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A multiple-stakeholder perspective to Corporate Social Responsibilities (CSR) in the forest industry

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OUTLINE

To introduce our studies & findings

- Background
- Purpose
- Theories
- Data and methods
- Results
- Conclusion





BACKGROUND



- Changes in global business environment

Globalisation
concerns

Sustainability

Societal and stakeholder

- CSR in the forest industry

- **Economic responsibility:** fundamental, suffered from poor profitability and has not adequately met investor expectation of financial returns
- **Environmental responsibility:** a focus, including sustainable use of nature resources, prevention of climate change, reduction of pollutant emissions, forestry and forest management, and forest certification etc
- **Social responsibility:** increasingly important. A critical example is significant lay-offs in the industry



PURPOSE OF THE CSR STUDIES IN FOREST PRODUCTS MARKETING

- Providing a clear picture about CSR issues in the forest industry
- Clarifying the opinions and attitudes of multi-stakeholders to CSR issues in the forest industry
- Comparing the regional and culture differences on the CSR issues between China, Finland and USA
- Contributing to the CSR theories



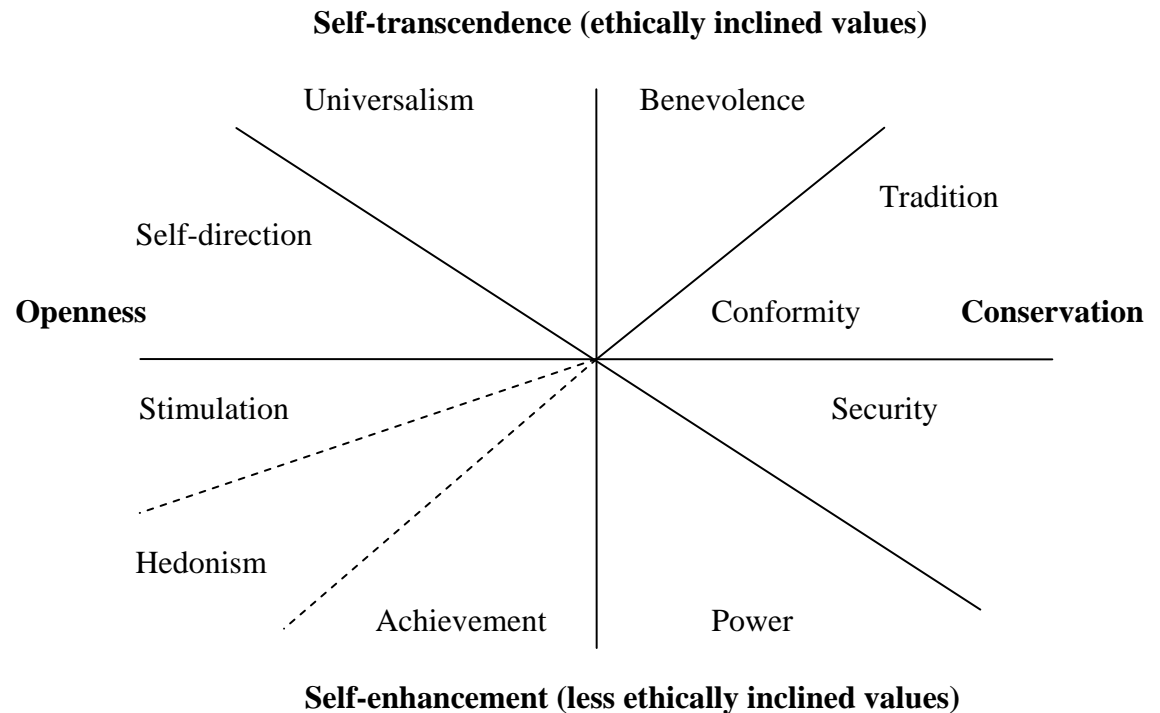


VALUES AND CULTURE



- Different cultures as background
- Values as important determinants

Figure 1: Dimensions of values (Schwartz's value model)





THEORETICAL APPROACHES



■ Business ethics & CSR

Development of CSR definitions

- ❑ Sheldon. 1924 ethical consideration
- ❑ Bowen. 1953 social obligation
- ❑ Friedman. 1962 shareholder approach
- ❑ **McGuire. 1963 societal approach**
- ❑ **Freeman. 1984 stakeholder approach**
- ❑ **Carroll. 1991 pyramid of CSR**
- ❑ **Elkington. 1998 triple bottom lines**
- ❑ Maignan. 2000 corporate citizenship
- ❑ Baron. 2000 strategic csr

