THE ADAPTATION OF SOCIAL RESPONSIBILITY REPORTING WITHIN A MULTI-NATIONAL CORPORATION: A MULTI-LEVEL STUDY

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Thesis abstract

The purpose of this research is to study the adaptation of corporate social responsibility reporting (CSRR), an outcome of its vertical transfer between the HQ and subsidiaries of a multi-national corporation (MNC). The transfer of practices and policies by MNCs across their geographically dispersed units has been a central concern in the IB literature which has provided rich insight into the determinants of practice adoption by subsidiaries. Here the seminal contributions by Kostova and colleagues (Kostova, 1999; Kostova & Roth, 2002; Kostova & Zaheer, 1999) have paved the way to an understanding of the potential barriers to the transfer of practices across units within an MNC. Nevertheless, despite subsequent contributions recognising that adaptation is a necessary component in such transfers (e.g., Jensen & Szulanski, 2004), the field has shown "signs of intellectual hegemony" (Ferner, Edwards, & Tempel, 2012: 164) dominated by the Kostovian premises. These propositions, drawing predominantly from new institutionalism, have provided a representation of the effects of host country requirements and parent company expectations on subsidiary responses revolving around the notion of "institutional duality". Yet, significant gaps remain in our understanding of the interaction of the determinants across different levels of analysis influencing the adaptation of the transferred practice at the subsidiary level.

Against this background and recent calls to question the traditional conformity-driven explanations influenced by the Kostovian premises (Bello & Kostova, 2014; Ferner et al., 2012; Kostova, Marano, & Tallman, 2016), this thesis shifts away from the deterministic view of institutions constraining subsidiaries (Saka-Helmhout & Geppert, 2011) and the neglect of individuals' agency to shape and modify practices that has prevailed in the transfer of practices literature. It does so by adopting an eclectic theoretical approach capitalising on the three schools of institutional theory: the new, the comparative/historical and Scandinavian and leveraging insights from multi-level approaches in the transfer of practices and CSR literature (e.g., Aguilera, Rupp, Williams, & Ganapathi, 2007; Jamali & Neville, 2011; Kostova, 1999; Kostova & Roth, 2002, Lee 2011). Instead of limiting the discussion to the duality of home and host country institutional pressures, this thesis addresses the influence and interaction of three levels of analysis: the institutional (the national business system and organisational field pressures), the organisational (the MNC's mechanisms governing the transfer of CSRR and the subsidiaries' absorptive capacity) and the individual (translation strategies adopted by boundary-spanners) on the adaptation of CSRR.

To this end, the thesis uses a qualitative case study with multiple embedded units of a UK-based MNC in the information systems' industry, FINEST[1]. The case study is informed mainly by 47 semi-structured interviews conducted across the French, Danish, Dutch, American and Brazilian subsidiaries as well as complementary secondary data (annual and CSR reports, website information and internal documents), which provide rich empirical

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[1] FINEST is a pseudonym for confidentiality reasons

dataset. The thesis is underpinned by a critical realist philosophy which is a viable paradigm for conducting explanatory multi-level research since it is offers the possibility to investigate social phenomena in a holistic manner, rejects the determinism and reductionism that are inherent to the regularity model of scientific explanation (Welch, Piekkari, Plakoyiannaki, & Paavilainen-Mäntymäki, 2011) and is consistent with the theorisation of the environment as a nested milieu, where social objects by virtue of their structure have causal powers.

The findings of this research shed light on the heterogeneous adaptation of CSRR and the variety of subsidiaries' strategic responses associated with it. Four adaptation configurations with different levels of implementation, internalisation, integration and fidelity are identified: *intentional decoupling, proactive adaptation, unintentional decoupling and ceremonial adaptation*. The multi-level framework proposed in this thesis contributes to the transfer of practices literature by providing a powerful tool to study the complex network of mechanisms that explain those four adaptation configurations and the contingent conditions under which they are expected to occur. The framework shows that the configuration of the adaptation of CSRR is mostly explained by the level of development of the absorptive capacity and the type of translation strategy devised by the boundary-spanner. The study reveals that a well-developed absorptive capacity and the *hybridisation* translation strategy offsets the barriers of the institutional environment on the configuration of the adaptation of the transferred practice. Conversely, if the subsidiaries' absorptive capacity remains underdeveloped and the boundary spanners devise either a *replication* or *replacement* translation strategies, a favourable institutional environment is not sufficient to trigger an enhanced adaptation supporting the view that national institutions along with the organisational field pressures can constrain or enable the adaptation of CSRR, but they are not "absolute" (Edwards, Colling, & Ferner, 2007). The findings thus expose the key role of the parent MNC in using an appropriate mix of social, control and integration mechanisms that enhance the absorptive capacity and complement the existing stocks of knowledge of its subsidiaries and simultaneously support the translation role of boundary spanners.

The cross-disciplinary approach of this research allows making further contributions to the CSRR, comparative and multilevel CSR literatures. Finally, examining the multi-level determinants, this thesis allows proposing actionable recommendations not only for MNCs' managers but for actors involved in business & society relations such as government and policy makers.

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List of publications

The following publication relates to, and arises from research carried out for this PhD:

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Gutierrez-Huerter O, G., (2016). Translating strategies of boundary spanners within an MNC: the case of CSR reporting. *Academy of Management Proceedings (forthcoming)*

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1. Introduction

1.1 Chapter overview

The purpose of this chapter is to provide a general overview of this thesis entitled: *The Adaptation of Corporate Social Responsibility Reporting within an MNC: a multi-level study.* This chapter provides an introduction to the research context and develops the issues involved in the transfer of corporate social responsibility reporting (CSRR) across subsidiaries within a multi-national corporation (MNC) (1.2). Section 1.3 discusses the conceptual foundations of the research and briefly examines the existing literature on transfer of practice, outlining the gaps which highlight the need for a more nuanced multi-level approach to study of the phenomenon of the transfer of practices. The section also describes the main theoretical frameworks underpinning this research. Section 1.4 introduces the research objectives and research questions across the three areas of inquiry: (1) the outcomes of the transfer; (2) the determinants of the transfer across three levels of analysis: (a) the institutional, (b) the organisational and (c) the individual; and (3) the multi-level interaction of those determinants. Section 1.5 provides an overview of the research design as an explanatory critical realist case study of an MNC. It describes the embedded multiple case study design which compares and contrasts the transfer of CSRR across five of its subsidiaries from France, Denmark, the Netherlands, the US, and Brazil. Section 1.6 establishes the contributions of the research in the view of the multi-level approach to the study of the transfer of CSRR within an MNC. Finally, section 1.7 provides a summary of the thesis structure and justifies its organisation in empirical chapters engaging with specific research conversations at that level of analysis. It provides a brief outline of each chapter.

1.2 Research context

Globalisation has intensified calls for MNCs to engage in social initiatives ranging from community outreach and environmental protection, to ethical business practices (Du, Bhattacharya, & Sen, 2010). Alongside the rise of corporate social responsibility (CSR), there

has been a demand for the accountability and transparency on CSR issues. This has led to the emergence of corporate social responsibility reporting (CSRR), understood as an organisational practice referring to the policies, standardised processes and systematic methods defining the ways to collect, assess, measure, analyse and communicate the social and environmental impact of a corporation. According to the KPMG Survey of Corporate Responsibility Reporting 2015, 92% of the world's largest MNCs annually report information about their environmental and social impact (KPMG, 2015) mainly through the publication of stand-alone CSR reports or as part of their annual reports.

Research has recognised the internal and external benefits for corporations in adopting CSRR, such as improving corporate reputation (Bebbington, Larrinaga, & Moneva, 2008b) and brand value (Herzig & Schaltegger, 2006), benchmarking against competitors, accessing capital (Cheng, Ioannou, & Serafeim, 2014), improving the social and environmental accountability for relevant firm stakeholders (Ioannou & Serafeim, 2014) and driving intra-organisational changes toward improved sustainability (Adams & Larrinaga-González, 2007; Adams & McNicholas, 2007). Recent research has suggested that CSRR is an effective strategy for MNCs to overcome barriers to legitimation as it conveys to host countries and global stakeholders alignment to global meta-norms and expectations (Marano, Tashman, & Kostova, 2016). Nevertheless, the adoption of practices by MNCs such as CSRR has been criticised for being merely symbolic (Chelli, Durocher, & Richard, 2014; Kim & Lyon, 2014; Marquis & Qian, 2013; O'Dwyer, 2002). While the MNCs' HQ publicly embrace the social and environmental concerns and communicate publicly on their CSR policy and progress across their worldwide operations, some of their subsidiaries poorly implement these processes, with no sign of substantive initiatives and changes in their businesses processes and putting in question the credibility, reliability (Jahdi & Acikdilli, 2009) and completeness of the published information (Strong, Ringer, & Taylor, 2001), thus representing a reputational threat for the MNC as a whole.

Managing the transfer of a corporate-led practice such as CSRR in MNCs is a complex task not without difficulties. At the institutional level, subsidiaries have been socially embedded in the host country environment, have historically developed social and environmental accountability mechanisms within the wider national institutional landscape (Matten & Moon, 2008) which may appear to conflict with the policies transferred by the HQ. At the organisational level, subsidiaries are heterogeneous, particularly in the context of acquired subsidiaries where acquisitions are made for different reasons (e.g., to overcome barriers of entry, enter a market quickly, or imitate other firms that make acquisitions) (Haunschild, 1993; Hennart & Park, 1993) and thus the subsidiaries' stocks of knowledge related to the transferred practice may vary. At the individual level, employees may respond with a variety of attitudes to the transfer of the practice given their perceptions and interpretations of the practice since CSR is characterised by a plurality of meaning and definitions (Carroll, 1999; Carroll, 2009; Gond & Moon, 2011), that have been shown to depend heavily on the institutional contexts within which actors operate (Matten and Moon, 2008).

This thesis aims to capture the complexity of the transfer of CSRR and thus, contribute to a more nuanced understanding of the adaptation of CSRR (outcome of the transfer) and the mechanisms and contextual conditions triggering it. By identifying different adaptation configurations of implementation, internalisation, integration and fidelity, this research exposes the contextual specificities under which gaps between policy and practice are bound to occur. Ultimately, the thesis' intention is to inform how CSRR can be integrated across MNCs' subsidiaries, fulfilling not only HQ's expectations with regards to the implementation of standards but also becoming a tool which can be merged with existing social and environmental accountability practices, and enables subsidiaries to analyse their social and environmental impacts and initiate efforts to improve their performance in this area.

1.3 Conceptual foundations of the study

The diffusion of practices has certainly remained a central concern of management and organisation theory (Kennedy & Fiss, 2009; Strang & Soule, 1998). In the MNC literature too, one of the key themes in the study of theory and practice of international business is the transfer by MNCs of policies and practices across the different institutional contexts in which they operate. Today it is accepted by the international management literature that an important competitive advantage of MNCs is their superior ability to transfer business practices that reflect their core competencies and superior knowledge across their geographically dispersed units (Grant, 1996; Gupta & Govindarajan, 2000; Kostova, 1999). Those practices deemed as "strategic" (Child & Rodrigues, 1996; Kostova, 1999), in other words those that are critical or crucial for achieving the strategic mission of the firm will be those transferred globally by the HQ. Nevertheless while strategic practices may define particular ways of conducting organisational functions and processes such as the collection, recording, analysis of social and environmental data, in the case of CSRR, subsidiaries may understand and interpret these practices differently (Crilly, Zollo, & Hansen, 2012), leading to heterogeneity in the adoption and subsequent adaptation of the practice.

The literature has provided rich insights into the determinants of a variety of transfer outcomes where the seminal contributions by Kostova and colleagues (Kostova, 1999; Kostova & Roth, 2002; Kostova & Zaheer, 1999) have paved the way to an understanding of the potential barriers to the transfer of practices across units within an MNC. These propositions, drawing predominantly from new institutionalism, have provided a rather simplified representation of the effects of the host country requirements and parent company expectations on subsidiary responses revolving around the notion of "institutional duality" whereby MNC subunits balance host country requirements and parent company expectations. Depending on the particular external and internal conditions, transfer outcomes range from complete adoption and internalisation, to ceremonial adoption of only the formal aspects of the practice, to minimal adoption.

Since this seminal work, and despite subsequent contributions recognising that adaptation is a necessary component in transfers (e.g., Jensen & Szulanski, 2004) the field has been dominated by the these premises, showing "signs of establishing a new intellectual hegemony" (Ferner et al., 2012: 164). Yet, significant gaps remain in our understanding of the interaction of the institutional arrangements and other interdependent determinants across different levels of analysis influencing adaptation of the transferred practice.

Four areas for further enquiry remain. First, existing models of practice transfer, rely either on the new or comparative/historical institutionalism (the former is the most prevalent) and consequently centre their analysis in one domain of analysis either the organisational field or the national level, leaving the field fragmented. This fragmented state of the literature has thus, left underexplored the co-influence of host country institutions and their interactions with other levels of analysis. Second, because of the extensive theoretical commitment to a new institutionalist perspective, the effects of the institutional context are framed as a function of the level of similarity to the "country institutional profile", considering distant institutions as constrains (Saka-Helmhout & Geppert, 2011) to the transfer and ignoring synergies with other determinants across other levels. Third, the single theoretical focus mentioned in the first point means that studies have failed to acknowledge the individual agency of employees in shaping the transfer of practices. Even though some studies recognise the influence of employees on practice adoption as carriers of cognitive and normative institutions (e.g. Kostova & Roth, 2002), these are still considered to be determined by the external environment, overall downplaying individuals' agency to shape, reproduce, and change the practices. Finally, the fourth problem is associated with the implicit assumption that practices are considered as "intact" and "invariable" models which has consequently centred the analysis on the "adoption" rather than on "adaptation".

Given these gaps in the literature, and recent calls to question the traditional conformity-driven explanations of the MNC influenced by the Kostovian premises (Bello & Kostova, 2014; Ferner et al., 2012; Kostova et al., 2016), a multi-level framework seems particularly

suitable in capturing the complexity in the transfer of practices from HQ to subsidiaries and reflecting the interactions between the host country institutional arrangements, subsidiary capabilities, dependencies with the HQ and micro-aspects of the transfer such as the interpretation and subsequent translation of the diffused practice prototypes.

In order to do so, this thesis builds upon multi-level approaches in the transfer of practices and multi-level CSR literature (e.g., Aguilera, Rupp, Williams, & Ganapathi, 2007; Jamali & Neville, 2011; Kostova, 1999; Kostova & Roth, 2002, Lee 2011). Based on these, the environment is seen as an array of multi-layered arrangements where, outcomes are the result of the combination and interaction of determinants across different levels. Institutions constrain and empower organisations and individuals but, actors in turn, play a critical role in transforming and shaping the context in which they operate, acknowledging thus, the existence of top-down and bottom-up processes.

This research adopts an integrative approach drawing from the three schools of institutional theory, the comparative, new and Scandinavian schools which provide complementary insights into the phenomenon studied as a responses of the fragmented state of the literature. While the new institutionalism focuses on the increasing structural sameness of organisations (DiMaggio & Powell, 1983), the comparative institutionalist approach highlights how business continues to be influenced by the national institutional frameworks in which it is embedded (Hall & Soskice, 2001; Whitley, 1997) and the Scandinavian institutionalism considers that ideas are translated through their circulation (Czarniawska & Sevón, 1996; Sahlin-Andersson, 1996). Thus, integrating the core orientations of the comparative/historical, new and Scandinavian institutionalism, makes a useful distinction between the different levels of analysis: the national institutions, the organisational field and the individual level.

While institutional theory is the main theory guiding the multi-level approach, the thesis is deliberately designed to engage with different research conversations across the three levels

of analysis. To this end, each empirical chapter builds and contributes to specific literatures to answer the sub research question pertaining to that level of analysis.

1.4 Research objectives and questions

The objective of this research is two-fold: (1) to explain the adaptation of the transferred practice (outcome) and the associated strategic responses by subsidiaries of an MNC, following the transfer of the practice by the HQ and (2) to build a multi-level framework that provides a holistic account of the determinants across different levels of analysis and their cross level interaction that explain the heterogeneity of the adaptation of the practice. Given the complexity in conducting multi-level research, this thesis is split into four key areas organised as empirical chapters engaging with specific literatures concerning that dimension or level of analysis. The theoretical foundations chapter outlines the overarching theoretical underpinnings and provides scope to study the phenomenon from a multi-level perspective. The first empirical chapter studies the outcomes of the transfer of CSRR by the HQ in terms of strategic responses to the adoption and adaptation of the practice (chapter 4), followed by the study of determinants across three main levels of analysis: the institutional (national institutions and the organisational field pressures, chapter 5); the organisational level (the MNC mechanisms governing the transfer of CSRR and their interaction with subsidiary absorptive capabilities, chapter 6) and the individual level (the translating strategies of boundary-spanners, chapter 7). Findings from these chapters will help to connect the specific determinants across the different levels of analysis and highlight the interactions, mechanisms and the contingent conditions across the three levels of analysis that lead to different configurations of adaptation (chapter 8). Thus, the overarching research question of the thesis is: **What explains the responses and adaptation of CSRR by subsidiaries of an MNC?**

The thesis is designed so that each chapter addresses a specific aspect of the research question –concerning one level of analysis which contributes to the building of the multi-level framework. Thus, the four sub-research questions are: (1) How do subsidiaries respond to the

adoption of CSRR? And what are the configurations of the adaptation of the transferred practice? (Chapter 4), (2) How do national institutions and the organisational field pressures influence the adaptation of CSRR? (Chapter 5), (3) How do prior knowledge and HQ organisational mechanisms affect the subsidiaries' absorptive capacity and how does absorptive capacity influence the adaptation of CSRR? (Chapter 6), (4) How do translators influence the adaptation of CSRR? (Chapter 8). Table 1 defines the specific research questions and aims associated with each of the empirical chapters.

Table 1 Research questions and aims

	Research question	Research aims
Chapter 4	(1)How do subsidiaries respond to the adoption of CSRR? (2) What are the configurations of the adaptation of the transferred practice?	•To analyse the diversity of subsidiary responses to the adoption of the transferred practice. •To analyse the variation of the practice across four dimensions: implementation, internalisation, integration and fidelity. •To compare the four dimensions of practice variation across the subsidiaries. •To link the strategic responses to the configurations of adaptation.
Chapter 5	(2)How do national institutions and organisational field pressures influence the adaptation of CSRR?	•To examine the national business setting and study how the institutional landscape explains the development of "implicit" and "explicit" social and environmental accountability mechanisms in the subsidiaries' host countries. •To compare the intensity of the pressures from the organisational field pressures through the analysis of the coercive, mimetic and normative mechanisms. •To probe the effect of organisational field pressures against the power of national institutions and identify their influence on strategic responses and the adaptation of CSRR.
Chapter 6	(3)How do prior knowledge and MNC's organisational mechanisms affect subsidiaries' absorptive capacity and how does absorptive capacity influence the adaptation of CSRR?	•To determine the influence of the social, control and integration mechanisms deployed by the HQ on the three dimensions of subsidiary absorptive capacity. •To analyse the interaction between heterogeneous stocks of knowledge and organisational mechanisms on the subsidiaries' absorptive capacity. •To determine the influence of the organisational level on the strategic responses to the adoption and adaptation of CSRR
Chapter 7	(4)How do translators influence the adaptation of CSRR?	•To identify the individuals that perform translation roles across the subsidiaries. •To compare the process of translation across the five subsidiaries. •To determine the translating strategies of these individuals •To specify the influence of these individuals on the strategic responses to the adoption and adaptation of CSRR
Chapter 8	Provides answer to the overarching research question: **What explains the responses and adaptation of CSRR by subsidiaries of an MNC?**	•To assemble the four empirical chapters which have provided the building blocks of the multi-level model and reflect on the remaining gaps of a single-level analysis. •To offer a consolidated model after fitting together the findings from the empirical chapters and revisit some insights that the multi-level framework brings to light. •To explain the causal mechanisms that explain the four configurations of adaptations and specify the contingent conditions across levels that trigger them.

