yamada Denki
421	Cemex	459	UAL	497	Nike
422	Coca-Cola Enterprises	460	Komatsu	498	Kirin Holdings
423	Google	461	Imperial Tobacco Group	499	Aluminum Corp. of China
424	Skanska	462	Marquard & Bahls	500	Mitsui OSK Lines
425	China Huaneng Group	463	Nationwide		

B. Fortune Global 500 Companies in 2008 (Published in 2009)

Rank	Company	Rank	Company	Rank	Company
1	Royal Dutch Shell	39	Statoil	77	Electricite de France
2	Wal-Mart	40	CVS Caremark	78	Wells Fargo
3	Exxon Mobil	41	BNP Paribas	79	Citigroup
4	Sinopec	42	McKesson	80	China State Construction Engineering
5	China National Petroleum	43	Hewlett-Packard	81	PTT
6	BP	44	JX Holdings (Nippon Oil)	82	Archer Daniels Midland
7	State Grid	45	Honda Motor	83	Panasonic
8	Toyota Motor	46	Lukoil	84	Prudential
9	Volkswagen	47	Nissan Motor	85	Lloyds Banking Group
10	Total	48	Verizon Communications	86	Nippon Life Insurance
11	Chevron	49	Assicurazioni Generali	87	Metro
12	Glencore Xstrata	50	China Construction Bank	88	Indian Oil
13	Japan Post	51	UnitedHealth Group	89	Procter & Gamble
14	Samsung Electronics	52	Enel	90	Prudential Financial
15	E.ON	53	Siemens	01	ArcelorMittal
16	Phillips 66	54	Hitachi	92	Munich Re Group
17	ENI	55	J.P. Morgan Chase & Co.	93	China National Offshore Oil
18	Berkshire Hathaway	56	Cardinal Health	94	Sony
19	Apple	57	SK	95	Boeing
20	AXA	58	Banco Santander	96	Freddie Mac
21	Gazprom	59	Carrefour	97	Telefonica
22	General Motors	60	HSBC Holdings	98	AmerisourceBergen
23	Daimler	61	Societe Generale	99	Rosneft Oil
24	General Electric	62	IBM	100	China Railway Construction
25	Petrobras	63	Tesco	101	Marathon Petroleum

26	Exor Group	64	Agricultural Bank of China	102	China Railway Group
27	Valero Energy	65	BASF	103	Shanghai Automotive
28	Ford Motor	66	Bank of America Corp.	104	Hyundai Motor
29	Industrial & Commercial Bank of China	67	Costco Wholesale	105	Deutsche Telekom
30	Hon Hai Precision Ind.	68	BMW	106	Home Depot
31	Allianz	69	Nestlé	107	Reliance Industries
32	Nippon Telegraph & Telephone	70	Bank of China	108	Deutsche Post
33	ING Group	71	China Mobile Communications	109	Aviva
34	AT&T	72	Kroger	110	Microsoft
35	Fannie Mae	73	Credit Agricole	111	China Life Insurance
36	Pemex	74	Express Scripts	112	Repsol YPF
37	GDF Suez	75	Petronas	113	Target
38	Petroleos de Venezuela	76	Noble Group	114	EADS

Rank	Company	Rank	Company	Rank	Company
115	BHP Billiton	153	Wesfarmers	191	MS&AD Insurance
116	Banco do Brasil	154	United Technologies	192	China Minmetals
117	Tokyo Electric Power	155	ThyssenKrupp	193	BBVA
118	Mitsubishi	156	Mitsui	194	Bayer
119	Sinochem	157	A.P. Moller-Maersk	195	Rio Tinto Group
120	Walgreen	158	America Movil	196	China Post Group
121	Peugeot	159	Woolworths	197	Roche Group
122	Pertamina	160	Marubeni	198	Lowe's
123	Zurich Financial Services	161	China North Industries	199	Deutsche Bahn
124	Vodafone	162	Novartis	200	Sumitomo Life Insurance
125	AIG	163	Mitsubishi UFJ Financial	201	Sabic
126	Toshiba	164	Meiji Yasuda Life	202	ACS
127	AEON	165	Dell	203	Vinci
128	Intl Fcstone	166	Dow Chemical	204	International Petroleum Investment
129	MetLife	167	POSCO	205	National Australia Bank
130	Deutsche Bank	168	Banco Bradesco	206	Hyundai Heavy Ind.
131	Robert Bosch	169	CNP Assurances	207	Commonwealth Bank of Australia
132	Johnson & Johnson	170	France Telecom	208	Coca-Cola
133	Groupe BPCE	171	Saint-Gobain	209	China South Industries
134	China Southern Power Grid	172	Citic Group	210	Vale
135	Unilever	173	Legal & General Group	211	Royal Bank of Scotland
136	Caterpillar	174	Itochu	212	Aviation Industry Corp. of China