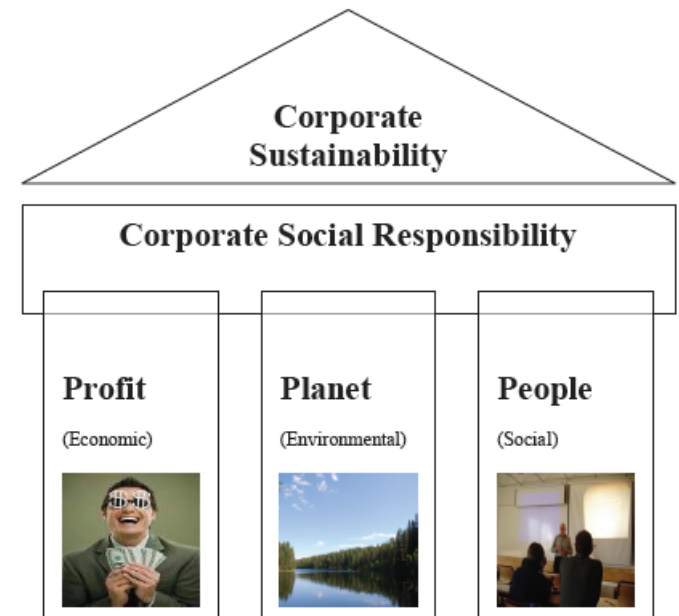


Figure 2: CSR-- the triple bottom lines



CSR



The harmony approach to CSR: Companies should apply the concept of "harmony" to their business, and carry on their business in a harmonious way – both interpersonal (intercompany) and man-nature harmony. The overall goal for a company in implementing CSR is to cultivate the virtues of "humaneness", "righteousness", "ritual", "wisdom", "sincerity", and "responsibility", and to become a "superior enterprise", in this way to contribute to the construction of a harmonious society.