1.5 Research design

To address the research questions, this thesis adopts a qualitative approach, as this method

enables an in-depth understanding of the phenomenon of the transfer of CSRR across

subsidiaries. In order to unveil the causal explanations of different configurations of adaptation of the transferred practice and the identification of the contingencies at play, the study follows a critical research methodology which seeks to avoid both the determinism and single-level thinking that has dominated the field of transfer of practices within MNCs and instead proposes a "multiple conjunctural" (Rihoux & Ragin, 2009) view of causation of the adaptation of the transferred practice.

The research is based on a case study conducted in a UK-based MNC, named FINEST for the purpose of this research. The research applies an embedded multiple case study (Yin, 2014) and focuses on five units of analysis: the French, Danish, Dutch, American and Brazilian subsidiaries in order to compare the transfer of CSRR. This approach was chosen because it allows getting at the complex processes of mutual influence between the HQ and the subsidiary and their respective institutional environments (Fletcher & Plakoyiannaki, 2011; Ghauri, 2004). As CSRR was transferred to these five subsidiaries, the MNC context is in some ways "controlled" (Harrison & Easton, 2004) which enables a more detailed understanding of the interaction of the organisational context with the two other levels of analysis, the institutional and the individual. The MNC and the subsidiaries were selected based on a theoretical sampling following (1) a "maximum variation sampling" strategy (Guba & Lincoln, 1989; Mahoney & Goertz, 2004; Patton, 2002) whereby subsidiaries demonstrating diversity in terms of the responses to the adoption of the practice and varying levels of implementation and internalisation of the practice were selected and a (2) "contrasting case sampling" strategy (Guba & Lincoln, 1989) whereby subsidiaries belonging to a range of capitalist host country types were selected.

The MNC in question is a global market leader in the information systems industry, its main business is to provide information, analytical tools and marketing services to organisations and assist individuals managing their credit relationships and minimising risks of identity theft. FINEST has offices in around 39 countries and has approximatively 16,000 employees. The case study relies on a unique set of data: (1) 27 semi-structured interviews (6 in the HQ, 5

in the French subsidiary, 4 in the Danish subsidiary, 3 in the Dutch subsidiary, 5 in the Brazilian subsidiary and 4 in the American subsidiary); (2) 20 follow-up email interviews (2 in the HQ, 4 in the French subsidiary, 2 in the Danish subsidiary, 3 in the Dutch subsidiary, 5 in the Brazilian subsidiary and 4 in the American subsidiary), as well as secondary data such as (3) internal documentation (e.g., Global code of conduct, CSRR references, Manual for environment) and (4) external documentation (e.g., website information, annual and CSR reports) (see Table 10 in chapter 3 for complete details of the data).

The explanatory endeavour of this thesis is guided by the model of explanatory research proposed by Danermark, Ekström, Jakobsen, and Karlsson (2002) consisting of six stages: (1) description, (2) analytical resolution, (3) theoretical redescription and abduction, (4) retroduction, (5) concretisation and contextualisation, (6) comparison between different theories. Stages 1 to 3 correspond to the analysis conducted throughout chapters 4 to 7 relying on the qualitative method of thematic analysis, as it incorporates both the data-driven inductive approach of Boyatzis (1998) allowing for themes to emerge direct from the data using inductive coding and the deductive a priori template of codes approach, outlined by Crabtree and Miller (1999). The data analysis in chapter 8 corresponds to stages 4 to 6.

1.6 Contributions of the research

This research project investigates the transfer of a practice within an MNC by bringing together international management, CSR and intra-organisational perspectives. The research provides insight into the determinants across the institutional, organisational and individual level of analysis that explain the adaptation of CSRR. As a result, the theoretical contributions of this thesis correspond mainly to the transfer of practices within MNCs literature as outlined below. It is important to note that the multi-level and interdisciplinary nature of the project has allowed engaging with other research conversations within the CSRR, comparative and multilevel CSR, practice variation and glocalisation literature. These specific theoretical contributions are further developed in chapter 9, where a comprehensive account of

contributions is provided along with the practical implications of this research. A brief overview of the core contributions if provided below.

The thesis contributes to the literature in transfer of practices within MNCs, by providing a multi-level framework which offers an explanation for the persistent divergence in the adaptation of CSRR. The framework shows that adaptation (understood as the configuration of implementation, internalisation, integration and fidelity) of transferred practices is an outcome explained by structures observed at the institutional, organisational (MNC and subsidiary) and individual levels of analysis. The study shows that the configuration of adaptation of transferred practices is mostly explained by the level of development of the absorptive capacity and the type of translation strategy devised by the boundary-spanner. The study reveals that a well-developed absorptive capacity and the *hybridisation* translation strategy offsets the barriers of the institutional environment on the adaptation of the transferred practice. Conversely if the subsidiaries' absorptive capacity remains underdeveloped and boundary spanners devise *replication* and *replacement* translation strategies, a favourable institutional environment is not sufficient to trigger enhanced adaptation, supporting the view that national institutions along with the organisational field pressures can constrain or enable the adaptation of CSRR, but they are not "absolute" (Edwards, Colling, & Ferner, 2007).

The consolidated model offered in this thesis has exposed the role of absorptive capacity and translation as catalysts of practice adaptation and the multi-level conditions that trigger them. The thesis has shown the influential role played by the MNC in devising organisational mechanisms that can either damage or enhance the subsidiaries' absorptive capacities and support or limit the translation role of boundary spanners.

By examining the multi-level determinants, the study empirically contributes by showing that *intentional decoupling, unintentional decoupling, ceremonial adaptation and proactive adaptation*, all different configurations of adaptation and outcomes of the transfer, are the

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result of the level of development of the subsidiary absorptive capacity and the translation strategy performed by boundary spanners. In doing so, the study delineates the contingent conditions that trigger those adaptation configurations. The absorptive capacity is enhanced by a mix of social (intense communications, corporate socialisation practices and control (e.g., budget autonomy) and integration mechanisms (e.g., permanent structures and liaison mechanisms) deployed by the HQ and that compensate for initial stocks of knowledge, whereas *cherry-picking* and *hybridisation* translation strategies require resources or "power capabilities" (Ferner et al., 2012) such as the autonomy of the translator and knowledge about the institutional environment in order to be able to recontextualise and modify the original version of the practice.

1.7 Thesis structure and chapter flow

Given the complexity inherent in conducting multi-level research (i.e. multiple theoretical constructs and relationships to study), the thesis is deliberately designed to study separately each level of analysis and engage with specific research conversations pertaining to that level of analysis. To this purpose, the thesis starts with a general review of the research's conceptual grounding in institutional theory, reviews key literatures in CSRR, the subsidiary strategic responses to institutional pressures and the transfer of practices within MNCs which provides scope to study the phenomenon from a multi-level perspective. This chapter also sets the theoretical assumptions guiding multi-level research. It is then followed by a methodology chapter addressing issues related to the research design. Chapters 4, 5, 6 and 7 review prior literature and offer empirical insights into the adaptation of CSRR the influence of the institutional environment, the MNC's organisational mechanisms and the boundary spanners on the adaptation of CSRR respectively. In view of this consideration, each empirical chapter is structured similar to a journal article in the sense that they tackle a sub-research question, engage with particular research conversations, undertake specific analytical approaches and offer individual contributions. The thesis structure enables an in-depth investigation of the determinants of the adaptation of CSRR at one level of analysis and allows to build

systematically from the findings of each chapter, thus contributing to answering the overarching research question. Chapter 8 brings together, the empirical findings from chapter 4 to 7 which serve as the building blocks of the multi-level framework of transfer of practices within MNCs. This chapter offers a consolidated view of the model and discusses how it changes the state of the art in the field. Finally the concluding chapter assesses the project's contribution to theory and practice as well as the limitations and future research areas. Figure 1 illustrates the structure of the thesis and the connections of each chapter. The next paragraphs offer summaries of each of the thesis' chapters.

1.7.1 Chapter 2 Theoretical foundations

This chapter defines the MNC and its distinctive characteristics in relation to domestic corporations, it conceptualises CSSR and offers a general overview of each of the three strands of institutional theory used in this thesis: the new, the comparative/historical and Scandinavian institutionalism. It provides a critical overview of the various literatures related to the research questions and identifies the main research gaps in literatures such as the subsidiary strategic responses to institutional pressures, transfer of practices within MNCs and CSRR. In short, this chapter justifies the multi-level nature of the research project. As already outlined, to ensure the reader's comprehension of the building of the multi-level framework this chapter does not engage in depth with theoretical conversations across the three levels of analysis.

1.7.2 Chapter 3 Research Design

This chapter sets out to describe the research design of the study as well as its philosophical positioning and develops the assumptions related to a critical realist perspective. This is followed by a discussion of the research strategy, the data collection and data analysis. It then describes various protocols of research quality, reflexivity and ethics in qualitative research. Finally it outlines the research context of the case study, FINEST.

1.7.3 Chapter 4 Outcomes of the transfer: Adaptation of CSRR and associated strategic responses

This chapter will study the outcomes of the transfer by asking *how do subsidiaries respond to the adoption of CSRR and what are the configurations of the adaptation of the transferred practice?* It draws from the framework of strategic responses to institutional pressures formulated by Oliver (1991) and on recent contributions to the literature on diffusion and practice variation (e.g., Ansari, Fiss & Zajac, 2010; Canato, Ravasi & Phillips, 2013; Gondo & Amis, 2013; Reay et al., 2013). This chapter builds from the increasing recognition of IB scholars, that the transfer of practices to foreign subsidiaries is not an either-or matter (Ferner, Almond, & Colling, 2005) and that despite MNCs' HQ's intentions to harmonise the implementation of their CSR policies, the complexity of their organisations may prevent a homogenous adoption of practices or "isomorphism" (DiMaggio & Powell, 1983). This chapter offers a nuanced way of conceptualising adaptation. It teases the four dimensions of adaptation apart: implementation, internalisation, integration and fidelity and inductively builds on the distinctive characteristics of internalisation and integration, offering four refined typologies of adaptation.

1.7.4 Chapter 5 Influence of the national institutions and the organisational field pressures

This chapter examines the intertwined influence of the national institutions and the organisational field pressures on the strategic responses and adaptation configurations identified in chapter 4 by asking: *How do national institutions and the organisational field pressures influence the adaptation of CSRR?* Despite the growing recognition that both perspectives, the new and comparative institutionalism can enrich the arguments in the study of diffusion of practices (Tempel & Walgenbach, 2007), this chapter highlights that research on the transfer of practices across MNC subsidiaries tends to draw on one of the two conceptual perspectives and that researchers committed with one theoretical perspective tend not to engage with one another with some exceptions (e.g. Edwards et al., 2007; Geppert & Williams, 2006; Jamali & Neville, 2011). In order to alleviate the fragmented state of the

literature offering one-sided views regarding the influence of the external environment on adaptation of practices by MNC subsidiaries, the chapter adopts an integrative approach to study the mutual influence of national institutions and organisational field pressures by drawing on the two traditions of Institutional Theory: the new institutionalism and the historical/comparative institutionalism.

The analysis incorporates complementary contributions from an institutional lens, primarily the explicit/implicit CSR model by Matten & Moon (2008) which is applied to the context of social and environmental accountability (SEA) and investigates how the distinctive national institutions of market based capitalism (MBC), continental European economy (CEE), state led market economy (SLME), social democratic economy (SDE) and hierarchical market economy (HME) interact with the coercive, normative and mimetic isomorphic pressures, specific to the organisational field in which the subsidiary operates.

Figure 1 Chapter flow

Chapter 2- Theoretical Framework

Chapter 3-Research design: Embedded qualitative case study of an MNC

Chapter 4- Outcomes of the transfer

Chapter 5- Influence of the national institutions and organisational field

Chapter 6- Influence of the MNC's organisational mechanisms

Chapter 7- Influence of individuals: the role of translators

Chapter 8: A multi-level framework of the adaptation of practices within an MNC

Chapter 9: General conclusions

1.7.5 Chapter 6 Influence of the MNC's organisational mechanisms

This chapter focuses on the interaction of initial stocks of CSRR knowledge and the organisational mechanisms deployed by the HQ on the development of their subsidiaries' absorptive capacity and its subsequent influence on the outcomes of the transfer by asking: *How do prior knowledge and HQ organisational mechanisms affect subsidiaries' absorptive capacity and how does absorptive capacity influence the adaptation of CSRR?* Because of the lack of understanding of the ways in which HQ may influence the adaptation of transferred practices, this chapter draws from an adjacent field, the literature in intra-organisational transfer of knowledge within MNCs and the growing field of absorptive capacity. This chapter challenges the current (implicit) assumption in the literature that the benefit created from the knowledge flow is a function of how much knowledge or "volume" an organisational unit receives (Ambos, Nell, & Pedersen, 2013; Andersson, Gaur, Mudambi, & Persson, 2015) and instead focuses on the organisational capabilities of subsidiaries to filter, assimilate and apply the transferred knowledge (Ambos et al., 2013; Foss & Pedersen, 2002) and its interaction with heterogeneous subsidiary knowledge stocks (Ambos et al., 2013; Foss & Pedersen, 2002).

1.7.6 Chapter 7 Influence of individuals: translation strategies

This chapter brings focus to the micro-processes of variation with particular attention to the role of human agency, i.e., the "translators" across subunits within an organisation by asking: *How do translators influence the adaptation of CSRR?* While the MNC literature has acknowledged the role of subsidiary managers as central to the functioning of MNCs, since they act as the "boundary spanners" between the subsidiary, the HQ and often the other units of the MNC (Barner-Rasmussen, Ehrnrooth, Kovershnikov, & Mäkelä, 2010; Kostova & Roth, 2003; Tushman & Scanlan, 1981; Vora, Kostova, & Roth, 2007), it has given little attention to the role of subsidiary managers and their capacity to perform translation roles to purposefully modify a practice to fit within the new subsidiary. In the CSR literature too, while much work has focused on the attributes and qualities of individuals introducing or driving CSR within their organisations, little is known about the processes through which

actors translate CSR ideas imported from a different context into their own into workplace practices with only a few exceptions (e.g., Boxenbaum, 2006b; Göthberg, 2007; Vigneau, Humphreys, & Moon, 2015). This chapter addresses this gap by conceptualising translators as boundary spanners and capitalising on Scandinavian institutionalism by integrating a translation perspective with particular attention to Boxenbaum's (2006b) three-dimensional framework of translation; analysing the interplay of personal background, strategic framing and local grounding across the five subsidiaries.

1.7.7 Chapter 8 A multi-level framework of transfer of practices within an MNCs: a critical realist perspective

This chapter brings together the findings from chapters 4 to 7 to build a multi-level framework of the transfer of practices within an MNC. This chapter addresses the overarching research question of this thesis: *What explains the responses and adaptation of CSRR by subsidiaries of an MNC?* The chapter offers a multi-level framework, providing an integrated explanation for the persistent divergence in the adaptation of CSRR. It brings to light some cross-level relationships, outlines the mechanisms explaining the adaptation configurations studied in chapter 4 and specifies the contingent conditions triggering those mechanisms. The final section of the chapter reflects on the new insights that the multi-level perspective adds to the transfer of practices literature.

1.7.8 Chapter 9 General conclusions

This chapter outlines the thesis' theoretical contributions. The practical implications of the study are addressed not only for MNC's managers but for actors involved in the business & society relations such as government and policy makers. Finally, this chapter reviews the limitations of the research and suggests future research avenues.

2. Theoretical foundations of the multi-level framework of transfer of CSRR

2.0 Chapter overview

Whereas chapter 1 provided an introduction to the research, its key characteristics and the main contributions, this chapter provides the general theoretical foundations of the research (each empirical chapter engages in-depth with its specific research conversations). The thesis adopts an eclectic approach, capitalising on the three schools of institutional theory: the new, the comparative/historical and Scandinavian institutionalism. This chapter offers an overview of each strand of institutional theory, including key concepts and assumptions which serve as "building blocks" for the research and provides a critical comparison of them. It provides a critical overview of the various literature related to the research questions and identifies key research gaps. This includes current research on the strategic responses to institutional pressures, transfer of practices within MNCs and CSRR, which provide the context for the research. The last section of this chapter outlines the theoretical foundations of the multi-level framework and explains the structure of the thesis in four key areas organised as empirical chapters analysing first, the subsidiary responses and adaptation of CSRR (outcomes of the transfer) and then studying the determinants across three main levels of analysis.

2.1 Introduction

The diffusion of practices has remained a central concern of management and organisation theory (Kennedy & Fiss, 2009; Strang & Soule, 1998). In the MNC literature too, one of the key themes in the theory and practice of international business is the transfer by MNCs of policies and practices across the geographically dispersed units in which they operate. Although this literature has been able to demonstrate the potential barriers to the transfer of practices, particularly at the institutional and organisational level (e.g., Kostova, 1999; Kostova & Roth, 2002), significant gaps remain in our understanding of the mechanisms at

play leading to the heterogeneity of responses and adaptation of the transferred practice by MNC subsidiaries. Despite the recognition that MNC's subsidiaries face complexity (Saka-Helmhout, Deeg, & Greenwood, 2016) and heterogeneity (Kostova et al., 2008), current models of transfer of practices linking outcomes and determinants are not nuanced enough to reflect the interactions of the interdependent structures influencing MNC's subsidiaries. Although the literature on transfer of practices above has provided invaluable insights into the determinants of practice adoption, each perspective has provided a partial view on the phenomena at hand by focusing either on the institutional level or the MNC context with a few exceptions (e.g., Kostova, 1999; Kostova & Roth, 2002) with a persistent neglect of the individual level of analysis. Moreover, the focus on "adoption" rather than on "adaptation" has left underexplored the ways in which practices are modified to fit the local context once they arrive at the subsidiary's door step.

Considering the existing gaps and the current fragmented state of the literature, this research employs an eclectic theoretical perspective that is anchored in institutional theory and integrates the core orientations of the new, comparative/historical and Scandinavian institutionalism. The integrated theoretical perspective suits the multi-level nature of the research as it helps to make a useful distinction between the different levels of analysis.

The chapter proceeds as follows. Section 2.2 defines the key characteristics of MNCs that make them a distinctive research context, followed by section 2.3 which reviews the growing literature on CSRR. The first part (2.3.1) identifies the fundamental topics discussed and reveals some limitations of previous studies. The second part (2.3.2) conceptualises CSR as an organisational practice and identifies its tacit and articulable dimensions. Section 2.4 provides an overview of the three institutionalist traditions: the new, the comparative and the Scandinavian. This section includes a systematic comparison of the three traditions along with their key dimensions: their mechanisms of adaptation, view on institutions, unit of analysis and their agency considerations. Section 2.5 provides an account of the literature on the strategic responses to institutional pressures, an interesting field emerging from the criticism

of institutionalists' strong emphasis on stability and homogeneity. This section expands on the seminal framework by Oliver (1991), offering a typology of responses to institutional processes explained by five institutional antecedents: cause, constituents, content, control and context. Section 2.6 examines a subset of this field and reviews the work studying the subsidiary strategic responses to institutional pressures. This section critiques the use of Oliver's (1991) work as an "off the shelf" framework and captures some areas that require further examination. Section 2.7 reviews the state of the art of the literature on transfer of practices within MNCs and critically examines the seminal contributions by Kostova and colleagues which have dominated the field and identifies their limitations. It also reviews the growing field in the HR literature which has used the lenses of the comparative institutionalist perspective to examine the phenomenon of transfer of practices, providing interesting insights that inform this study. Section 2.8 justifies the need for a multi-level framework in view of the distinctive context of MNC subsidiaries and the complexity of the phenomenon of the cross-national transfer of practices. This section outlines the key assumptions of multi-level research and builds upon multi-level approaches in institutional theory and the CSR literature. This section also outlines the overarching research question and the way in which each chapter addresses a specific research question – concerning one level of analysis - and contributes simultaneously to the building of the multi-level framework. Lastly, section 2.9 offers a conclusion to the chapter.