137	PepsiCo	175	Fonciere Euris	213	China Communications Construction
138	State Farm Insurance	176	OMV Group	214	Merck
139	RWE	177	Barclays	215	Idemitsu Kosan
140	U.S. Postal Service	178	Shenhua Group	216	Lockheed Martin
141	China FAW Group	179	United Parcel Service	217	Koç Holding
142	Dai-ichi Mutual Life Insurance	180	Landesbank Baden-Württemberg	218	Tokio Marine Holdings
143	Bunge	181	Ping An Insurance	219	Sanofi
144	ConocoPhillips	182	China Telecom	220	Cisco Systems
145	Comcast	183	Intel	221	Intesa Sanpaolo
146	Dongfeng Motor Group	184	Renault	222	Baosteel Group
147	WellPoint	185	Nippon Steel & Sumitomo Metal	223	LyondellBasell Industries
148	Pfizer	186	Fujitsu	224	Wilmar International
149	Amazon.com	187	China Resources National	225	LG Electronics
150	Seven & I Holdings	188	UniCredit Group	226	Best Buy
151	Aegon	189	Google	227	Volvo
152	Groupe Auchan	190	Sumitomo Mitsui Financial Group	228	Sberbank

Rank	Company	Rank	Company	Rank	Company
229	Bharat Petroleum	267	DuPont	305	CPC
230	Scottish & Southern Energy	268	ABB	306	Sumitomo
231	China Huaneng Group	269	Hebei Iron & Steel	307	Deere
232	Safeway	270	Humana	308	Sistema
233	KDDI	271	Lufthansa Group	309	Alliance Boots
234	Iberdrola	272	World Fuel Services	310	Sprint Nextel
235	Korea Electric Power	273	Aluminum Corp. of China	311	Jizhong Energy Group
236	Canon	274	Nokia	312	Mizuho Financial Group
237	Westpac Banking	275	JBS	313	Mondelez International
238	SNCF	276	Suncor Energy	314	Rabobank
239	GS Caltex	277	China National Aviation Fuel Group	315	Huawei Investment & Holding
240	Bouygues	278	JFE Holdings	316	Tata Motors
241	Schlumberger	279	Hess	317	Franz Haniel
242	Denso	280	Ecopetrol	318	Jiangsu Shagang Group
243	Bank of Communications	281	Telecom Italia	319	China National Building Meterial Group
244	Mitsubishi Electric	282	Royal Bank of Canada	320	Kansai Electric Power
245	FedEx	283	Bridgestone	321	Quanta Computer
246	Enterprise Products Partners	284	Centrica	322	Shougang Group
247	Sysco	285	Ingram Micro	323	Supervalu
248	Walt Disney	286	Plains All American Pipeline	324	New York Life Insurance