Respecting nature and loving people





THEORETICAL FRAMEWORK

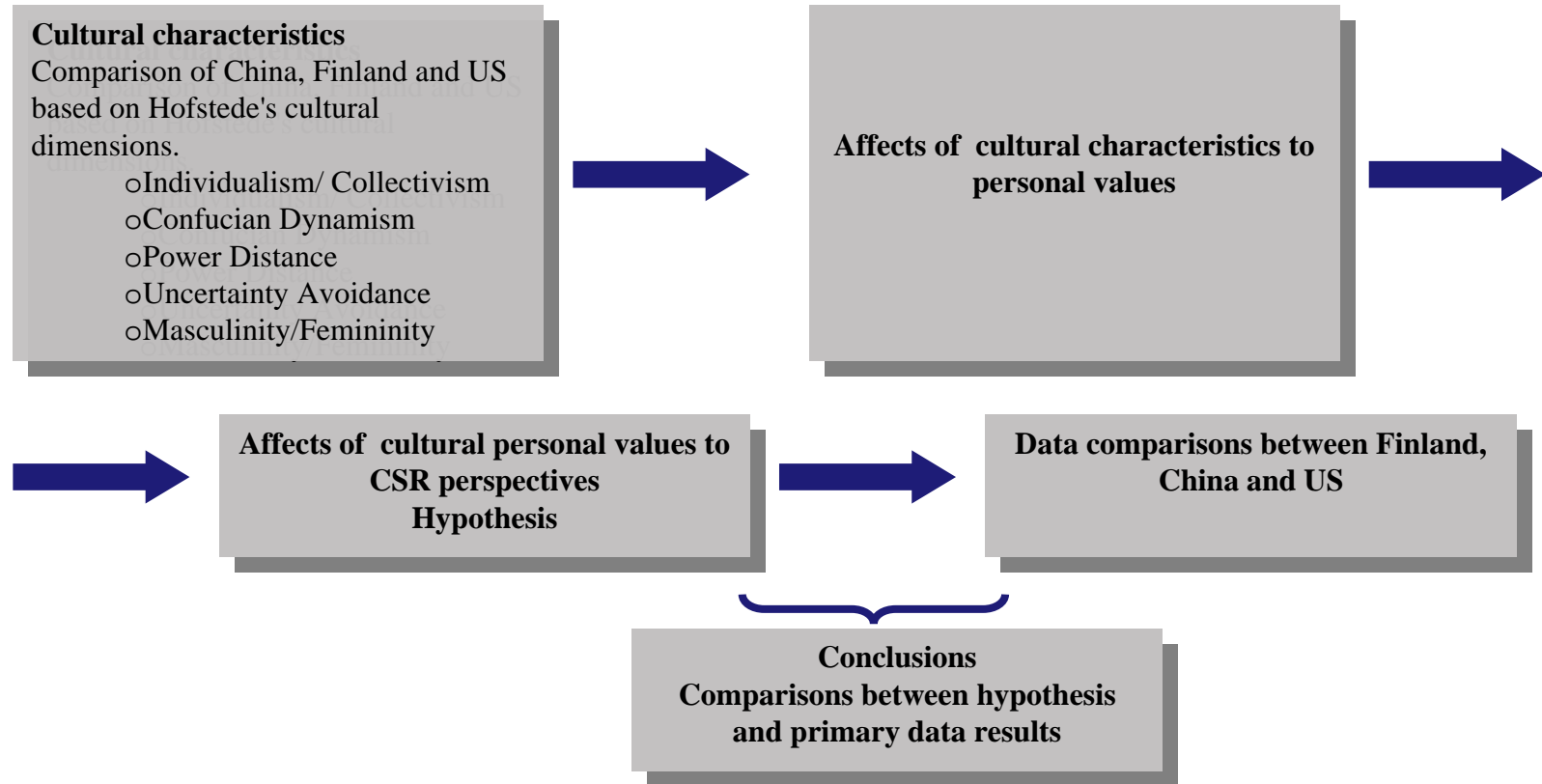


Figure 3: Demonstration of the study



THEORETICAL FRAMEWORK

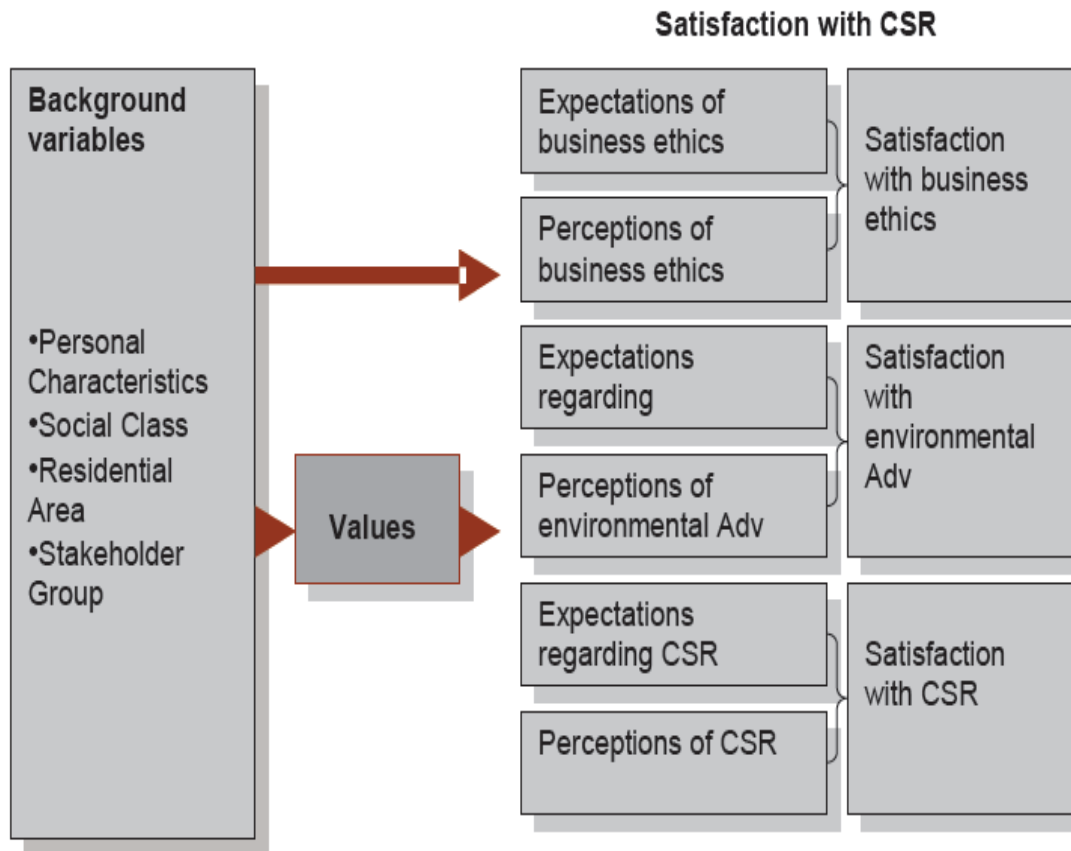


Figure 4: Theoretical framework





DATE AND METHODS OF THE STUDY

Methods:

- Structured questionnaire (N=2000)
- Qualitative interviews (N=50)

Surveys:

- Survey among university students in China, Finland, and USA
- Survey among general public in China
- Survey among different industries in China





RESULTS



- Finnish respondents show the highest level of satisfaction in CSR, while Chinese respondents have the lowest level of satisfaction.