2.2 The MNC as a distinctive research context

In 1984, the United Nations defined an MNE as an enterprise: *"comprising entities in two or more countries, regardless of the legal form and fields of activity of those entities, operating under a system of decision-making permitting coherent policies and a common strategy through one or more decision-making centres and in which entities are so linked, by ownership or otherwise, that one or more of them may be able to exercise a significant influence over the activities of the others, in particular to share knowledge, resources, and responsibilities"* (Barlett & Beamish, 2014).

In his book *Organisations,* Richard Scott described the distinctive features of the MNE as follows: "*One of the most influential modern organisational forms— the multinational corporation (MNC)—must simultaneously adapt to and operate within multiple societies and, hence, multiple environments...Their central management is confronted with the challenge of designing systems than retain sufficient unity and coherence to operate as a common enterprise and, at the same time, to allow sufficient latitude and flexibility to adapt to greatly varying circumstances*"(Scott, 1992: 138).

These two definitions highlight that multi-national organisations have fundamental features that make them substantially different from domestic firms (Kostova, Roth, & Dacin, 2008) making them challenging to manage. The key distinction that defines an MNC is the multi-country organisational presence (Westney & Zaheer, 2001) and the challenges associated with the management of a complex multi-environment network.

MNCs are organisations facing issues of complexity (Bartlett & Ghoshal, 1989; Rosenzweig & Singh, 1991) and heterogeneity (Roth & Kostova, 2003). The complexity originates from the fact that the different parts that constitute the MNC network (subsidiaries) are dispersed in very different contexts that are nevertheless strongly interconnected (Kostova & Roth, 2002). The heterogeneity arises from the internal ties to the MNC. There is individual variability and every subsidiary is different (Roth & Kostova, 2003) but yet they are integrated to respond to the interdependencies across the different organisational sub-units (Ghoshal & Westney, 1993). Additionally, the institutional environments in every country in which they operate are fragmented and heterogeneous because they are composed of different institutional domains (Kostova, 1999; Kostova & Zaheer, 1999) advocating different patterns (Westney, 1993) which may be contradictory for the subsidiary. These distinct home country institutional contexts exert a powerful influence on MNC strategy formulation, creating divergent pressures on companies headquartered in different countries (Kostova & Roth, 2002; Rosenzweig & Singh, 1991).

This research adheres to the modern view on MNCs which considers them as inter-organisational networks of loosely coupled subunits (Hedlund, 1986; Nohria & Ghoshal, 1994). In this view, subsidiaries are no longer considered to be passive instruments of HQ strategy to be utilised and employed to further the MNC's organisational objectives (Buckley & Casson, 1976) may themselves affect the initial intra-organisational roles, capabilities, and responsibilities HQ gives them (Birkinshaw & Hood, 1998). They may also take initiatives (Cantwell & Mudambi, 2005) and act in an entrepreneurial manner (Birkinshaw, 1997). Subsidiaries may, therefore, have some interests that diverge from those of the HQ organisation (Andersson, Forsgren, & Holm, 2002).

2.3 Corporate social responsibility reporting literature

2.3.1 CSRR literature

Over the past 20 years, there has been a significant increase in the study of social and environmental issues, particularly in the area of disclosure of these matters in annual reports (Deegan, 2002; Gray, Javad, Power, & Sinclair, 2001) and lately in sustainability reports (e.g. Kolk, 2005). Research in CSR reporting finds its origins in the denominated social environmental and accounting research, SEAR, established for a number of decades (Deegan, 2002). The literature review of this field suggests that the field of CSR reporting has expanded during the last twenty years in line with the growing trend of corporations publishing external CSR reports. Table 2 summarises the fundamental topics discussed in the current CSRR literature: (1) the comparison of CSRR across countries, (2) the CSRR of MNCs, (3) the institutional factors influencing CSRR, (4) the relationship between CSRR and organisational legitimacy and (5) the managerial perceptions of factors affecting CSRR.

The analysis of this literature suggests that a number of studies have provided evidence of the amount, content and types of CSRR across countries, MNCs and organisational fields, and the explanatory factors of its adoption. However, it also reveals some interesting gaps. The first is that much of the literature examining factors or motivations influencing CSRR has focused on

the outputs of CSRR, the external reports published at corporate level or HQ on the case of MNCs. While this choice is methodologically explained by the access and availability of reports, researchers have overlooked that reports are only the "tip of the iceberg" and that CSRR, as a practice involves internal organisational processes and structures (Adams & McNicholas, 2007). The focus on *adoption* rather than on *adaptation* has limited our understanding of what happens inside the organisation once CSRR is adopted and the ways in which it will be implemented. CSRR is considered as a critical first step in helping firms understanding CSR (Marano et al., 2016) and driving changes toward improved sustainability (Adams & Larrinaga-González, 2007; Adams & McNicholas, 2007). Moreover, it is recognised as a vehicle to provide social and environmental accountability to relevant firm stakeholders (Ioannou & Serafeim, 2014). However research considering the intra-organisational implementation of subunits of an organisation is still limited despite its repercussions for their accountability and transparency. For instance, deficiencies in the implementation of processes and policies that allow collecting and aggregating social and environmental data across foreign subsidiaries may put in question the credibility, reliability (Jahdi & Acikdilli, 2009) and completeness of the information (Strong, Ringer, & Taylor, 2001) provided by the MNC and as a consequence break stakeholders' trust.

The second observation is that there is a burgeoning interest in undertaking the study of CSRR from an institutional approach (Larrinaga-Gonzalez, 2007) using Scott's institutional pillars as antecedents to the adoption of CSRR within and across institutional fields (most of the studies in rows 1 to 3 in Table 2 apply new institutionalism). Restricting the study to the organisational field level has failed to consider other formal and informal institutions of social and environmental accountability, reflecting mandatory and customary requirements different to the corporate policies and standardised CSRR processes that will serve accountability responsibilities across different contexts.

2.3.2 Conceptualisation of CSRR

In view of the findings of the literature review in the previous section, CSRR is theorised as an organisational practice. Drawing from institutional theory, Kostova (1999:39) defined organisational practices as *"particular ways of conducting organisational functions that have evolved over time under the influence of an organisation's history, people, interests, and actions and that have become institutionalised in the organisation"*. Based on this, corporate social responsibility reporting (CSRR) is considered an organisational practice that relates to voluntary prescriptive corporate policies, and standardised processes that reflect explicitly formulated and decided rules regarding the methods to collect, measure, analyse and report data about the environmental and social impact of subsidiary operations. While knowledge is an elusive concept that has been classified and defined in a variety of ways (e.g. Hedlund, 1994; Nonaka, Takeuchi, & Umemoto, 1996), for the purposes of this study, the knowledge underpinning CSRR can be conceptualised as having two dimensions: (1) tacit also called "know-how" and (2) articulable[2] also called "know-what".

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[2] This type of knowledge has been widely understood in the literature as "explicit" but for the purposes of this research and the potential overlap with the explicit/implicit (Matten & Moon, 2008) framework also used in this research, the "articulable" label was chosen.

Table 2 Main contributions of the CSRR literature

Topics	Exemplary references	Main findings
Comparison of CSRR across countries	Chapple and Moon (2005); Chen and Bouvain (2009) Kolk (2005); Maignan and Ralston (2002)	•There is no convergence of sustainability reporting internationally and hence global reporting could not be seen as being part of the same organisational field. •The UK and US firms discuss CSR in their websites more extensively than their counterparts in the Netherlands and France. •CSR in Asia is unrelated to pre-existing levels of economic development but instead is related to the level of internationalisation of the country.
CSRR of MNCs	Beddewela and Herzig (2013); Kolk (2003,2005); Kolk, Walhain, and Wateringen (2001); Marano, Tashman & Kostova, (2016); Meek, Robert, and Gray (1995); Morhardt (2010).	•Company size, country, and listing status and to a lesser extent industry explain voluntary disclosures. •CSR is more common in the industrial sector. •CSR reports of by the Fortune Global 250 in 1998 and 2001 have a strong focus on the more "traditional" topics, on the environment, corporate philanthropy and employees than the broader external societal issues. •There is a positive correlation between environmental sensitivity to the industry to which the corporation belonged and the level of corporate environmental disclosure.
Institutional factors influencing CSRR	Bebbington, Higgins, and Frame (2009); Higgins and Larrinaga-Gonzalez (2014); Islam and Deegan (2008);Larrinaga-Gonzalez (2007); Perez-Batres, Miller, and Pisani (2010); Reverte (2009)	•Choosing to engage in CSRR appears not to be a rational choice but an institutional •Identification of a wide range of regulative, normative and cognitive influences contributing to the institutionalisation of CSRR. •Normative and mimetic pillars are significant predictors of firms adopting sustainability reporting •Sustainability reporting is converging in multiple organisational fields in which a variety of regulative, normative and cognitive institutions are having effects.

Relationship between CSRR and organisational legitimacy	Bebbington, Larrinaga-González, and Moneva-Abadía (2008a); Deegan & Gordon (1996); Deegan & Rankin (1996); Deegan, Rankin, and Voght (2000); Guthrie and Parker (1989); Gray et al., (1995); Patten (1992); Suchman (1995)	•Threats to a firm's legitimacy do entice the firm to include more social responsibility information in its annual report. •Public disclosure of proven environmental prosecutions and industry disasters is related to systematic changes in disclosure policies of firms involved. •Increases in corporate environmental disclosure over time were positively associated with increases in the levels of environmental group membership. •Corporate environmental disclosures were overwhelmingly self-laudatory. •CSR reporting would appear one of the mechanisms by which organisations satisfy the requirement to demonstrate a satisfactory performance.
Managerial perceptions of factors affecting CSRR	Deegan, et al., (2000); Islam and Deegan (2008);Wilmshurst and Frost (2000) O'Dwyer (2003); O' Donovan (1999,2002)	•The influences of competitor response to environmental issues and customer concerns have a predictive power of disclosure decisions. •Managers perceive that corporate disclosure is ultimately viewed as failing the achievement of a state of legitimacy.

Tacit knowledge or "know-how" (Lane & Lubatkin, 1998) is unwritten and less transparent, and is less transparent than explicit knowledge and includes a "problem solving approach". It has a "sticky" quality to it, making it difficult to learn and absorb. Tacit knowledge has been suggested to be more difficult to transfer. The knowledge related to the meaning of the data collected, the organisational implications, the ways in which CSRR may help to solve organisational objectives and the responses to social and environmental issues including solving problems such as quantification and comparability of data is considered as tacit CSRR knowledge.

Articulable knowledge or "know-what" can be written down, encoded and explained. It is classified as "transparent" because anyone with appropriate knowledge or skills can understand and decipher it (Kogut & Zander, 1992). The collection of external accounts implies the existence of management information systems (Gray, Owen, & Adams, 1996). For instance, the production of environmental management accounting (EMA) has been considered the foundation of these accounts (Herzig, Viere, Schaltegger, & Burritt, 2010). EMA identifies, collects, analyses and uses physical and monetary information. The knowledge surrounding the technical infrastructure and the use of these management information systems allowing the collection of data across MNC subsidiaries as well as global frameworks and guidelines for users in the foreign subsidiaries specifying the form in which data has to be submitted and how to calculate certain KPIs is considered explicit knowledge.

2.4 Institutional theory

Institutional theory is primarily concerned with an organisation's interaction with the institutional environment, the effects of social expectations on the organisation, and the incorporation of these expectations in organisational practices and characteristics. This section reviews three schools of thought within institutionalism.

2.4.1 New institutionalism

New institutionalism focuses on the influence of the societal or cultural environment on organisations (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Zucker, 1977). New institutionalist scholars argue that assumptions, beliefs and expectations exist in society which determine how firms, schools or hospitals should be organised, why they are useful and which functions they do and do not perform (Scott & Meyer, 1994). Meyer and Rowan (1977) considered organisations as institutionally formed entities which in order to ensure their survival must comply with the rationalised and institutionalised expectations of their environment and adopt the expected structures and management practices. The adoption of institutionalised elements leads to an "isomorphism" of organisation and institutional environment (DiMaggio & Powell, 1983). Therefore, organisations are said to become "isomorphic" (DiMaggio & Powell, 1983) within the institutional environment whereby organisations adopt structures and processes that are externally defined as appropriate to their environments and that are reinforced in their interactions with other organisations.

In new institutional terms, the environment is conceptualised as an "organisational field". An organisational field is defined by DiMaggio & Powell (1983:43) as the primary social environment of a firm. It refers to those organisations which, *"in the aggregate, constitute a recognised area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organisations that produce similar services or products"*. These fields constitute points of reference for individual businesses in which management practices and structures diffuse through three mechanisms: coercive, mimetic and normative (DiMaggio & Powell, 1983). These three mechanisms can overlap and intermingle, but they tend to derive from different conditions. Coercive isomorphism stems from power relationships and influence. Prototypically, these demands stem from the state or other large actors to adopt specific structures or practices, or else face sanctions. Coercive pressures can also result from resource dependence (Boxenbaum & Jonsson, 2008) such as demands of ISO certification to become a supplier (e.g. Edelman, 1992; Guillén, 2001; Sutton, Dobbin, Meyer,

& Scott, 1994). Mimetic isomorphism results from uncertainty. Under conditions of uncertainty, organisations often imitate their peers that are considered to be successful or influential (Palmer, Jennings, & Zhou, 1993). Normative pressures refer to what is considered a proper cause of action or even a moral duty (Suchman, 1995). Normative pressures are often associated with professionalisation because similar education and training instil similar professional values of what is "proper".

With the focus on norms and mandates, such as laws and regulations, belief systems, cultural processes and social comparison processes (e.g., Meyer & Rowan, 1977; Powell & DiMaggio, 1983), new institutionalism has helped to explain why organisations often looked alike, even if they were engaged in quite different activities in varied contexts (Palmer, Biggart, & Dick, 2008).

An important claim within new institutionalism is that when organisations face a strong institutional pressure to adopt a certain formal structure that they have little belief in, in terms of its actual efficiency, they may intentionally separate the formal structure from the actual operation. Through *decoupling,* organisations symbolically adopt the externally promoted policy while actually implementing the practice that is coherent with their internal institutional influences. Such a strategy increases an organisation's chance of survival, as it secures legitimacy from audiences while reducing the unfavourable consequence of compliance (Meyer & Rowan, 1977). Decoupling has been characterised as an intentional response strategy to inefficient rules (Meyer & Rowan, 1977) or the divergent interests of external parties (Fiss & Zajac, 2004, 2006) and as an avoidance tactic to disguise nonconformity (Oliver, 1991).

Institutional demands are conveyed by individuals that adhere to practices, norms, and values that they have been trained to follow or socialised into. To explain this phenomenon, scholars of institutional theory have referred to cognitive schema, which is "a cognitive structure that represents organised knowledge about a given concept or type of stimulus" (Fiske & Taylor,

1984). It directs specific individual action and understanding (DiMaggio, 1997), helps actors to become aware of new information in their environment, and guides the understanding and interpretation of this information (Sanders & Tuschke, 2007). Institutional theory suggests that when an organisation operates in a country of similar or greater standing to its home base, the likelihood increases that both the rationale for local practices and the local legitimacy these practices have achieved will positively influence it (D'Aunno, Sutton, & Price, 1991). Exposure to practices that vary in fundamental ways from those of a home institutional context may result in a re-evaluation of assumptions about and attitudes toward these novel practices (Greenwood & Hinings, 1996).

2.4.2 Comparative institutionalism

The comparative/historical institutionalist perspective (Guillén, 2005; Morgan & Whitley, 2003) reiterates that national institutions retain a distinctive influence on practices of firms (Whitley, 1997) and examines how institutions across several economic domains interact to form distinct national constellations (Amable, 2006; Crouch & Streeck, 1997; Hall & Soskice, 2001; Whitley, 1999). In other words, the ways in which firms solve coordination problems in different domains (e.g., finance, labour, management, inter-firm relations) are seen as functionally interdependent in fundamental ways that may create institutional complementarities among different sets of institutions (Jackson & Deeg, 2008; Milgrom & Roberts, 1990, 1994).

The scope and variety of work associated with the varieties of capitalism school is vast (Kang, 2006). There are a number of approaches which focus on the effect of a range of institutions operating at national level on organisations (e.g., Amable, 2006; Aoki, 2001; Hall & Soskice, 2001; Hollingsworth & Boyer, 1997; Whitley, 1997). Whitley's (1999) framework, using a sociological perspective, has demonstrated the close interconnections between the national business system, institutional characteristics and the firm's governance systems, capabilities and workplace systems. Hall and Soskice instead (2001) use a political-economic approach and come to similar conclusions about the interconnected nature of

macro-level and micro-level characteristics in different business systems. Meanwhile, Amable (2006) describes each system as a coherent economic-institutional configuration distinct from others.

While the work by Hall and Soskice (2001) is the most representative work within the varieties of capitalism literature, it has received some criticisms, for instance the focus on a single characteristic such as regulation mechanisms and the focus on the dichotomy between the continental and Anglo-American forms of capitalism. In view of the critiques of Hall & Soskice's (2001) framework, Amable's (2006) offers a more fine-grained typology of the diversity of capitalist models by relying on several economic, social, and political features of the institutional contexts simultaneously (Jackson & Deeg, 2008). Based on Amable's framework, Market Based Capitalism (MBC) is represented by countries like the UK and the USA which primarily relies on market mechanisms in a highly flexible economic system, with particular importance placed on product market competition. In general, these economies embrace free markets and eschew the welfare state.

Continental European Economies (CEE) such as France and the Netherlands (Amable, 2006) rely to a large extent on governmental coordination and centralised modes of financial governance. These economies have a high degree of employee protection, comprehensive industrial policies, highly developed welfare systems, and centralised financial systems. Wage bargaining is coordinated and collective in many industries. Some academics have positioned France under a different typology, the state-led market economy (SLMEs) (Kang & Moon, 2012; Schmidt, 2006) due to the strong reliance on state coordination mechanisms and centralised modes of the financial system.

A social Democratic Economy (SDE) (Amable, 2006) such as Denmark is characterised by a strong, social-democratic and "universalistic" welfare state, and a strongly corporatist industrial relations system (Gjølberg, 2010) with high levels of market flexibility. The state has been long distinguished for its preparedness to intervene in markets (Knudsen, Moon, &

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Slager, 2015) with a strong tradition of consensus among labour and capital (Albert, 1991). Social-democratic economies broadly favour innovation and productivity.

Finally, hierarchical market economies such as Brazil have not been considered under Amable's typology but recent work in Latin American economies (Schneider, 2009) suggest that these economies are characterised by a weak and interventionist state that regulates markets for capital, labour and technology, centralised forms of corporate governance, shallow capital markets and atomistic employment relations. Table 3 presents a detailed summary of the key institutional features of these five capitalism typologies.