249	Royal Ahold	287	Honeywell International	325	NKSJ Holdings
250	Continental corporation	288	Christian Dior	326	Sinomach
251	Johnson Controls	289	Vivendi	327	Mitsubishi Heavy Ind.
252	Kia Motors	290	Mitsubishi Chemical Holdings	328	Wuhan Iron & Steel
253	GlaxoSmithKline	291	ANZ	329	Lenovo Group
254	Goldman Sachs Group	292	China Railway Meterials	330	Mediceo Paltac Holdings
255	Credit Suisse	293	UAL	331	American Express
256	People's Insurance Co. of China	294	Oracle	332	News Corp.
257	Softbank	295	NEC	333	L.M. Ericsson
258	China United Telecom	296	Liberty Mutual Insurance	334	Swiss Reinsurance
259	CHS	297	PKN Orlen Group	335	DZ Bank
260	Hindustan Petroleum	298	State Bank of India	336	Beijing Automotive
261	Abbott Laboratories	299	China Guodian	337	Allstate
262	Sears Holdings	300	J. Sainsbury	338	Tyson Foods
263	UBS	301	HCA	339	Edeka Zentrale
264	Anheuser-Busch	302	China Metallurgical	340	Air France-KLM Group
265	Veolia Environment	303	Delta Air Lines	341	Power Corp. of Canada
266	Jardine Matheson	304	Aetna	342	Massachusetts Mutual Life Insurance
Rank	Company	Rank	Company	Rank	Company
343	Tewoo Group	381	Manulife Financial	419	Macy's
344	George Weston	382	3M	420	Ultrapar Holdings
345	Cosmo Oil	383	Sharp	421	Michelin
346	Old Mutual	384	Pegatron	422	Fluor
347	Royal Philips Electronics	385	Accenture	423	McDonald's
348	Tesoro	386	DirecTV Group	424	Onex
349	La Poste	387	Amer International	425	Phoenix Pharmahandel
350	Morgan Stanley	388	Shandong Weiqiao Pineering Group	426	Hyundai Mobis
351	East Japan Railway	389	China Huadian	427	Samsung Life Insurance
352	TIAA-CREF	390	Shanxi Coal Transportation & Sales	428	Industrial Bank
353	Gas Natural Fenosa	391	Delhaize Group	429	China Pacific Insurance
354	Power Constuction Corporation of China	392	T&D Holdings	430	Shanxi Luan Mining Group
355	Chemchina	393	Cigna	431	Bank of Nova Scotia
356	Chubu Electric Power	394	BT	432	Datong Coal Mine Group
357	COFCO	395	China Electronics	433	Groupe Danone
358	TNK-BP International	396	L'Oreal	434	Standard Chartered Group
359	Greenland Honding	397	William Morrison	435	Shanxi Jincehng Anthracite Coal Mining
360	Xstrata	398	Murphy Oil	436	Showa Shell Sekiyu

361	General Dynamics	399	Anglo American	437	Fujifilm Holdings
362	Philip Morris	400	Alfresa Holdings	438	Migros
363	Hutchison Whampoa	401	China Ocean Shipping	439	Compass Group
364	Zhejiang Meterials Industry Group	402	Time Warner	440	Mazda Motor
365	Korea Gas	403	Shanxi Coking Coal Group	441	BAE Systems
366	Itausa-Investimentos Itau	404	Henan Coal & Chemical	442	Hartford Financial Services
367	Suzuki Motor	405	Mapfre Group	443	Adecco
368	Poste Italiane	406	Xinxing Cathay International Group	444	Telstra
369	Oil & Natural Gas	407	Yangquan Coal Industry	445	Surgutneftegas
370	Magna International	408	China Power Investment	446	Sinopharm
371	S-Oil	409	Coop Group	447	LG Display
372	Schneider Electric	410	Halliburton	448	Alstom
373	Shandong Energy Group	411	China Minsheng Banking Corp.	449	Brazilian Distribution
374	Aisin Seiki	412	China Merchants Bank	450	Sumitomo Electric Industries
375	Standard Life	413	AstraZeneca	451	Heraeus Holding
376	China Datang	414	Jianxi Copper	452	Northwestern Mutual
377	Nationwide	415	Kailuan Group	453	TJX
378	Toronto-Dominion Bank	416	International Paper	454	Travelers Cos.
379	Formosa Petrochemical	417	China Shipbuilding Ind.	455	Maruhan
380	GasTerra	418	Publix Super Markets	456	SHV Holdings

Rank	Company	Rank	Company	Rank	Company
457	Avnet	472	Energie Baden-Wurttemberg	487	Sodexo
458	Heineken Holding	473	Vattenfall	488	TUI
459	Japan Tobacco	474	Mol Hungarian Oil & Gas	489	Capital One Financial
460	Shanghai Pudong Development Bank	475	Staples	490	Alcoa
461	Rite Aid	476	Dexia Group	491	CFE
462	AFLAC	477	Zhejing Geely Holding Group	492	Flextronics International
463	Tech Data	478	Emerson Electric	493	Ansteel Group
464	Shaanxi Yanchang Petroleum	479	Raytheon	494	Sumitomo Chemical
465	Northrop Grumman	480	Occidental Petroleum	495	Exelon
466	Bailian Group	481	Daiwa House Industry	496	Kirin Holdings
467	Nomura Holdings	482	China Nonferrous Metal Mining	497	International Airlines Group
468	Commerzbank	483	Guangzhou Automobile Industry Group	498	Ineos Group Holdings
469	AMR	484	Nike	499	Cathay Life Insurance
470	Fresenius	485	BAT	500	Ricoh
471	Tata Steel	486	CRH		

C. Fortune Global 500 Companies in 2012 (Published in 2013)

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