Table 1: satisfaction with CSR between different countries

Country	Satisfaction with CSR
Finland	3.3
USA	3.1
China	2





RESULTS



- Similar results in China, Finland and USA: The satisfaction with forest industry's CSR is generally highest within the economic responsibilities, lowest within the environmental responsibility

Table 2: Average mean of CSR factor sets

Countries	Average mean of factor sets		
	Social responsibility	Economic responsibility	Environmental responsibility
China	3,1	3,8	2,4
Finland & USA	3,2	3,8	2,9





RESULTS



- Respondents' views on CSR reporting have direct effect on their satisfaction with CSR

Table 3: Interrelationships between reporting views and satisfaction with CR

Reliable reporting (RepFac1)	1.000				
Image reporting (RepFac2)	-0.166**	1.000			
Environmental responsibilities (CRFac1)	0.696**	-0.424**	1.000		
Social responsibilities (CRFac2)	0.358**	-0.230**	0.183**	1.000	
Economic responsibilities (CRFac3)	0.168**	0.115	0.022	0.102	1.000
	RepFac1	RepFac2	CRFac1	CRFac2	CRFac3

** Correlation is significant at the 0.01 level



RESULTS



- Values have a significant impact on individual's perspectives to CSR

Openness PVFact 1	1,000								
Self-enhancement PVFact 2	0,06	1,000							
Self-transcendence PVFact 3	0,517	-0,040	1,000						
Conservation PVFact 4	0,061	0,503	0,231	1,000					
Environmental Responsibilities CSRFact 1	-0,130	0,116	-0,062	0,078	1,000				
Social responsibilities CSRFact 2	-0,073	0,110	0,005	0,102	0,766	1,000			
Economic responsibilities CSRFact 3	0,260	0,104	0,259	0,166	0,044	0,150	1,000		
Responsible disclosing CSRFact1	-0,133	0,166	-0,054	0,131	0,503	0,541	0,102	1,000	
Marketing tool CSRFact2	0,290	0,083	0,261	0,151	-0,186	0,122	0,332	-0,074	1,000
	PV Fact 1	PV Fact 2	PV Fact 3	PV Fact 4	CSR Fact1	CSR Fact2	CSR Fact3	CSR Fact1	CSR Fact2

Table 4: Correlation matrix of values and satisfaction with CSR performances



RESULTS



- Chinese respondents have rather poor knowledge on CSR. They consider CSR communications as mainly a marketing tools to promote sales and company image, and they are not satisfied with the quality of disclosed CSR information

Table 5: Chinese respondents' satisfaction on CSR information

Factor sets	Average mean
Responsible disclosure	2,6
Marketing tool	3,8





RESULTS

- Finnish respondents consider forest industry's environmental reporting more reliable and open than their US counterparts. They are more satisfied with the environmental responsibility of the forest industry than the US respondents

Table 6: Divergence of corporate responsibility satisfaction within countries

Country	Factor I Environmental responsibilities		Factor II Social responsibilities		Factor III Economic responsibilities	
	Mean	F-Prob	Mean	F-Prob	Mean	F-Prob
Finland	0.244	0.007	-0.300	0.000	0.334	0.000
USA	-0.087		0.107		-0.120	





RESULTS

- The US respondents emphasise the companies success in social responsibilities

Table 7: Divergence of corporate responsibility satisfaction within countries

Country	Factor I Environmental responsibilities		Factor II Social responsibilities		Factor III Economic responsibilities	
	Mean	F-Prob	Mean	F-Prob	Mean	F-Prob
Finland	0.244	0.007	-0.300	0.000	0.334	0.000
USA	-0.087		0.107		-0.120	





CONCLUSIONS

- The importance of ethical education
- Improve the environmental performances is necessary
- Improve the quality and reliability, and transparent of the CSR information
- Improve communication with public and work together with different stakeholders for the sustainability issue.





THANK YOU!
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