Table 3 Institutional spheres across five capitalism typologies

UK and US: Market based capitalism (Amable, 2006)			
The state	**Financial system**	**Corporate governance**	**Industrial relations**
•Liberal role •Limited to setting rules and setting conflict •Leaves the administration of rules to self-regulating bodies or to regulatory agencies (Hall & Soskice, 2001)	•Capital-market based (Zysman, 1983) •Major investors (investment funds, pension funds and to a certain extent insurance companies) take a "portfolio approach" to risk management (Vitols, 2001) •Investors and fund managers have only relatively short-term and narrow interests in their fortunes.	**Ownership type** Relatively dispersed ownership (Vitols, 2001:345) being institutional investors the large proportion of investors in the equity markets (80% of the equity market in 2003) (Mallin, Mullineux, & Wihlborg, 2005) **Market for corporate control** •Takeovers are a frequent occurrence (Franks & Mayer, 1997) in the UK.	•Characterised by a low level of formalisation •Reliance, instead, on custom and practice and on voluntary and non-binding agreements (Lane, 1995). •Organised labour in the UK is not involved in corporate decision making, and works councils remain rather weak (Horn, 2011).
FRANCE Continental European Economy (Amable, 2006), state-led market economy (Schmidt, 2006)			
The state	**Financial system**	**Corporate governance**	**Industrial relations**
•Active role in the economy •Enhancing role by acting in place of the markets with regard to wage-coordinating mechanisms, nationalised industries and/or orientating markets through planning and industrial policies (Schmidt, 2006) •Risk sharing with companies (Whitley, 1999) •Strong influence on corporate financing through close monitoring and control over the allocation of credit and high corporate debt dependence (Horn, 2011) •Strategies and practices that firms adopted	•Credit-based financial system •Capital markets are fairly illiquid or thin and play only a minor role in mobilising and pricing investment funds. •The state plays a leading role in the financial system in allocating scarce capital (Zysman, 1983) through state agencies and ministries (Schmidt, 2006).	**Ownership type** •Presence of an ultimate majority shareholder (Faccio & Lang, 2002; Gomez-Anson, 2006; La Porta, Lopez-De-Silanes, & Shleifer, 1999)) who often uses multiple classes of shares, pyramids and cross-holdings •Substantial interlocks between the public administration and the corporate elite •Pronounced technocratic than ownership influence in large companies (Horn, 2011)	•Strong involvement of the state reflected in labour relations, intervening directly in collective bargaining and supplementing it by legal regulation. •Trade Unions in France have been able to influence the regulation of labour-relations. •Legitimacy and power of these unions stemmed more from their relationship with the government than from other actions on the company level (Antal & Sobczak, 2007) •Since 1977, the Law of the Social Bilan contemplated a dialogue with employees at the firm level that supported the preparation of the

		Market for corporate control	social report.
fundamentally aligned with the state's objectives.		•Absence of an active external market for corporate control	

DENMARK Social democratic economy (Amable, 2006)			
The state	**Financial system**	**Corporate governance**	**Industrial relations**
•Central role in the economy, extensive engagement with economic affairs through public policy and the corporatist system •Decentralised complex "segmentalism" (Kristensen, 1996). •State is not an agent of national development (unable to ask business enterprises to perform certain tasks) (Kristensen, 1992, 1996). •Risk sharing with the population	•Bank-based financial system, no sophistication of financial services (Amable, 2002) •Protection of external shareholders •High share of institutional investors •Stock market has developed slowly •Role of financial intermediaries as the dominant source of funds (Amable, 2004)	**Ownership type** •High ownership concentration (Parum, 2005) (Parum, 2005) •The state is one of the largest owners, investors, and procurers. •Incipient market for corporate control	•Danish labour movement one of the most successful in the world measures by unisation rate. •Flexi-security labour market policy (Campbell & Pedersen, 2007a, b) •Inclusive form of corporatist dialogue and bargaining (Kristensen, 1996) •Centralisation of wage bargaining under the external competitiveness constraint.

NETHERLANDS Continental Economy (Amable, 2006)			
The state	**Financial system**	**Corporate governance**	**Industrial relations**
•Unlike France, the Dutch state has never really acted as a strong coordinator of economic activities •Economic planning and development is more a matter for provincial and municipal authorities •The state is a "partner" of businesses •Plays a less dominant role in collective bargaining but exercises extensive political power.	•Well –developed capital market (Van Iterson & Olie, 1992) •Dispersion of shares •Dutch banks never engaged in large scale financial participation in national industry. •Dutch banks are first and foremost commercial banks specialising in short term credit provision and trade finance (Van	•Separation of ownership from control (Van Iterson & Olie, 1992) •Family owned companies are not very common (Van Iterson & Olie, 1992) •Consideration of the interests of all stakeholders –suppliers of capital, management, workforce and the general public: Dutch Company Law (Van Iterson & Olie, 1992) •Limited market for corporate control	•Collective wage bargaining predominantly at the industry –sector level. •Coordination between trade unions and employers' association is considerable (Hemericjk & Manow, 2001) •Corporatist complex (Van Iterson & Olie, 1992) •Enterprise council (Ondernemingsgraad): consider stakeholders and defend interests of the employees. •Labour and management are not adversarial

	Iterson & Olie, 1992) •Long term credit provided by pension funds and insurance companies •Remoteness of institutional investors.	•Banks and other companies hold few shares in companies (Van Iterson & Olie, 1992) •Managerial discretion is fairly high (Van Iterson & Olie, 1992) (Van Iterson & Olie, 1992) •Strategic cross shareholdings less prominent than in France	(like in the UK) but rather cooperative role •Prominent role of unions and Enterprise Council (Van Iterson & Olie, 1992) High employment protection

BRAZIL Hierarchical Market Economy (Schneider, 2009, 2013)			
The state	**Financial system**	**Corporate governance**	**Industrial relations**
•Main external institution (Schneider, 2009) •Regulates markets for capital, labour and technology (Schneider, 2009) •Weak and interventionist state •Weak capacity to tax and meritocratic bureaucracy	•Shallow capital markets •Investment cannot be financed through domestic bank finance or stock markets (Schneider, 2013) •Firms relied on retained earnings, international loans or loans from state agencies (Schneider, 2013) •Small financial markets constrain total investment by domestic firms	•Family ownership and management •Firms directly controlled and managed by their owners (Schneider, 2009) •Blockholding centralises control and rarely requires negotiation among multiple owners or stakeholders.	•Absence of institutions intermediating employment relations within firms and fostering greater investment in skills and training (Schneider, 2013) •Unions are small (Schneider, 2009) •Little influence of unions on hierarchies within the firms (Schneider, 2009) •Industrial relations structured by top-down regulations issued by national governments (Schneider, 2009) •Atomistic labour relations: Workers have fluid-short term links to firms •Public and private investment in training is minimal

2.4.3 Scandinavian institutionalism

The institutionalist literature that has emerged and developed within Scandinavia is perhaps best captured as a literature concerned with how organisations respond to institutional pressure (Boxenbaum & Strandgaard Pedersen, 2009). Scandinavian institutionalists display a keen interest in understanding how organisations perceive and interpret institutional pressure and how these perceptions and interpretations affect everyday organisational practice. They are more interested in studying intra-organisational dynamics than in the structure of organisational fields, which is a prominent topic in the prevailing institutionalist literature. Within the Scandinavian tradition two lines of enquiry can be identified: loose coupling and sense making and translation. For the purposes of this thesis, the literature review focuses on the translation literature.

Translation (e.g., Czarniawska & Joerges, 1996; Sahlin-Andersson, 1996) points to the idea that practices are not diffused in a vacuum but are actively transferred and translated to local contexts as they travel during the diffusion process. Translation takes inspiration from actor network theory, and in particular from two prominent French scholars. The term as currently used in the social sciences is a loan from the French philosopher Serres (1982) who considered translation as a generalised operation that can take many forms and is not merely linguistic. It can involve the displacement of something or an act of substitution but it always involves some kind of transformation (Czarniawska, 2009). In the field of sociology, Callon and Latour refer to translation as *"all the negotiations, intrigues, calculations, acts of persuasion and violence, thanks to which an actor or force takes or causes to be conferred upon itself, authority to speak on behalf of another actor or force"*(1981:279).

Building on the work of Latour (1987), Czarniawska and Sevon (1996) argue that ideas and models could not spread in time and space without people who modify, change, and translate them into something new and appropriate for their local setting. With its focus on how concepts and ideas are made locally meaningful, the translation perspective has moved the

actors in the pursuit of such practices to the forefront of inquiry and emphasised that the energy needed for ideas to spread, emanates from the complex interactions between sets of communities of actors (Frenkel, 2005).

These Scandinavian theorists developed a critique of the notions of isomorphism that have been dominating institutional research and instead, focus their attention on how apparently isomorphic organisational forms become heterogeneous when implemented in practice in different organisational contexts. When implemented in practice, an organisational form gains connection to some new contextual elements and loses connection to others, producing different translations of the organisational form (Sahlin- Andersson, 1996; Czarniawska & Joerges, 1996).

The concept of editing has served to describe and explain how such translation proceeds. Sahlin-Andersson (1996) argued that the process of idea translation is guided by a set of editing rules or conventions that can only be observed indirectly from the way the prototypes are portrayed. Editors translate the story relative to the situation to which the prototype is to apply, making use of rules allowing for creative reformulation of prototype ideas and acting as a process of social control, directing the translation down certain paths (1996: 82). A first set of rules concerns the context which helps *re-contextualise* an idea, by disconnection from its previous, local context and being made appropriate for the new one. The second set concerns the *re-formulation* and *re-labelling* of a prototype so that it seems different but familiar. A third set of editing rules entails use of the *plot of the stories* by which a prototype is described according to a rationalistic logic where causes and effects are clarified. This rule allows prototypes to follow a problem-solving logic and an application process or implementation plan, to be explained in relation to the actions of certain actors.

2.4.4 The three institutionalisms in comparison

The preceding section has shown that new institutionalism focuses on the increasing structural sameness of organisations, the comparative institutionalist approach highlights how

business continues to be influenced by the national institutional frameworks in which it is embedded and Scandinavian institutionalism considers that ideas are translated through their circulation. As a matter of comparison, and building from Tempel & Walgenbach's (2007) comparative work, Table 4 compares the three institutionalist traditions along three dimensions: the mechanism of adaptation, their view of institutions and their units of analysis and their considerations of agency. These assumptions will be central to justify each framework's application to the study of the adaptation of a practice by MNC's subsidiaries.

2.2.4.a Mechanisms of adaptation

A key difference between the three institutionalist traditions is the mechanism they identify as promoting the adaptation of organisation to institutional environments (Tempel & Walgenbach, 2007). New institutionalists argue that the coercive, mimetic and normative pressures will lead to isomorphism whereby organisations increase legitimacy but not necessarily efficiency by adopting institutionalised structures and practices. Within historical institutionalism, institutions are said to be "complementary" to the wider institutional landscape of national regimes (e.g., Whitley, 1999 and Hall & Soskice, 2001, Amable, 2000). Institutions occur together and produce a stable model that is mutually reinforcing (Aoki, 1994). Nations with a particular type of coordination in one sphere of the economy tend to develop complementary practices in other spheres as well. In other words, there is an affinity between different institutions and the development of firms' resources and capabilities that lead to patterns of strategy and performance. In contrast, Scandinavian institutionalists argue that even if the model is seemingly adopted, it might actually undergo a process of translation and processing, giving it significantly different social meanings from those inherent to the model in other contexts (Czarniawska and Sevon, 1996).

2.2.4.b View on institutions

New institutionalists have emphasised the role of norms and mandates such as laws and regulations, belief systems, cultural processes and taken-for granted assumptions (Scott, 2001). In contrast, the comparative institutionalist approach is placed firmly on the structural-

regulative institutions operating at national level such as the state, financial system, skill development and control system, trust and authority relations. The Scandinavian school positions actors as interpreters of institutional pressures and hence as mediators of the institutional pressures of organisations.

2.2.4.c Unit of analysis

The three institutionalist traditions also differ considerably in terms of units of analysis. New institutionalism is concerned with the adoption of organisational practices within the organisational field and has tended to equate the borders of organisational fields with national borders as their empirical research is limited primarily to North America and cross-national research is rare (Tempel & Walgenbach, 2007). The comparative institutionalist approach is oriented from the outset towards the comparison of particular institutions as "building blocks" to understanding national systems (Jackson & Deeg, 2008). Scandinavian institutionalism focuses on the dynamics more than the structure of the fields. Processes of translation of concepts and ideas have been studied from several levels of analysis. Earlier studies have examined how practices are translated when they travel within national borders (e.g., Frenkel, 2005), across industries (e.g., Morris & Lancaster, 2006; Boxenbaum, 2006), across institutional fields (e.g. Boxenbaum & Battilana, 2005) and across levels (e.g. Zilber, 2006) with considerably less attention to the interpretation of practices across intra-organisational boundaries with some exceptions (Bromley & Powell, 2012; Reay et al., 2013).

2.2.5.d Agency considerations

New institutionalism and comparative institutionalism have been critiqued for not appreciating the role of agency in the spread of institutions. The two frameworks share the portrayal of organisations as passive adopters of institutionalised expectations in organisational fields or business systems characteristics. In contrast, in the Scandinavian school agency is related to the role of translators or editors (Sahlin-Andersson, 1996) such as researchers, professionals, leaders and consultants - who rewrite or retell generic rational myths, turning them into specific ones.

Table 4 Three schools of institutionalism

	Institutionalism		
	New Institutionalism	**Comparative/Historical Institutionalism**	**Scandinavian Institutionalism**
Mechanism of adaptation	Isomorphism	Institutional complementarity	Translation
View on institutions	Normative, cognitive and regulative institutions (Scott,2001)	Structural regulative institutions: the state, financial system, labour relations, corporate governance.	Institutions are enacted by actors
Unit of analysis	Organisational field	Business system: borders are equated with national borders because of the key influence of state actions	Micro-level dynamics
Consideration of agency	Agency neglected, passive role of organisations	Agency neglected, passive role of organisations	Agency of actors

2.5 Strategic responses to institutional pressures

The distinctive contribution of new institutionalism in understanding organisational life lies in its strong and compelling explanation of structural conformity and isomorphism, through mechanisms such as societal norms, professional training and accreditation, and state regulation (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Zucker, 1977). These studies implicitly assumed that individuals and organisations always tend to comply, at least in appearance, with the institutional pressures to which they are subject. However, new institutional theorists did not explicitly address the issue of human and organisational agency in these early studies. Criticisms of institutionalists' strong emphasis on stability and homogeneity have mounted, due to several academic and empirical studies suggesting that non-conformity seems to be as much an inherent feature of institutions (Greenwood & Hinings, 1996; Scott, 2008).

Institutionalist theorists have suggested that the notions of conformity (isomorphism) may have been exaggerated and that there are important elements of variation in terms of degree of agency, choice, proactiveness and self-interest in responding to institutional pressures (Scott, 2008). As Scott contended, *"just as is the case within their technical environments,*

organisations may be expected to exercise 'strategic choice' (Child, 1972) in relating to their institutional environments and responding to institutional pressures" (1991:170).

Recently, scholars have argued that the choice of conformity or resistance to institutional pressures is a strategic choice that is affected by organisational interests (DiMaggio, 1988; Scott, 1991) and is likely to reflect both institutional and technical concerns (Goodstein, 1994). Organisations do not necessarily blindly conform to institutional pressures but rather may actively assess the extent to which conformity allows them to enhance technical concerns such as efficiency or the acquisition of resources (Covaleski & Dirsmith, 1988; Scott, 1991). As a solution, scholars have incorporated the concepts of agency and interest from the "old" institutionalism (Selznick, 1949) into neo-institutional theory's iron cage view (DiMaggio, 1988; Oliver, 1991; Seo & Creed, 2002). Although individual organisations are embedded in institutional environments in which regulative, normative and cognitive elements constrain their behavioural boundaries, they are also self-interested actors who seek to deviate from institutionalised rules under certain conditions and to leverage given opportunities to some extent. This view reflects the idea that institutions constrain or enable an actor's behaviour rather than totally determining it (Battilana, 2006). This line of theoretical development has led some institutionalist scholars to ask the question of how organisations strategically respond to institutional pressures and what factors affect their organisational responses.

Reflecting on these important questions and drawing on resource dependence and institutional arguments, Oliver (1991) rejects the deterministic perspective of institutional theory and proposes a framework based on the argument that organisations exercise strategic choice but do so within the constraints imposed by their institutional environment. She elaborated a continuum of strategic responses which varied with respect to level of resistance to those pressures from passive to active and labelled them *acquiescence, compromise, avoidance, defiance,* and *manipulation* and theorised that the choice of appropriate strategic response is determined through careful tracking of the variation along ten dimensions of five categories: cause, constituents, content, control and context.

The first category asks the question of why these pressures are being exerted. *Cause* refers to the underlying rationale or expectations associated with institutional pressures which generally fall into two categories: social legitimacy or efficiency. In this respect, acquiescence is the most probable response to institutional pressures when an organisation anticipates that conformity will enhance social or economic fitness. Scepticism about the strategic utility of conformity and/or disagreement with the intentions/objectives of pressuring sources will conversely induce more resistant strategies.

The second category corresponds to the question of who is exerting the pressures: the state, professions, interest groups or the general public who impose a variety of laws and expectations on organisations. When there are multiple *constituents* with potentially conflicting objectives, the potency of institutional pressures may be weaker and organisational resistance may be easier. Organisational responses are also a function of the degree of dependence on these external constituents. Acquiesce is a plausible strategic response to institutional pressures when organisational dependence on the source of the pressures is high and resistance-type strategies become more plausible as dependence on sources of institutional pressures decreases.

The third category asks what these pressures are. Oliver (1991) argued that compliance with an institutional pressure may be increased when the content of that pressure is congruent with an organisation's existing goals and policies. Organisations are likely to acquiesce to external pressures when these pressures are consistent with internal goals and when these pressures do not substantively constrain organisational decision making. Conversely, resistance responses are expected to occur when there is moderate or limited consistency between organisational goals and institutional pressures and when conformity implies the loss of organisational discretion.

The fourth predictor refers to the question of how or by what means the pressures are exerted. *Control* refers to the mechanisms through which institutional rules are enforced. There are

two distinct processes by which pressures are exerted: coercion and diffusion. When the force of law mandates expectations, organisations are made more aware of public interests and organisations will be less likely to respond defiantly because the consequences of non-compliance (e.g., loss of legitimacy) are more tangible and more severe. Resistance is likely to occur when enforcement of compliance is weak and the voluntary diffusion of norms in the organisational field is limited.

The fifth category asks when the pressures occur. An organisation's environmental context-specifically the extent of environmental uncertainty and interconnectedness-shapes organisational responses. High environmental uncertainty motivates organisations to attempt to reduce uncertainty by acquiescing to institutional pressures or compromising with key constituent groups. When there is a high degree of interconnection among organisations, the diffusion of institutional norms and demands is widespread and the likelihood of conformity is high.

Oliver's framework (1991) has been tested across different contexts such as the organisation's responsiveness to work-family benefits (Goodstein, 1994; Ingram & Simons, 1995), university accounting education (Etherington & Richardson, 1994) and the responses of the metal steel industry to specific government options for dealing with radioactivity (Clemens & Douglas, 2005). The relative general replication of these studies has provided strong support of Oliver's (1991) predictions of the factors that affect an organisation's degree of compliance with external institutional pressures.

2.6 Strategic responses within the MNC

Some studies in the MNC literature have started to recognise that subsidiaries are not passive actors but instead act strategically to respond to institutional pressures. Those examples (e.g. Ferner et al., 2005; Kostova & Roth, 2002; Tempel, Edwards, Ferner, Muller-Camen, & Wächter, 2006) use Oliver's (1991) work to study the responses which subsidiaries and their managers develop towards parent company attempts to transfer practices but apply the

framework in a cursive way. Despite these scholars arguing that the relevance of this analytical framework relies on its power to capture the rival institutional pressures emanating from home and host countries that create tensions at the subsidiary level and inform the variety of responses, some of these papers treat Oliver's work as an "off-the shelf" framework, inducing three problems. First some scholars fail to acknowledge that these propositions were originally developed to study the influence of the external environment on organisations within the same organisational field and thus, the propositions may not have the same predictive power in the MNC context. For instance, Oliver's model outlines generic response strategies of organisations facing a multiplicity of conflicting pressures and suggests that they are unlikely to simply acquiesce and, rather, are likely to resort to compromise, avoidance, defiance, or manipulation (Pache & Santos, 2010). For subsidiaries which are theorised as organisations operating under conditions of multiplicity of conflicting pressures, these predictions are vague and require further investigation of the conditions under which specific responses are mobilised.

Second, Oliver's framework may be applicable at two levels: responses to internal pressures from the parent and external pressures but some papers ignore the duality of the responses at these two levels and ignores that conformity to one may mean resisting the other or vice versa. For example "acquiescence" to parent company pressures can mean the avoidance of local institutions and compromising with local institutions can mean defiance of parent company practices.

Third, some of the antecedents presented by Oliver (1991) require some reformulation in order to be applicable to the MNC context, for example "interconnectedness" has been defined as the density of inter-organisational relations among occupants of an organisational field (DiMaggio & Powell, 1983; Pfeffer & Salancik, 1978) but in the case of subsidiaries, the relationship to the HQ and the mechanisms put in place by the HQ to diffuse practices across the MNC will be equally relevant to consider as a form of internal interconnectedness.

A number of typologies of strategic responses to institutional pressures have been developed which portray a continuum similar to that proposed by Oliver (1991). These range from resistance through passive compliance to more proactive and innovative responses or focus on the interaction of two determinants to build a typology (e.g. Levy & Rothenburg, 2002; Pinkse & Kolk, 2007). Table 5 identifies the key contributions of typologies of strategic responses. It is used to show two consistent gaps in the literature on subsidiary strategic responses. First, the focus on the MNC rather than on its subunits (with the exception of Kostova & Roth, 2002; Saka-Helmhout & Geppert, 2011; and Regner & Edman, 2014) and second, a majority of these studies focus on the responses to the external environment in relation to institutions, particularly at the field level, rather than to the demands from the intra-organisational context (e.g. Saka-Helmhout & Geppert, 2011; Regner & Edman, 2014).

Table 5 Typologies of strategic responses

Work	Typology proposed	Antecedents	Contributions to subsidiary strategic responses literature	Gaps
Kostova & Roth (2002)	•Active •Minimal •Assent •Ceremonial	Institutional context •Institutional profile: issue specific set of regulatory, cognitive, and normative institution. Relational context •Dependence •Trust •Identification	•Identifies patterns of practice adoption by combining responses to implementation and internalisation.	•Only test Oliver's proposed antecedent of dependence. •Only including determinants at two levels of analysis: relational and institutional context.
Kraatz and Block (2008)	1) Elimination of the sources of conflicting institutional demands (2) Compartmentalisation of pressures and deal with them independently (3) Reign over them through active attempts at balancing them (4) Forging a new institutional order	No antecedents identified in the framework	•The framework at identifies organisational response strategies to multiple and conflicting institutional demands or "institutional pluralism" which subsidiaries are theorised to face.	•Antecedents of these strategies are not specified.
Levy & Kolk (2002)	Four environmental strategies: (1) resistant (2) proactive (3) avoidant (4) compliant	Divergence pressures: •Home country •Individual firm's history and experience Convergence pressures: •Industry level pressures •Nature of the issue	•It provides evidence of the institutional factors that explain disparate reactions of MNCs •It highlights the interaction of the regulative, normative, and cognitive influences were associated with the institutional context of the MNCs' home country and the specific history of each company.	•Issue specific: strategies to climate change adopted in the oil industry
Pache & Santos (2010)	Uses the typology proposed by Oliver (1991): (1)Acquiescence	Nature of demands •conflict over means •conflict over goals	•It specifies the conditions under which different response strategies are likely to be mobilised	•It does not include other factors influencing strategic

	(2)Compromise (3)Avoidance (4)Defiance (5)Manipulation	Internal representation •Absence of internal representation •Single representation of conflicting demands •Multiple internal representation of conflicting demands	•Highlights the role of intra-organisational dynamics in filtering and resolving conflict in institutional demands •Moves from the assumption that organisations are unitary and tightly integrated entities making univocal decisions	responses (e.g., internal organisational structures) •Theoretical framework with no empirical evidence
Pinkse & Kolk (2007)	(1)Institutional conformist (2)Institutional entrepreneur (3)Institutional evader (4)Institutional arbitrageur	•Scope: Opportunities that firms see to successfully pursue their interests by reshaping institutional arrangements. •Source: type of institutional constraint to which a firm is subject.	•Strategies applied to the MNC context •Recognised that MNCs do not necessarily fit in one of the scenarios of the framework only. It may be well that they play varying roles in different countries.	•Strategies identified specifically in the context of emissions trading schemes.
Regnér and Edman (2014)	(1)Innovation (2)Arbitrage (3)Circumvention (4) Adaptation	•Mechanisms: reflexibility, role-expectations, resources •Enabling factors: multi-nationality, foreignness, institutional ambiguity	•It links strategic responses, the enabling factors and the underlying mechanisms	•Adaptation is considered as conformity •External focus: Subsidiary agency with relation to institutions
Saka-Helmout and Geppert (2011)	Passive iterative agency Passive: practical-evaluative agency Active projective agency	•MNE coordination structure •Home country institutions •Host context demand	•Moves away from the assumption that institutions are primarily understood as constrains on MNC activity. •Helps to understand the conditions under which actors engage in strategic action despite institutional pressures to stasis	•External focus: Subsidiary agency with relation to institutions

2.7 The literature of transfer of practices within MNCs

Diffusion can be understood as *"the spread of something within a social system' without modification"* (Strang & Soule, 1998: 226) and a process akin to the movement of objects in space that are subject to the laws of physics. The extensive literature on diffusion, drawing mainly from economic (Rogers, 1995; Strang & Macy, 2001) and sociological mechanisms (Abrahamson, 1991; DiMaggio & Powell, 1983; Tolbert & Zucker, 1996), has significantly enhanced our understanding of how ideas and practices travel (Ansari, Fiss, & Zajac, 2010). The economic perspective suggests that adopters act as rational actors, scan their environment and make efficient choices based on the cost-effectiveness first-mover advantage, fear of weak performance due to failure to adopt new practices, or imitation of others in an attempt to cut the costs of looking for new fashions (Ansari et al., 2010). That is, the popularity of managerial ideas depends on their ability to provide convincing solutions to practical managerial problems (Abrahamson, 1991; Guillén, 1994).

The sociological perspective contends that organisations are social as well as technical phenomena, and that structures and processes are not shaped purely by technical rationality (Westney, 2005). The social explanation thus posits that adoption of management ideas has a more symbolic meaning than the rational account suggests (Abrahamson, 1991, 1996; Kantola & Seeck, 2011). It may well be that novel management ideas and practices do little to improve the economic performance of organisations, but that their adoption sends an important message to relevant stakeholders, or that it makes sense in terms of impression management (Abrahamson, 1991; 1996; Kantola and Seeck, 2011).

The diffusion of practices has certainly remained a central concern of management and organisation theory (Kennedy & Fiss, 2009; Strang & Soule, 1998). In the MNC literature too, one of the key themes in the theory and practice of international business is the transfer by MNCs of policies and practices between the different national business systems in which they operate. Much of the literature on transfer has implicitly assumed that an important competitive advantage of MNCs is their superior ability to transfer and combine capabilities across geographically dispersed units (e.g. Grant, 1996; Gupta & Govindarajan, 2000). HQs are said to possess valuable intangible assets and capabilities that subsidiaries can use to develop context-specific knowledge and exploit to address local problems and challenges (Gupta & Govindarajan, 2000; Johanson & Vahlne, 1977) and thus prosper in their local markets (Kuemmerle, 1999). From this perspective, organisational practices can be viewed as part of these valuable resources or competences that the MNC seeks to replicate and exploit throughout the MNC network (Szulanski, 1996; Zaheer, 1995).

The MNC literature has studied the transfer and adoption of organisational practices across units of the MNC using an institutional perspective as a way to recognise that the decisions of companies are not only the result of a rational decision-making process aiming to maximise effectiveness, consistency and thus competitive advantage, but also that MNCs are influenced by the institutional context in which they operate (Kostova, 1999; Rosenzweig & Singh, 1991; Surroca, Tribó, & Zahra, 2013). Two relevant variants of institutional theory, the new and comparative institutionalism, have gained considerable traction, because of their potency to capture the complexity of the institutional environment of MNC subsidiaries (Kostova & Roth, 2002) and its robustness of the study of the tensions between the global diffusion of practices and the still relevant national institutions (Jamali & Neville, 2011). Table 6 summarises the key contribution of the existing body of literature on transfer of practices. Two seminal contributions drawing from new institutionalism have played a founding role in the field.

Kostova (1999) proposed a framework to understand the success of the transnational transfer of organisational practices in terms of three levels of analysis. These are the social context (framed in terms of the institutional distance between the cognitive regulative and normative institutional profiles between the home and host country), the organisational context (including favourability towards learning and change and the compatibility of the proposed practice) and the relational context (considering attitudes of transfer coalitions and their dependence on the parent company). The outcome of the practices was conceptualised as the "success of the transfer" determined by degree of institutionalisation of the practice along two dimensions: internalisation and implementation.

In a subsequent empirical paper Kostova & Roth (2002) tested two levels of this previous framework: the institutional and the relational level. In this study, they defined the "country institutional profile" tool to characterise parent- and host-country institutions. This provides the basis for assessing "institutional distance" as the extent of similarity or dissimilarity of the regulatory, cognitive and normative institutions between the parent country and the host. The premise is that the greater the institutional distance, the more problematic the transfer is; and the harder the "internalisation" of transferred practices. The outcomes of the transfer were conceptualised by Kostova & Roth (2002) in four patterns of adoption, combining levels of implementation and internalisation: active, minimal, assent and ceremonial adoption.

Table 6 Main contributions of the transfer of practices literature

	Citation	Outcomes	Antecedents	Contributions to the literature	Gaps
Neo-institutionalism	Kostova (1999)	The outcome or success of the transfer is considered as the degree of institutionalisation of the practice across two dimensions: implementation and internalisation.	• Social context (institutional distance between the cognitive, regulative and normative institutional profiles between the home and host country) • Organisational context (favourability towards learning and change and the compatibility of the proposed practice) • Relational context (considering attitudes of transfer coalitions and their dependence on the parent company)	• Multi-level model including three levels of analysis • Focus on one MNC	• No empirical testing • Focus on the three pillars of the organisational field, overlooking national institutions • Cross-level interactions are ignored. • Simplified picture of "adaptation" • Assumption that practices are adopted "intact" • Individual agency is neglected
	Kostova & Roth (2002)	Four patterns of adoption combining levels of implementation and internalisation were identified: active, minimal, assent and ceremonial	The study tests a model of two level of analysis: • Institutional level (institutional profile) • Relational level (dependence, trust and commitment)	• Adoption of an agency perspective (Oliver, 1991) to understand variation of subsidiaries' response to the adoption of the practice • Recognition that subsidiaries are exposed to institutional duality • Defined the "country institutional profile" as a the basis for assessing "institutional distance"	• The influence of the institutions of the host country is downplayed. • Individuals are considered but they are still seen determined by the external environment • Individual's roles on the adaptation of practices are still neglected • The effects of the institutional context are framed as a function of the level of similarly to the institutional profile • Practice is considered as intact
	Jensen & Szulanski (2004)	Stickiness of cross-border transfers	• Adaptation: degree of difference between the replica and the template	• Brings to light the concept of "adaptation" • Adaptation is a necessary component in transfers • Criticises prior work focusing on the "final form of the practice" and the	• Influence of the institutional environment is still considered as a degree of similarity between host and home country • Empirical evidence not from one MNC.

				assumption that the practice was implemented without difficulty	
	Marano and Kostova (2016)	Adoption of CSR practices: either adopt or not adopt.	●Strength of institutional forces ●Heterogeneity of CSR-related institutional forces ●Exposure to countries with more stringent CSR requirements ●FDI-Vs. Trade- based economic dependence	●Mutual influence of transnational and national environments	●Firms either adopt or not adopt ●Deterministic view of institutions (either supportive or non-supportive of CSR) ●Broad conceptualisation of CSR (presence of a concern)
Comparative historical institutionalism	Edwards, Almond, Clark, Colling, and Ferner (2005) Edwards et al., (2007) Geppert, Williams, and Matten (2003) Ferner et al (2005) ; Ferner et al., (2012)	●Implementation of practices (Geppert et al., 2003) ●Resistance from actors at the subsidiaries (Edwards et al., 2007) ●Subsidiaries strategic responses (Ferner et al, 2005) ●Successful transfer, functional hybridisation, resistive hybridisation, ceremonial or ritual compliance (Ferner et al., 2012)	●Distinct institutional configurations at national level that shape and condition the ●transfer process ●Power and interests of actors	●National institutions constrain and complicate the transfer of HR practices, but they are porous ●Shed light on the development of distinctive competences and capabilities by firms is fundamentally dependent on their national contexts ●Practices undergo transformation ●Recognition that actors shape the process of transfer	●Strong focus on the national institutions and limited discussion of the organisational context and individual level. ●Some interactions are hinted (e.g., practice level with national level) but not systematically investigated.

In this study, Kostova & Roth (2002) address some of the criticisms to new institutionalism by introducing an agency perspective to understand variation of subsidiaries' responses to the adoption of the practice that was absent in the theoretical framework by Kostova (1999). Nevertheless, these contributions are limited in three aspects. First, the institutional level of analysis is equated to the organisational field, overlooking the influence of host country institutions' interactions with other levels of analysis. The effects of the institutional context are framed as a function of the level of similarly to the institutional profile, considering distant environments as an absolute barrier to the transfer and ignoring synergies with other determinants across other level of analysis (Saka-Helmhout & Geppert, 2011).

Second, individual agency has been neglected. Even though Kostova & Roth's (2002) study, recognises the influence of employees as carriers of cognitive and normative institutions on practice adoption, these are still considered as determined by the external environment, overall downplaying an individual's agency to shape, reproduce, and change the practice. Finally, the third problem is associated with the implicit assumption that practices are considered as intact and invariable models which are only assessed in terms of their degree of implementation and internalisation. Overall, the significance of the studies of Kostova and colleagues lies in highlighting that the transfer of practices within MNCs needs to be understood from a multi-level perspective.

An important contribution to the literature is the work by Jensen and Szulanksi (2004) which explores how the adaptation of organisational practices affects the "stickiness" of cross-border transfers. Despite this study also relies on measures of distance to characterise the barriers between home and host countries, it moves the focus to "adaptation" rather than on "adoption". The authors argue that adaptation is a necessary component in transfers and criticises prior work focusing on the "final form of the practice" and the assumption that the practice was implemented without difficulty.

The review also identifies a group of scholars in the HR literature, using the lenses of the comparative institutionalist perspective to address similar research questions regarding the transfer of practices across subunits of MNCs. The first contribution concerns the recognition that the cross-national transfer of practices in MNCs is a complex process with an array of possible outcomes (Ferner et al., 2012). IHR scholars are increasingly recognising that the transfer of practices is not an either/or matter and diffused practices can be implemented in the subsidiary in a variety of ways (Ferner et al., 2005). Recent studies have provided evidence that planned transfers of practices do not always turn out as intended by the HQ. For example, Edwards, Colling, and Ferner (2007) in their study of transfer of HR policy and practice within an American MNC across its subsidiaries showed that although the objective of the transfer of practices was to standardise a firm's approach to a particular issue across countries, this in fact had the unintended consequence of creating more variation. They argued that a practice that is the subject of transfer may be implemented in full in some countries, partially in others and not at all in others. By comparing German and British subsidiaries of an MNC, Geppert et al., (2002, 2003) showed that policies of HQ, such as the development of global products, global manufacturing strategies and the implementation of "best practices" or international accounting systems have not led to convergent change management patterns at the subsidiary level.

The second contribution is the recognition that practices may undergo transformation and interpretation and that power dynamics within subsidiaries may play a strong role. In some cases, the host country institutions may equip subsidiary actors with distinctive competences, capabilities and power resources for shaping practice transfer (Ferner et al., 2012). The third key insight relates to the argument that national institutions constrain and complicate the transfer of practices, but these barriers to the transfer are partial rather than absolute. In other words, actors have room for manoeuvre to shape the outcomes of the transfer (Edwards et al., 2007). Despite these contributions largely focusing on national institutions, limiting the inclusion of other factors at the organisational and individual level, they provide a rich and

deep understanding of the embeddedness of subsidiaries on host country institutions and their influence on the implementation of practices.

Overall, the intention of Table 6 is not to present how the determinants influence specific outcomes (each of the chapters will review prior findings in detail), but instead to highlight that although the literature has been able to demonstrate the potential barriers to the transfer of practices, areas for further inquiry remain. First, many extant studies have focused on the influence of institutions, giving less attention to the organisational and individual levels of analysis and their interactions with other levels of analysis. Second, the majority of the papers (with exception of those drawing on comparative institutionalism) adopt a deterministic view on institutions considering them as constrains (Saka-Helmhout & Geppert, 2011). Thirdly, scholars have predominantly focused on "adoption" rather than on "adaptation", considering practices as "invariant" models and ignoring processes of modification within the subsidiary.

Despite calls to question the traditional conformity-driven explanations of the MNC influenced by the Kostovian premises (Bello & Kostova, 2014; Ferner et al., 2012; Kostova et al., 2016), recent studies such as that of Marano & Kostova (2016) studying the influence of institutional complexity on MNC's adoption of CSR practices, falls into some of the aforementioned pitfalls (see fourth row table 6).

2.8 Conceptual framework: a multi-level framework of transfer of CSRR

The review of the literature of transfer of practices within MNCs has exposed the unnecessary focus on the institutional level of analysis, namely the organisational field, thereby suggesting that the greater the divergence in institutional arrangements between the parent country and host (in terms of their regulative, normative and cognitive pillars), the more problematic the transfer will be. Yet, recent critics in the MNC literature suggest that organisational fields, in the new institutional sense, are ill-defined since subsidiaries face multiple, fragmented, nested, or often conflicting institutional environments (Kostova et al., 2008) as explained in section 2.2. Thus, the outcomes of the transfer of practice cannot be read off from broad

differences between home country and local institutional frameworks alone as implied by concepts such as "institutional distance".

Although the literature on transfer of practices above has provided rich insights into the determinants of a variety of transfer outcomes, each perspective only provided a partial view on the phenomena at hand by focusing either on the institutional level or the MNC context with few exceptions (e.g., Kostova, 199; Kostova & Roth, 2002). The identified neglect of the individual level of analysis in the transfer of practices largely stems from the fact that new institutional theorists have barely tackled the issue of human agency (Battilana, 2006), concentrating instead on the organisational and societal levels of analysis.

As shown by the literature review, current models of transfer of practices linking outcomes and determinants are not nuanced enough to reflect the interactions between the institutional arrangements, subsidiary capabilities and dependencies with the HQ. Moreover, the focus on the outcome of "adoption" (e.g. Kostova & Roth, 2002; Marano & Kostova, 2016) rather than on "adaptation" has left underexplored the ways in which practices are modified once they arrive at the subsidiary's door step.

Given these gaps in the literature, a multi-level framework seems particularly suitable in capturing the institutional complexity in the transfer of practices from HQ to subsidiaries. The objective of this thesis is to build a multi-level framework that provides a holistic account of the determinants across different levels of analysis and their cross level interaction that explain heterogeneity of adaptation of the practice.

Multilevel theories span the levels of organisational behaviour, typically describing some combination of individuals, teams, corporations and industries (Klein, Tosi, & Cannella, 1999). Proponents of multi-level research (Aguinis & Glavas, 2012; Hitt, Beamish, Jackson, & Mathieu, 2007; Klein et al., 1999; Rousseau, 1985; Tosi & Abolafia, 1992) suggest that there are two main assumptions underlying the multilevel approach. The first is that many outcomes of interest are the result of a confluence of influences emanating from different

levels of analysis (House, Rousseau, & Thomas-Hunt, 1995; Rousseau, 1985). The second central feature is that organisational entities reside in nested arrangements. The overall logic is that individuals are nested in work groups, which in turn are nested in MNCs. Furthermore, MNCs belong to industries and inter organisational networks which are part of nation-states. The result is a deeper, richer portrait of organisational life –one that acknowledges the influence of institutional and organisational context on individuals' action and perceptions and the influence of individual's actions.

This multi-level perspective is consistent with the views of some institutional scholars recognising that organisational phenomena unfolds within a complex and dynamic systems (e.g., Scott, 2008; Friedland & Alford, 1991). Friedland and Alford (1991) suggested that an adequate social theory must work at all three levels of analysis (i.e. the individual, the organisational and the societal levels of analysis) and no institutional order should be accorded causal primacy a priori. These levels of analysis are "nested," and their dynamics are interrelated. Organisations and institutions specify progressively higher levels of constraint, as well as opportunity for individual actions (Friedland & Alford, 1991) . Reciprocally, individual actions shape organisations and institutions. Each level of analysis is equally an abstraction and a reification and each is implicated on the other; none is more "real" than any other. Individual action can only be explained in a societal context, but that context can only be understood through individual consciousness and behaviour.

Scott (2008) depicted a generalised multi-level model of institutional forms and flows in which trans-societal or societal institutions provide a wider institutional environment within which more specific institutional fields and forms exist and operate. These in turn, provide contexts for particular organisations and other types of collective actors that themselves supply context and individual actors. According to this view, top-down processes (e.g., diffusion, translation, socialisation, and inducement) allow higher level structures to shape (both constrain and empower) the structure and actions of lower level actors. Simultaneously counter-processes (e.g., selective attention, interpretation, and sense making) are at work by

which lower level actors and structures shape (reproduce and change) the context in which they operate. In contrast to Friedland & Alford's (1991) assertion that no institutional order should be accorded causal primacy, the locus of Scott's (2008) model is on the organisational field as intermediate unit between micro levels and macro levels (see Figure 2).

Figure 2 Processes of institutional creation and diffusion (Scott, 2008, p. 192).
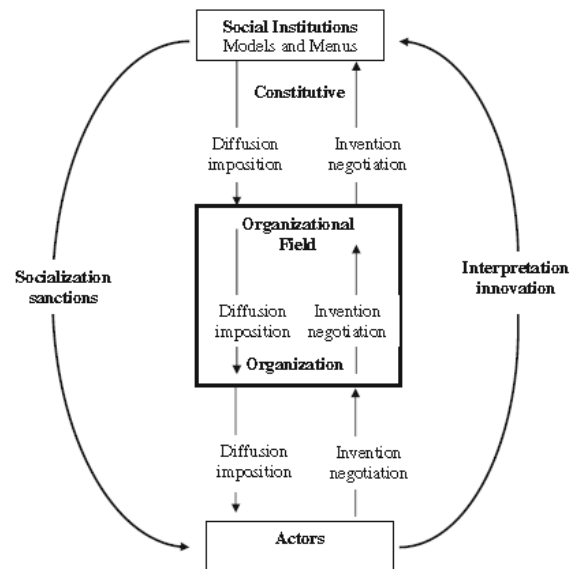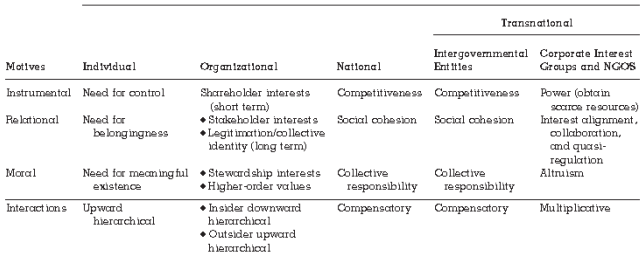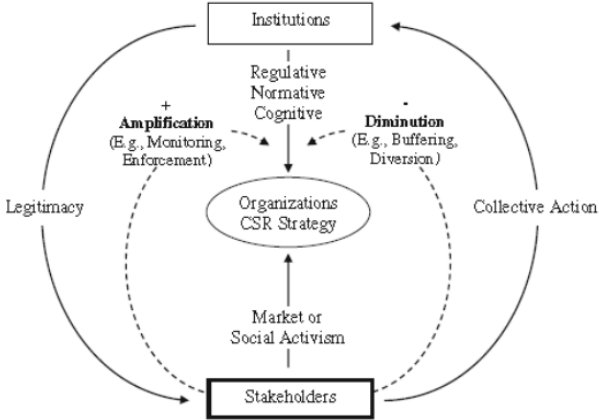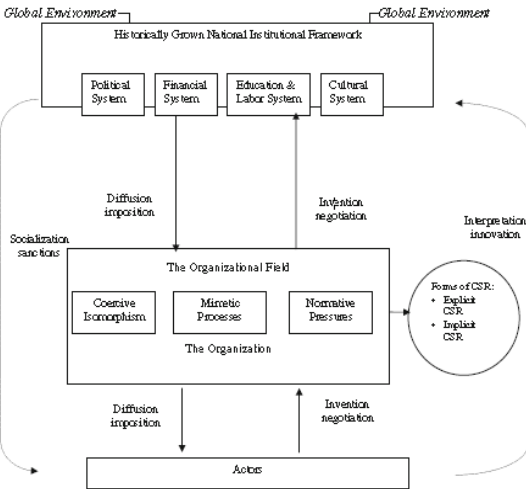
In the CSR literature, several scholars have pointed to the need for a consolidated understanding of CSR across levels of analysis (Aguinis and Glavas, 2012; Aguilera et al., 2007). Increasingly, scholars are recognising that organisational expressions of CSR are the result of interactions within and across levels. Table 7 summarises the key multi-level contributions in the CSR literature.

The study of Aguilera et al., (2007) is one of the first of its kind in the CSR literature. They build a multi-level theoretical model to understand why business organisations engage in CSR initiatives. In this framework, they depict the reasons that motivate a company to engage in CSR activities including factors at the micro, meso, macro and supra levels, involving multiple actors – each one with a different set of motives – and ranging from reaction to pressures from stakeholders, to proactive strategies to influence the CSR engagement (Aguilera et al., 2007). Despite not addressing cross level interaction, Aguilera et al., (2007)

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suggest that their approach *"provides the necessary tools to begin to connect the dots within and across levels that previously were mostly unconnected within the organisational literature"*(p.855)

Table 7 Multi-level models in the CSR literature

Illustrative figure of the model	Key elements of the model
	Aguilera et al., (2007) •Model takes into account multiple actors at the micro (individual), meso (organisational), macro (country), and supra (transnational) level. •Interactions within and across levels can both facilitate and impede CSR. The employee domain of individual needs is transposed to the organisational, national and transnational levels.
	Lee (2011) •At the macro level, institutions provide meaning for a particular action and stakeholders play a critical mediating role between institutional environments and organisations (solid line) •Stakeholders either amplify institutional pressure by channelling the message to organisational decision makers or diminish the institutional effect by acting as buffers between organisations and institutional pressures (dashed lines) Stakeholders depend on institutions for their legitimacy. In turn institutions can empower stakeholder groups by providing the necessary normative authority (solid line)
	Jamali & Neville (2011) •Centres the organisational field as the core unit of analysis and the bridge in analysing micro and macro institutional effects. •Captures field level dynamics: top-down and bottom-up processes. •Actors reproduce institutions through socially discursive processes that in turn shape and constrain organisational CSR behaviour. •Explicit CSR and implicit CSR are influenced by specific NBS (comprising political, financial, educational, and cultural institutions) but also affected by institutional legitimacy concerns and the three varieties of isomorphism denoted by DiMaggio and Powell (1983)

Lee (2011) proposed a multi-level model to identify the different factors that shape organisations' CSR strategies and explain their variability. They adopt a configurational perspective and base the model on the argument that an organisation's CSR strategy is constructed in response to the intensity and coherence of external influences they face. The idea is that on one hand at the macro level, institutions provide meaning for a particular action but on the other hand, stakeholders play a critical mediating role between institutional environments and organisations. What the model of the configuration of external influences clearly demonstrates is that the intensity of the external pressures can vary significantly depending on how institutional and stakeholder forces interact. Organisations' choice of CSR strategies will be heavily dependent on how institutional and stakeholder forces are configured. Thus, a particular configuration of external influences that stems from various combinations and interactions of institutional and stakeholder pressures shapes how firms choose their CSR strategies.

Jamali & Neville (2011) build a model that recognises and captures the complexity of social systems through a multi-level institutional lenses to depict the dynamic, interactive and rich contextualised space of the organisational field in Lebanon. It builds from the generalised multi-level model of institutional forms and flows suggested by Scott (2008) and the work from Matten & Moon (2008). As seen in Table 7, Jamali & Neville's (2011) framework considers the organisational field as the core unit of analysis and the arena bridging top-down and bottom-up processes. Organisational forms of CSR are influenced by the national business system institutions but also affected by the three varieties of isomorphism denoted by DiMaggio and Powell (1983). Jamali & Neville's (2011) model is focused on the societal system and thus is unclear about the influence of the organisation and the place of those actors engaging in bottom-up approaches.

This research thus responds to the plea to conduct multi-level research for studying the complex organisational phenomena of the cross-national transfer (Cappelli & Sherer, 1991;

Kostova & Roth, 2002; Mowday & Sutton, 1993; O'Reilly III, 1991) of CSR practices (Aguinis & Glavas, 2012; Aguilera et al., 2007). The multi-level contributions outlined above have guided the theoretical understanding of this research and laid the ground to build a model of adaptation of CSRR by subsidiaries. This research views the environment as a network of nested arrangements. Subsidiaries are embedded within those stratified structures and face complex interaction between different kinds and levels of institutional pressures.

In sum, the key assumptions of the multi-level perspective are that (1) the environment is an array of multi-layered arrangements (2) outcomes are the result of the combination and interaction of determinants across different levels and (3) that institutions constrain and empower organisation and individuals but actors in turn, play a critical role in transforming and shaping the context in which they operate (existence of top-down and bottom-up processes). It is different from previous studies in the IB, CSR and CSRR literature in that it does not consider the organisational field as the primary level of analysis.

As has been explained in section 2.7, the reliance of new institutionalism on the study of the transfer of practices within MNCs has neglected the individual level of analysis. In order to overcome this fragmentation, the study integrates the core orientations of the comparative/historical, new and Scandinavian institutionalism. The use of three institutional traditions helps us to make a useful distinction between the different levels of analysis: the national institutions, the organisational field and the individual level.

2.9 Conclusion

Given the gaps in the literature on transfer of practices within MNCs, the objective of this thesis is to build a multi-level framework that provides a holistic account of the determinants across different levels of analysis and their cross level interaction that explain heterogeneity of adaptation of the practice and answer the question of *what explains the responses and adaptation of CSRR by subsidiaries of an MNC?* This study is deconstructed in four key areas, organised as empirical chapters, analysing first the subsidiary responses and adaptation

of CSRR (outcomes of the transfer) and then studying the determinants across three main levels of analysis: the institutional level (national institutions and the organisational field pressures), the organisational level (the MNC mechanisms governing the transfer of CSRR and their interaction with subsidiary absorptive capabilities) and the individual level (the translating strategies of boundary-spanners).The next chapter is an account of the design of the research, including sections on the research ontology and epistemology the research strategy, data collection and analysis.

3. Research design

3.0 Chapter summary

The previous chapter has illustrated the fragmented state of the transfer of practices within MNCs literature and the need for a multi-level framework providing an holistic account of the determinants across different levels of analysis and their cross level interaction that explain adaptation of the transferred practice by subsidiaries, thus providing scope for investigating the research objective (see section 2.8). This chapter sets out to describe the research design of the study as well as its philosophical positioning and develops the assumptions related to a critical realist perspective. This is followed by a discussion of the research strategy, the data collection and data analysis. It then describes various protocols of research quality, reflexibity and ethics in qualitative research. Finally it outlines the research context of the single-case study, FINEST.

3.1 Introduction

The previous chapter provided the theoretical building blocks of the research by establishing the theoretical foundations of the project, specifically the three variants of institutionalism: the new, the comparative/historical and Scandinavian school. It reviewed the literature and showed the need for multi-level research that explains the causal mechanisms of the heterogeneity of adaptation of transferred practices. This chapter determines how the theoretical concepts outlined in chapter 2 will be studied through a qualitative single-case study of a UK-based MNC to answer the overall research question: *What explains the responses and adaptation of CSRR by subsidiaries of an MNC?* Although it has been recognised that phenomena studied in the international business (IB) field require a qualitative research approach (Buckley, 2000; Buckley & Chapman, 1997), qualitative studies remain the exception in the field (Pauwels & Matthyssens, 2004). Despite the question of how to account for context has been a recurrent but unresolved question for IB scholars (Brannen

& Doz, 2010; Redding, 2005), proponents of the case study in IB literature have largely underpinned their studies from a "positivist view" of science whose main aim is "the development of testable hypotheses and theory which are generalizable across settings"(Welch et al., 2011). From a positivistic perspective, the small-N case study would seem incompatible with this objective, which aspires to uncover regularities or laws of behavior by emulating the methods of the natural sciences (Welch et al., 2011). Similarly in the CSR field, there seems to be a dominance of a functionalism epistemology (Gond & Matten, 2007) which has limited the understanding of how structures with causal powers are triggered by specific conditions.

This thesis follows recent calls for qualitative methods and pluralist approaches in international business research (Birkinshaw, Brannen, & Tung, 2011; Welch et al., 2011). It adopts a critical realist perspective, which is well suited to the study of the transfer of CSRR because (1) it is consistent with the research objective of unveiling the causal explanations of different configurations of adaptation (outcomes) and the identification of the contingencies at play, (2) it harmonises with the theorisation of the environment as a nested environment and (3) it rules out both the determinism and single-level thinking, which this research has identified and criticised in chapter 2 and instead proposes a "multiple conjunctural" (Rihoux & Ragin, 2009) view of causation.

This chapter is divided in the following way: section 3.2 outlines the ontological and epistemological assumptions that guide this study and their implications for case research. Section 3.3 illustrates the research strategy, a single-case study of a British MNC, named FINEST for confidentiality purposes. The research is based on an embedded single-case study, which focused on six units of analysis, the HQ and five subsidiaries located in France, Denmark, the Netherlands, Brazil and the US. The multi-level approach to case sampling is expanded in this section. Section 3.4 describes the primary and secondary sources of data collection. Section 3.5 describes the overarching method of analysis. Further details will be presented in the chapters containing the empirical findings, as each chapter will be based on

specific analytical techniques. Section 3.6 elaborates on the procedures undertaken to ensure research quality. Section 3.7 reflects on some issues potentially affecting the research and outlines the research ethics in this project. Section 3.8 introduces the single case study: FINEST and the transfer of CSRR across their subsidiaries and finally section 3.9 concludes with a summary of the main aspects of the research methodology.

3.2 Research ontology and epistemology of critical realism

Ontology can be defined as a "perspective on the nature of reality" (Glesne, 1999: 4). A key feature of critical realism is its layered ontology to social reality, with empirical (sensory experience), actual (action in events) and real (causal powers separate but not always evident in empirical and actual) manifestations. These three domains will be explained in detail in section 3.2.1. Epistemology on the other hand is concerned with the question of how to gain access to this "reality" (Travers, 2001). What is real is not given, the world has a structure (there are levels of reality) and emergent structures. Researchers thus, need to have some means of accessing the real domain. In other words, researchers need to conduct investigation into actions as experienced by actors, to get insights into the actual and empirical representations of actions.

3.2.1 Reality as a stratified world

The basic assumption of critical realism is the existence of a real world independent of our knowledge of it (Bhaskar, 1998), in other words, the world consists of more than events and our experience of them (Morais, 2011). Critical realists posit a stratified world that comprises three domains: a real, an actual and an empirical domain (Bhaskar, 1998; Harré & Madden, 1975; Harré & Secord, 1972; Outhwaite, 1987) (see Figure 3).

Figure 3 The three domains of reality and retroduction logic

Experiences

Events

Mechanisms   Conditions
(Other mechanisms)

Structures

Empirical domain of reality
(observable and subjective)

Actual domain of reality
(partially observable but objective)

Real domain of reality
(unobservable and objective)
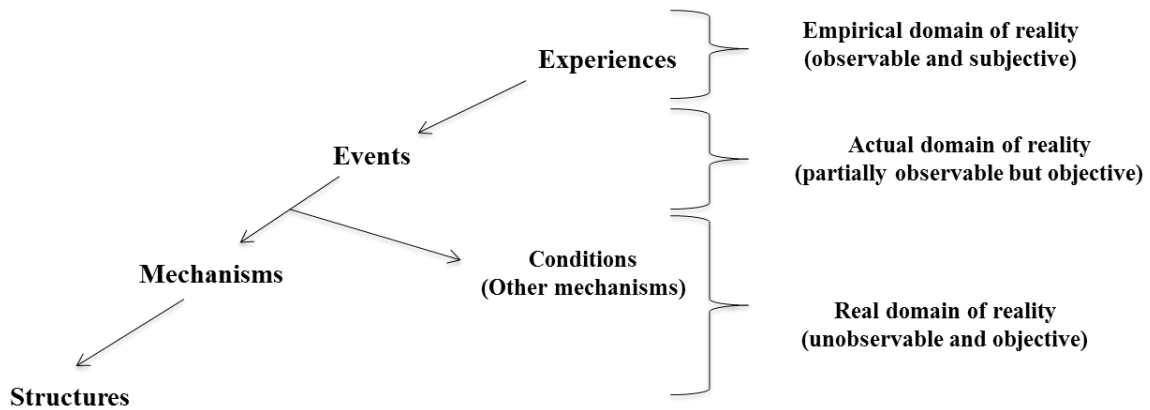
The *real domain* consists of structures of objects, both physical and social, with capacities for behavior which metaphorically can be called mechanisms (Danermark et al, 2002); that is, processes by which structured objects or entities with causal powers and liabilities that may (or may not) trigger events in the domain of the *actual*. Thus, the real is "the realm of objects, their structures and powers" (Sayer, 2000: 11).The real domain is unobservable but objective.

The *actual domain* consists of equally objective but partially observable events, since scientific means may allow events that are unobservable to human senses to become observable. Thus, events happen whether we experience them or not (Danermark et al., 2002).

The third layer, the *empirical domain*, by contrast, consists of subjective but observable experiences. Events, are therefore, only observable by human senses as experiences in the empirical domain, and may be out of synch with the causal mechanisms that create them. The empirical domain consists of what we experience, directly or indirectly.

Whether a causal power is activated or not depends on intrinsic conditions, which preserve the nature of the object, and on extrinsic conditions, which are external to the object. Thus, structures are not deterministic, they enable and constrain events (Archer, 1995; Sayer, 1992).

Under a critical realist perspective, the endeavour of science is to establish the connections between the empirical, the actual and the real; to observe and identify the effect of underlying generative mechanisms (Danermark et al., 2002).

3.2.2 The structures of causal explanation

Using a critical realist perspective as a lens to study the phenomenon of the adaptation of CSRR by subsidiaries across different countries supposes that the different configurations of adaptation (e.g., the combination of the degree of implementation, internalisation, integration and fidelity of the practice), considered as "events" (e1, e2, e3 and e4) or outcomes in the actual domain may be explained by structures with causal powers triggered by specific conditions. As a matter of exemplification of the structures presented in figure 3, one can consider a subsidiary X operating in a country in which CSRR is mandated by law. The subsidiary is a legal entity and thus is subject to national law (*coercive structure*). In this structure, the law exerts the power to make subsidiaries provide explicit forms of CSRR (causal power). However, this power is only activated when local employees are aware of this legislation and the consequences of nonconformity are highly punitive and strictly enforced. Thus, employees perceive the coercive pressure to engage in such behavior. If there is an absence of any of these conditions the causal powers of the "coercive structure" are not activated and thus, the subsidiary will not engage in CSRR.

Critical realism carries two important assumptions regarding the nature of causation. Case-oriented researchers have questioned the assumption of causal homogeneity made by positivist research traditions. Instead of regarding causation as uniform, Ragin (2000) and Rihoux and Ragin (2009) propose a "conjunctural" view as the foundation for case-based research. By "conjunctural," the mean that case researchers explain by factoring in the combination of conditions found in the case rather than seeking to measure the net effect of an isolated variable. This is because a single variable may have a very different effect, depending on the configuration of variables with which it is combined in a case. Thus, for example, in combination with A and C, B may cause Y, but in other circumstances Y may occur only in B's absence.

As well as being "conjunctural" in nature, the second assumption of causality is that it is "multiple", given that the same outcome may be produced by different causal pathways, (also known as equifinality) (Rihoux & Ragin,2009).

Figure 4 The structures of causal explanation. Source: Sayer (2000:109)
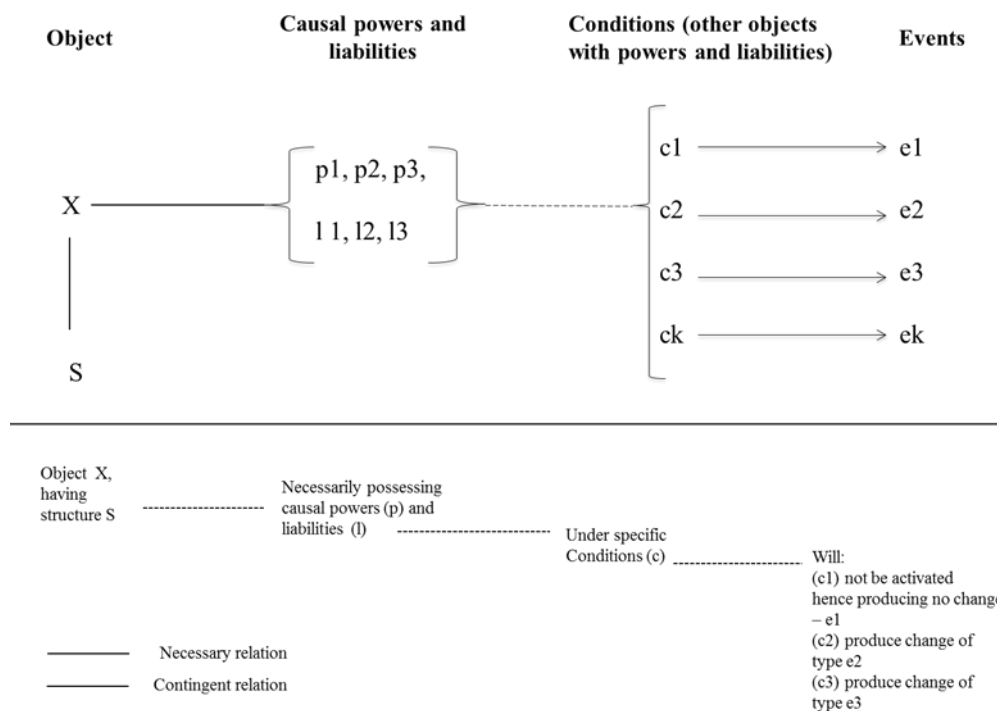
There is a well-established causal vocabulary in the critical realist tradition to refer to particular components and in many cases, some terms are used interchangeably. As a matter of illustration, Table 8 below captures some of the concepts used by this perspective and provides examples in the context of this research.

Table 8 Terminology in critical realism

Term	Definition	Example in the context of this research
Causal powers also referred as **mechanisms**	•Things an object or entity can do by virtue of its nature. •A matter of how objects work •The nature of relations and structures •They exist whether they are exercised or endured or not. •It is what can cause something in the world to happen	•Subsidiaries possess absorptive capabilities •Institutions exert coercive, mimetic and normative processes. •National institutions stimulate the development of social and environmental forms of accountability in the host country •Individual's agency (power to conform or resist, to translate a practice) •Subsidiaries possess the power to adapt

Events, or outcomes	Products or effects of mechanisms	Configurations of adaptation: intentional decoupling, unintentional decoupling, proactive adaptation, ceremonial adaptation.
Necessary or Internal conditions	Relations that condition one another mutually.	Relationship between the subsidiary and the absorptive capabilities. Relationship between the individual and translation.
Contingent or external relations or conditions	Relations external to the phenomena or are neither necessary nor impossible for its existence as X structure observed. There is a contingent and external relationship between the mechanisms and the events	•Prior stocks of knowledge •MNC's organisational mechanisms •Compatibility between transferred and organisational practices and existing practices
Structure	A set of internally related objects	•Subsidiaries are part of an MNC network and governed by the HQ •Subsidiary belongs to an organisational field

3.3 Research strategy

3.3.1 Embedded multiple case study

Many scholars suggest that qualitative methodologies are useful in capturing multi-dimensional phenomena (Flick, 2009; Stake, 2005; Yin, 2014). These perspectives are supported by methodological arguments that qualitative methodologies offer a clear and holistic view of the context (Denzin & Lincoln, 2011; Ghauri & Grønhaug, 2005).

This research adopts a qualitative approach and applies an embedded multiple case study (Yin, 2014). Multiple case studies have been suggested to suit IB research topics since they capture the complexity of cross-border and institutional settings (Fletcher & Plakoyiannaki, 2011; Ghauri, 2004). An embedded multiple case study is carried out within a closely similar context: the MNC. Thus, the embedded cases are the subsidiaries within the MNC. In the IHRM field for instance, the embedded multiple case study has become a popular approach to study the transfer of practices because it is considered a tool to getting at the complex process of mutual influence between the headquarters and the subsidiary and their respective institutional environments. The rationale of the embedded cases is that the similarity in

context, should allow for a more detailed understanding of the deep processes involved since the context is, in some senses, "controlled" (Harrison & Easton, 2004).

3.3.2 The case sampling

Under a critical realist perspective, case studies are considered instrumental rather than intrinsic (Stake, 2005) since their ultimate goal is the postulation of objective causal mechanisms. This research adopts a theoretical sampling because it enables the identification and investigation of emerging concepts in the literature and enhances the quality of the case study of evidence (Fletcher & Plakoyiannaki, 2011). According to Patton (2002), qualitative inquiry typically focuses in-depth on relatively small samples, selected purposefully: ''the logic and power of purposeful sampling lie in selecting information rich cases to study in depth; information rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the inquiry'' (Patton, 2002: 230).

Despite the literature not providing suggestions as to how to design a critical realist case study, Danermark et al., (2002) recommend the inclusion of "extreme" or "pathological" cases within the sample. Other authors suggest the method referred to as "maximum variation sampling" (Guba & Lincoln, 1989; Mahoney & Goertz, 2004; Patton, 2002) which aims to select cases demonstrating diversity in terms of the predicted outcomes linked to the case. These recommendations were included in the case sampling approach.

Because of the research focus on the transfer of corporate social responsibility reporting (CSRR), a UK MNC engaging with the practice needed to be identified. In order to do so, the research started with obtaining a list of FTSE250 Index constituents as of July 2013 from the FTSE website. This resulted in a group of 39 UK British MNCs. The respective websites of these companies were then searched to verify whether there had been a CSR report published continuously for the last five years. This subsequently generated a group of 19 companies which were contacted by the researcher. This was done by e-mail where a designated e-mail address for a CSR or sustainability manager department could be identified. These enquiries

resulted in three responses, including FINEST, which granted research access in November 2013. The researcher was introduced to initial "gatekeepers" to whom the researcher presented the project in detail. Initial conversations with the gatekeeper allowed gathering information regarding the adoption of CSRR and its transfer to its 39 locations worldwide. At this point, it was learnt that because FINEST had grown through acquisitions, the transfer presented various challenges and as a result subsidiaries were implementing it in various ways and employees had various levels of acceptance of the practice. Based on these interesting insights, the researcher requested to have access to five of FINEST subsidiaries which displayed variation (Guba & Lincoln, 1989; Mahoney & Goertz, 2004; Patton, 2002) in terms of the predicted outcomes linked to the case. The selection of the five subsidiaries followed a theoretical contrasting case sampling strategy (Guba & Lincoln, 1989) covering a range of capitalist host country types.

Drawing from the varieties of capitalism approach (VoC), FINEST's French, Danish, Dutch, American and Brazilian subsidiaries were deliberately selected as they reflect typical contrasting cases of capitalism and are institutionally different from the UK. The rationale here was to assess the impact of different configurations of host country business systems' institutions on the adaptation of CSRR by subsidiaries. In chapter 2, it was mentioned that Amable's (2006) framework is a rigorous and empirically validated taxonomy of VoC clusters and offers a fine-grained typology of the diversity of the capitalist model. Based on Amable's classification, the UK and the US correspond to market based capitalism (MBC). Denmark is considered a social democratic economy (SDE) and France and the Netherlands are classified as Continental European Economies (CEE). Some academics have positioned France under a different typology, namely the "state-led market economy" (SLMEs) (Kang & Moon, 2012; Schmidt, 2006) due to the strong reliance on state coordination mechanisms and centralised modes of the financial system. Finally, Brazil has not been considered under Amable's typology but recent work in Latin American economies (Schneider, 2009) has classified it as a hierarchical market economy. Because FINEST has grown through

acquisition, it was hypothesised that different social and environmental accountability mechanisms existed in the acquired subsidiaries, quite distinct to the transferred CSRR practice. These five cases allowed differentiating between the "implicit" and "explicit" approaches to CSR theorised by Matten & Moon (2008) and to be investigated in Chapter 5.

3.4 Data collection

3.4.1. Primary data collection: Semi-structured interviews

Interviews allow collecting data from different actors and incorporating different perspectives and perceptions into the analysis. Under a "critical realist" perspective, interviews provide one important basis for gaining access not only to attitudes and emotions of informants but crucially to richly textured accounts of events, experiences and underlying conditions or processes which represent different facets of a complex and multi-layered social reality (Elger & Smith, 2014: 14). They cover both "factual" and "meaning" level, providing not only explicit descriptions of events and activities from individuals but also meanings pertaining to such events and activities. According to Danermark et al., (2002) it is necessary to understand the meaning people assign to their actions in order to understand the events or outcomes studied.

Based on a critical realist philosophy, reality and the way it behaves is not accessible to immediate observation. Because reality is assumed to consist of several domains, as explained in section 3.2.1, it is important to attain knowledge about underlying causal mechanisms not only on the empirically observable events. To switch from "events" to "mechanisms" (see Figure 4 above) means switching the attention to what produces the events not just the events themselves. These mechanisms generate an event or outcome (e.g., proactive adaptation) and when they are experienced, they become an empirical fact (e.g., employees develop perceptions about a practice). This is why it is so important to speak to people about their experience in the empirical domain (Denermark et al., 2002).

Once the researcher was granted access to FINEST, the gatekeeper introduced the researcher to corporate managers involved in the process of CSRR. A key aim was to select interviewees who were actively involved in the implementation of CSRR or involved in and/or responsible for the management of the practice across the subsidiaries, in other words, the researcher ensured to interview employees across different hierarchical levels in order to capture multiple views on the transfer of CSRR. A snowball sampling method was initially used by which the initial individuals interviewed, suggested other corporate managers and employees that they knew were involved with CSRR. To reduce the selection bias inherent in this method, the researcher asked the Global CSR and subsidiary managers to provide an exhaustive list of the people that were dealing with the practice in the past and present. This list allowed the identification of potential interviewees which had been omitted by the snowball sampling method. Additionally, the researcher contacted and interviewed other individuals not directly involved with the reporting who provided key insights regarding the integration of the practice within the organisation and its impact on other areas and departments. The researcher encountered that the function of CSR as such, did not exist in some subsidiaries but other functions took that role, for instance, many HR managers are also CR coordinators across different subsidiaries. Table 9 presents the detail of the interviewees.

Table 9 The conducted interviews

At HQ	Ex-Global Head of CR **(P1)**, Global Head of CR **(P2)**, CR reporting Manager **(P3)**, Corporate Responsibility Advisor **(P4)**, Managing Director UK **(P5)**, Global Head of Communications **(P6)**
In French subsidiary	Financial responsible and coordinator of reporting **(P7)**, HR manager **(P8)**, Sales effectiveness Director (EMEA employee programs' coordinator) **(P9)**, Marketing Manager **(P10),** Finance Assistant **(P11)**
In Danish subsidiary	CR and Marketing manager **(P12)**, Finance assistant (voluntary Data Provider) **(P13)**, Head of Data service (Employee program ambassador) **(P14),** HR Manager **(P15)**
In Dutch subsidiary	HR Manager **(P16)**, Marketing & Communication Executive **(P17),** Sales support Manager (Employee program ambassador) **(P18)**
In Brazilian subsidiary	Sustainability Manager **(P19)**, Corporate Citizenship Manager **(P20)**, Former CR coordinator **(P21)**, Financial Education ambassador **(P22)**, Employee ambassador **(P23)**
In American subsidiary	Community Relations Manager **(P24)**, Director of Public Education **(P25)**, Consultancy Business Analyst **(P26)**, Vice-president of Corporate Marketing **(P27)**

Twenty-seven semi-structured interviews were conducted between November 2013 and December 2014. Each interview in the first round lasted between 45 and 60 minutes. Most of the interviews in the UK were face to face while the interviews in the subsidiaries were conducted via telephone. Remote interviews were chosen because they reduce the difficulty of synchronising face to face meetings and are a cost-efficient method suited to international research designs.

After completing the first analysis, the same interviewees, were approached again through a round of twenty follow-up email interviews to clarify issues not initially made clear, expand on interesting topics and confirm emerging insights (Marshall & Rossman, 2006) regarding the mechanisms identified after the first analysis. E-mail interviewing has become a viable tool for qualitative research that presents distinct advantages in terms of accessing geographically dispersed samples, increasing disclosure and alleviating interviewer-interviewee effects (Meho, 2006). According to Burns (2010), the quality of responses gained from email interviews is much the same as responses from more traditional methods.

An interview guide derived from the review of the literature review in Chapter 2 and specific frameworks used throughout chapters 4 to 8, was developed to elicit detailed descriptions of participants' perceptions of their experiences regarding the practice transfer. Before conducting the interviews, the researcher reviewed the interview guide on the basis of input from contact managers from each subsidiary site. Appendix A shows the complete interview guide. The methodology sections of each chapter will provide further detail on the sections of the interview used for specific analyses.

All the interviews were conducted in English with exception of the French subsidiary. The translation of the interview guide in French aimed to achieve construct equivalence and word equivalence. Construct equivalence refers to preserving the exact meaning of the questions asked and, at the same time, adapting the questions to the particular language and culture

(Mullen & Yi, 1995; Triandis, 1994). The following procedures were used when translating interview guides from English to French).

(1) Initial translation of the document from English to French (or vice versa) by the researcher (who is bilingual)

(2) Reverse translation from French to English (or vice versa) by the researcher

(3) Comparison of the originals with the double reverse-translated English or French versions by independent researchers (other PhD English and French native speakers)

(4) Resolution of discrepancies and development of revised documents.

3.4.2 Secondary data collection: Documentary evidence

In addition to the interviews, secondary data was gathered for triangulation purposes (see section 3.6.2). CR and Annual reports were collected from 2007 (year of publication of the first report) to 2015. Information from the local website was also collected as some subsidiaries instead of providing a CR report, publish html information. These sources allowed us to build a thick description of the CSRR at the subsidiary level and a retrospective account of chronological organisational events (Suddaby & Greenwood, 2009) in the transfer of the CSRR. During the interviews, some of the participants shared some internal documents with the researcher, such as manuals for reporting and internal presentations. The analysis of these internal documents played an essential role in understanding the internal process of CSRR. Finally, to understand the institutional environment of the subsidiaries, the existing pressures for CSRR and the competitor's responses to these issues, articles about FINEST and its subsidiaries were collected. The Nexis database was used to retrieve the articles mentioning "FINEST" over the period 2007-2015 from major English language news sources. Table 10 provides a summary of the data sources and their use in the analysis. The same search was performed for the *Ethical Corporation*, one of the main UK publications.

Table 10 Data sources

Type of data	Description	Quantity	Use in the analysis
Interviews	First round: 27 Semi-structured interviews; between 45 and 60 minutes each.	27 Interviews (6 HQ, 5 in French subsidiary, 4 in Danish subsidiary,3 in Dutch subsidiary, 5 Brazilian subsidiary and 4 in American subsidiary)	Tracking the process of CSRR adaptation at the subsidiary level. Interviews at HQ were aimed at enriching our understanding of the context in which CSRR was adopted, the governance mechanisms to transfer the practice. *Each chapter provides specific detail on how the interviews were used in the analysis.
Follow-up interviews	Second round: 20 Email interviews	20 Interviews (2 HQ, 4 in French subsidiary, 2 in Danish subsidiary, 3 in Dutch subsidiary, 5 in Brazilian subsidiary and 4 in American subsidiary)	Confirming initial findings Clarifying issues Expanding on interesting topics
Internal Documents	Global code of conduct, CSR reporting references and Manual for Environment	20 Pages	Reconstruction of the process of CSRR (requirements, guidelines).
Information in the subsidiaries' website	General information about the business in the country, subsidiaries' history and CSRR information	25 Pages	Tracking the adaptation of CSRR. Reconstruction of the history of the subsidiaries. Triangulation of informants' claims.
Annual and CSR Reports	From 2007 to 2015	20 reports (about 40 pages each)	Reconstruction of the evolution of CSRR at FINEST. Fine-grained tracking of historical events and changes of the CSR structure. Triangulation of informants' claims.
Business press	Articles about FINEST and its subsidiaries from 2007 to 2015	100 pages	Identifying institutional pressures and the diffusion of CSRR at the national and organisational field level. Tracking competitor's behaviour towards CSRR. Triangulation of informant's claims.

The transcripts, reports and organisational documents were entered as project documents into

the N-Vivo 10 computerised data management program.

3.5 Data analysis

While critical realism offers a distinctive ontology and epistemology, it does not align itself to a specific research methodology (Welch et al., 2011). To explain something implies (from the perspective of critical realism) first describing and conceptualising the properties and causal mechanisms generating and enabling events, making this happen, and then describing how different mechanisms manifest themselves under specific conditions. Building from essential parts of Bhaskar's reasoning, Danermark et al., (2002) propose a six-stage model of explanatory research that is trying to attain knowledge of constitutive qualities and causal mechanisms generating events, but also knowledge of how different mechanisms cooperate and, under specific circumstances, contribute to the production of concrete events and processes. Compared to other explanatory models (e.g., Popper Hempel model), this model represents a more comprehensive approach, pointing at key elements for an explanatory social science. The model describes the research process as a route from the concrete (stage 1) to the abstract (stages 2-5) and then back to the concrete (stage 6). Figure 5 depicts the stages of explanatory research in critical realism[3] which are further explained below.

Stage 1 consists of describing the complex situation intended to study. According to Danemark et al., (2002), an explanatory social science analysis usually starts in the concrete. As this stage is purely descriptive, it is not reported in the findings section of each empirical chapter, however, during the initial stages of the research, this stage set the ground for the data analysis.

Stage 2 separates and dissolves the composite and the complex by distinguishing the various components, aspects or dimensions. Each empirical chapter of this thesis confines the investigation to one level of analysis and to specific components.

In Stage 3, the different components and aspects are interpreted from conceptual frameworks and theories about structures and relations. Here, several different theoretical interpretations and explanation are presented, compared and possibly integrated with one another. Abduction refers to the reinterpretation and recontextualisation of individual phenomena within a conceptual framework or a set of ideas. It provides guidance for the interpretative process by which we ascribe meaning to events in relation to a larger context.

Stage 4 refers to the process of retroduction which refers to the description and analysis of concrete phenomena to reconstruct the basis conditions for these phenomena to be what they are. It is about advancing from one thing (empirical observation of events) and arriving at something different (a conceptualisation of transfactual conditions). The fundamental question that this mode of inference asks is: *What properties must exist for X to exist and to be what X is? Or what makes X possible?*

Stage 5 consists of elaborating and estimating the relative explanatory power of the mechanisms and structures which have been described followed by the final stage which examines how different structures and mechanisms manifest themselves in concrete situations distinguishing between the more structural conditions and the accidental circumstances.

Figure 5 Stages of explanatory research in critical realism[4]

1	• Description
2	• Analytical resolution
3	• Theoretical redescription and abduction
4	• Retroduction
5	•Concretisation and contextualisation
6	•Comparison between different theories

Empirical chapters 4 to 7. These stages are achieved through a **hybrid process** of **inductive and deductive thematic** analysis

Chapter 8

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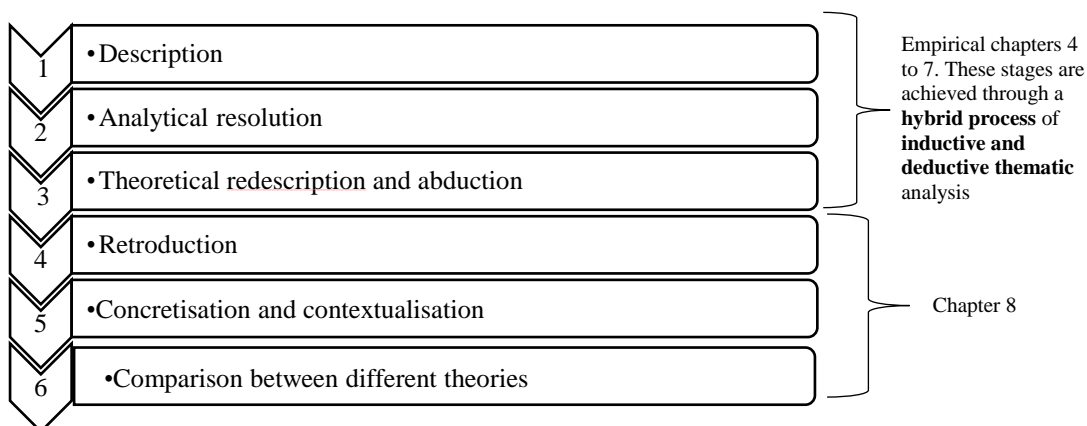
[4] In the original model proposed by Danermark et al., (2002) comparison between theories is the stage before concretisation and contextualisation. For the purposes of this thesis, the stages have been inverted to follow the structure of the thesis.

Critical realist proponents of the explanatory research model emphasise that this should be seen as a guideline and not as a template to be followed to the letter (Danermark et al., 2002; Mingers, Mutch, & Willcocks, 2013; Wynn Jr & Williams, 2012). Abduction and retroduction (stages 3 and 4) play central roles in a critical realist research but can only be attained once the phenomena has been "redescribed". Thus, researchers can integrate various methods of analysis to achieve the ontological-methodological link (Bergin, Wells, & Owen, 2008). In this project, a mix of inductive and deductive process of theory development were applied before undertaking the process of retroduction. As it can be seen in Figure 5, stages 1 to 3 correspond to the analysis conducted throughout chapters 4 to 7 relying on the qualitative method of thematic analysis, and it incorporated both the data-driven inductive approach of Boyatzis (1998) allowing for themes to emerge directly from the data using inductive coding and the deductive a priori template of codes approach outlined by Crabtree and Miller (1999). The data analysis in chapter 8 corresponds to stages 4 to 6.

The coding process involved recognising (seeing) an important moment and encoding it (seeing it as something) prior to a process of interpretation (Boyatzis, 1998). A "good code" is one that captures the qualitative richness of the phenomenon (Boyatzis, 1998, p. 161). Encoding the information organises the data to identify and develop themes from them. Boyatzis defined a theme as "a pattern in the information that at minimum describes and organises the possible observations and at maximum interprets aspects of the phenomenon"

In addition to the inductive approach of Boyatzis (1998), in our analysis of the text in this study, we also integrated a template approach outlined by Crabtree and Miller (1999). This involves a template in the form of codes from a codebook to be applied as a means of organising text for subsequent interpretation. When using a template, a researcher defines the template (or codebook) before commencing an in-depth analysis of the data. The codebook is sometimes based on a preliminary scanning of the text, but for this study, the template was developed a priori, based on the research question and the theoretical framework.

The explanatory model represents the overarching data analysis model, however each empirical chapter will elaborate on its analytical specifications used to answer one of the sub-research questions established in Chapter 1 section 1.4.

3.6 Research quality

This section discusses various criteria for assessment of the reliability, validity and transferability and usability of the research, as well as practical requirements that the research needs to fulfil (Jonker & Pennink, 2009). Table 11 provides a summary of the procedures used to ensure these criteria. The following section expands on these four assessment criteria.

3.6.1 Reliability

Reliability relates to the "quality control" of the data collection and analysis techniques (Miles & Huberman, 1994: 278) and is reached by disclosing the processes by which the data was produced (Silverman, 2001). Good management data is essential in achieving reliable results, especially when multiple data sources and data types are being used in the research. In line with Yin's (2009) recommendation, a protocol was developed for each stage of data collection. Data reliability was ensured by following the pre-designed interview protocol to ensure that all relevant topics were discussed with interview participants. *Sound organizer* was used to transcribe the interviews and *Nvivo 10* was used not only as a software to code the transcripts from the interviews but also to integrate the internal documents, the annual and CR reports to the same analysis and organize a case-data base for each subsidiary to further improve reliability (Yin, 2009). The software was also used to keep a research journal which described the tasks performed to the analysis, various versions of coding lists as they developed and memos written during data collection and analysis. For the interviews conducted in French, a process of "back translation" to the interview guide was carried out to ensure equivalence of meaning and constructs (Brislin, 1970).

Table 11 Criteria and procedures for evaluation rigor

Criteria	Procedures	Example
Reliability	•Data collection according to "protocol" •Pre-designed interview protocol •*Sound organizer* was used to transcribe the interviews •Data analysis with *Nvivo10* •Organising a case-data base for each subsidiary •Translating procedure for the interview guide for French speaking interviewees.	•See Appendix A with interview protocol •Chapters 4, 5, 6 and 7: See processes of data retrieval organising the clustered codes for each project document across all the five sets of data (French, Danish, Dutch, American, and Brazilian subsidiary) •Use of *Nvivo* frequency count reports in Chapter 4 and 7.
Validity	•Triangulation using multiple informants and sources of secondary data •Iteration between case selection, data collection, data analysis and comparison with extant theories and emergent theory •Checking for representativeness •Verifying the meaning of outliers and extreme cases •Following up surprising findings •Looking for negative evidence •Areas of uncertainty are identified •Considering rival explanations	•In chapter 4 it was noted that self-reported accounts of employees and issues of key informant bias may emerge. Validity of the measures was ensured by considering opinions of more than one individual in the subsidiary and comparing these accounts with the opinions from the supervisors and the HQ (see section H questions for HQ only in Appendix A). •In chapter 5 two of the cases displayed negative evidence regarding the existence of the ideal "implicit" or "explicit" CSRR forms (e.g., Danish and Brazilian case). •In chapter 5, the Dutch and Brazilian case did not confirm the predictions suggested by the comparative/historical and new institutionalist view on the phenomena. •Throughout the thesis the case of the Dutch subsidiary is cautiously examined as it displays surprising findings. •The multi-level perspective allows considering rival explanations on the adaptation configurations.
Transferability	•Development of contingent generalisations •The characteristics of the original sample are fully described •Identification of settings in which the causal mechanisms can be triggered.	•Chapter 8 provides detail on the contingencies that led to the outcomes observed. •Chapter 9 discusses similar settings in which the findings are relevant.
Usability	•Regular discussions with key contacts at FINEST •Reviews of progress with key contact at FINEST	•Findings of the research were used to address specific practical issues in each empirical site •Researcher provided FINEST a report with the research findings

3.6.2 Validity

Validity concerns the truth value of interpretations made by the researcher concerning the

phenomena under study (Miles & Huberman, 1994:278). Qualitative validity means that the

researcher checks for the accuracy of the findings by employing certain procedures (Creswell, 2014:201). Validity is based on an integral assessment of the extent to which empirical findings and theoretical considerations support the adequacy of the argumentation (Jonker & Pennik, 2009: 103). To dynamically construct a valid-theory-creating process (Pauwels & Matthyssens, 2004) various strategies were adopted such as triangulation, "member checking", iteration procedures, search of negative evidence and follow up of surprising findings from outliers.

Triangulation aims at the integration of multiple data sources on a multi-method design. Triangulation refers to the use of different data sources of information by examining evidence from the sources and using it to build a coherent justification for themes. The basic assumption of triangulation is that the weaknesses in each single data collection source are compensated by the counterbalancing strengths of another source (Pauwels & Matthyssens, 2004). Triangulation was performed in three different ways in this research project:

(1) Interviewing various respondents on the same topic, also known as "synchronic primary data source triangulation". The themes were established based on converging several sources of data or perspectives from participants.

(2) Interviewing the same respondent on a particular topic more than once, also known as "diachronic primary data source triangulation". See section 3.4.1 for a detail on the second round of e-mail interviews.

(3) Combining primary and secondary data sources. The information gathered from the interviews was triangulated using the evidence from the other secondary sources (Campbell & Fiske, 1959) as outlined in section 3.4.2

The use of "member checking" procedures (Lincoln & Guba, 1985) to determine the accuracy of the qualitative findings consists in taking specific descriptions or themes back to

participants to ascertain whether they consider them accurate. These procedures were used during the second round of interviews.

The iteration between case selection, data collection, data analysis and comparison with existant theories and emergent theory (Dubois & Gadde, 2002; Orton, 1997) also allowed us to critically assess the possible impact of sources of misfit or invalidity.

Finally, important efforts were made to identify negative evidence in the cases and to follow up the "outliers" (e.g., Dutch and Brazilian case) in which the empirical data did not confirm the premises of theory. The systematic study of the adaptation of CSRR across the three levels of analysis allowed considering alternative explanations to the outcomes observed.

3.6.3 Transferability

Transferability deals with the larger importance of the conclusions of the study and whether they can be transferred to other research settings (Miles & Huberman, 1994: 278). Under a positivistic perspective, case studies enable replication which is one method to allow for transferability (see Yin, 2009). However, a critical realist perspective does not claim that replication can provide conclusive verification or falsification theories. Since organisational studies are rarely conducted under conditions of closure, it is difficult to ascertain the nature of contingencies in which structures and mechanisms are located. Thus, a failure of a replication to confirm previous findings does not mean a conclusive falsification (Tsang & Kwan, 1999). The conceptual framework developed in this research produces "contingent generalisations" (Welch et al., 2011) in other words, "if circumstances A, then outcome O". Specific contextual aspects that would expand-rather than reduce –the transferability of the findings are identified in detail in Chapter 9. With the analysis of causal mechanisms, a well-informed discussion about the potential consequences of mechanisms working in different settings is conducted in Chapter 9.

3.6.4 Usability

Lastly, the practical requirement of the usability of the research findings carries particular weight, since the research aim was a collaboration project between the MNCs and the researcher, the findings of the research were used to address specific practical issues in the MNC. The researcher communicated with the organisation to clarify the aims and expectations of the research and provided a report with the main findings.

3.7 Reflexivity ad ethics in qualitative research

Reflexivity is a critical element in good research (Nason & Golding, 1998). This section reflects on the significant factors that may have affected the data collection and the analysis processes and the procedures in place to limit their effects. Some of the issues explored are the interviewee's agenda and openness to disclose information, the interviewees' social desirability bias, the lack of face to face feedback, language and practical issues and the emic-etic dilemma. The final subsection describes the ethical procedures adopted in this research.

3.7.1 Interviewee's agenda and openness to disclose information

The researcher noted that the interviews were influenced by the interviewee's agenda and the openness to disclose information. After conducting an interview, the researcher kept a diary with notes regarding interesting parts of the interview and some events that caught the researchers' attention. This diary helped the researcher to be as reflexive as possible about her own biased and preconceived ideas. For example one of the first interviews conducted was with the Former Head of CSR at FINEST, who expressed her interest in "getting to the real story" about FINEST several times and reiterated the relevance of corporations engaging in academic research to solve issues and the dissemination of knowledge. She indeed disclosed many challenges and issues that FINEST was facing which influenced the perceptions of the researcher particularly since this was one of the first interviews. After a few months, the researcher learnt that she did no longer work for FINEST and that when the interview was conducted, she probably already knew she was leaving the company and thus had an agenda of disclosing some specific elements of the story. The researcher reflected upon this

information and the notes kept in the diary. With this background information, the researcher scrutinised the data of this interview vis-à-vis the accounts of the other interviewees. Another example can be found in the interviews conducted in the French subsidiary, in which the managers limited their reply to "everything in the subsidiary is fine". The researcher generally perceived some resistance to disclose information and the fear that the information collected would be shared with the HQ. To overcome this issue, the researcher focused on establishing trust with the interviewee and on emphasising the ethics of the research, according to which the researcher would not share any of the information collected with the HQ.

Another issue that the researcher encountered happened towards the end of the first round of interviews where the researcher identified that some interviewees felt inhibited. After knowing that the researcher had already collected several interviews, some interviewees were not certain anymore how much the researcher had discovered and sometimes assumed that the researcher already knew "too much". This has been pointed out as a potential source of bias (Miles & Huberman, 1994). In order to avoid this bias stemming from the researcher's effect on the site, in the following interviews, the researcher stressed the importance of the interview and tried to be discreet with regards to the number of interviewees she had already conducted.

3.7.2 Social desirability bias

The researcher noticed that sometimes when a question was asked and the researcher expected an ample account of the interviewee's experiences and perceptions of the new adapted practice, immediately some participants would reply something similar to *"everything is fine"* or *"we are complying with all the requirements from the HQ",* and while it may be true for some of the questions, this type of answer was repeated many times, throughout the interviews, particularly during the first interviews. The researcher noticed that "direct" questions only encouraged the social desirability bias of participants in wanting to say "yes, we are doing everything as requested and we do not have issues". The researcher thus, changed the approach and made use of the semi-structured approach, where participants

were asked to discuss topics. This improved the quality of the responses and allowed the researcher to gain rich data about the topics in question.

During one of the visits of the site, at the end of the interview, the researcher took the same bus as one of the interviewees and knew this encounter would potentially lead to bias of the researcher on the case or at least on the perceptions of the interview she had just conducted. With this already in mind, the researcher tried to maintain the interaction on professional terms and avoid co-optation.

3.7.3 Lack of face to face feedback

According to Easterby-Smith et al., (2002), researchers need to take into account the interaction between the researcher and the interviewee which could influence the research findings. During those interviews that were conducted remotely, the researcher faced the issue of not having face to face feedback. This issue was overcome by supplementing the interviews with emails to follow up on topics which the researcher wanted to explore in more detail, particularly those topics where the researcher suspected social desirability bias.

3.7.4 Language issues

The choice and use of language, as well as the researcher's and the interviewee's language skills, affect the dynamics in various ways. As some scholars have argued, studies involving cross-national dynamics should not be carried out in unilingual English language fashion (Marschan-Piekkari & Reis, 2004) and neglecting or misusing foreign languages may carry issues in the reliability of the interviews. Before conducting the interviews, the researcher enquired whether the interviewees were comfortable conducting the interview in English. Because the researcher is also fluent in Spanish and French, she offered the possibility to conduct the interview in those alternative languages. One employee in the Brazilian subsidiary requested to conduct the interview in French, however during the interview, it was clear that the interviewee was not fluent in French. Some of the questions were potentially misunderstood and some concepts were difficult to discuss. The follow up email interview helped to some extent to overcome the language barriers as the interviewee had time to draft

the responses, however, in comparison to the semi-structured interviews which are usually conducted in an informal, flexible and free flowing way, this interview was less spontaneous, thus potentially limiting some interesting insights to emerge and increasing the "social desirability" factor in the responses.

Having conducted interviews in two languages, meant that data was both in French and English. The interviews were all transcribed to their original language, and therefore data in French and English was used in the analysis. The researcher considered this as the best way to approach the analysis, following the recognition in the IB field that retaining the original language means that the interpretation system is also kept safeguarding the "emic" approach (Sinkovics, Elfriede, & Ghauri, 2008) (see section 3.7.6 for a discussion of the emic-etic dilemma). Once the analysis was conducted and the final quotes were chosen, the researcher translated those quotes to English. To increase the accuracy and validity of the transcribed quotes, the researcher asked French native speakers fluent in English to transcribe some of the quotes back into French, to make sure that the researcher's translation was correct.

3.7.5 Practical issues

While collecting data, the researcher faced some practical issues, mostly related to the fact that the research was being conducted across five countries while being based in the UK. The first issue was related to the arrangement of the interviews. Most of the interviewees, particularly those occupying more senior positions, had a busy agenda and were many times rescheduled due to their commitments. Some of the times, the interviews were cancelled at a very short notice.

Another issue was related to the quality of the phone call and some potential interruptions during the call. The researcher was granted use of an office at the University where she had the adequate privacy to conduct the interviews. Conversely, most of the interviewees did not have this privacy and the interview was conducted in an open-space office. This became both a curse and a blessing. On one hand, the recording of the interviews was not of the best

quality, however, there was one case in which the interviewee had recently joined the company and was unsure about many details of acquisition of the subsidiary in the 1990s. She contacted her colleagues who were also in the office who provided some background information which she did not possess.

3.7.6 Dealing with the emic-etic dilemma

The "emic" and "etic" terms have since developed to denote general research orientations which were long understood to be dichotomous and contrasting views rather than equally applicable (Sinkovics et al., 2008). Emic research centres on the native, that is, the insider's view of reality. Thus, the emic approach emphasises phenomena which occur in a particular culture by using only concepts employed in that culture (Buckley & Chapman, 1997). Contrastingly, etic designates the orientation which is taken by outside researchers. Behaviours and phenomena are described using external criteria which are imposed by the researcher (Sinkovics et al., 2008).

The challenge to obtain observations that are both adequate within the local description of a phenomenon and that are comparable across different contexts has been described as the emic-etic dilemma (Davidson, Jaccard, Triandis, Morales, & Diaz-Guerrero, 1976) as likely to be pronounced in cross-national research (Buckley, Chapman, Clegg, & Gajewska-De Mattos, 2014). Increasingly, scholars in the IB field have argued that IB research should take more emic (i.e., subjectivist/ qualitative/ insider) perspectives, which then could be translated into etic (i.e., objectivist/quantitative /outsider) terms and used as valuable input for further studies and that both approaches are however considered complementary to each other and provide essential building blocks for IB research. One of the major challenges in comparative research, aside from the logistical and organisational difficulties, is separating out what it is that one is trying to compare, and what one is trying to hold constant in order to make sure that one is looking at the same thing in two or more countries. (Edwards, Almond, & Colling, 2011).

In order to find a balance between "etic" and "emic" and achieve equivalence across different stages of the research, different procedures were put in place. In the preparation of the interview guide, the researcher avoided the use of terms and concepts that would be alien to the interviewees. For example, in chapter 5 it is highlighted that investigating implicit/explicit CSR presents some difficulties due to the subtle nature of the concept (Jamali & Neville, 2011). The questions were designed to identify the accountability mechanisms related to broader informal/informal norms or institutions, implying societal consensus and involving different stakeholders. There was no assumption that "corporate social responsibility reporting" was an institutionalised practice in the subsidiaries nor was the concept used routinely.

In the data collection, interview languages were retained to some extent. As explained earlier the researcher is fluent in English and French and offered to use these alternative languages. During the data analysis, interview transcripts were kept in the original language, but codes were created into English as the common analysis language. This facilitated further analysis and comparability. This derived "etic" approach safeguarded against the danger of missing some concepts in the original language and facilitated the identification of country specificities and *equivalence of data* (Sinkovics et al., 2008). While the use of CAQDAS such as Nvivo has been considered by some researchers to inhibit

creativity and colonise qualitative research with rigorous criteria of quantitative research (Smith & Hesse-Biber, 1996), from an international perspective, it helped to understand the research contexts from where the data originated, because both the original language but also the derived interpretation system are retained.

3.7.7 Research ethics and confidentiality issues

Research ethics concerns the consideration of how the researchers should treat the people who form the subjects of their investigation (Thorpe & Holt, 2007). Adequate research ethics

intend not to harm participants, conduct research with informed consent, address issues of confidentiality and avoid deception of participants (Diener & Crandall, 1978).

This research strictly follows the University Of Nottingham Research Code of Conduct. The research proposal was approved by the Research Ethics committee in the Business School in September 2013. The researcher provided the key contact at FINEST with a detailed description of the research, including the research questions and objectives, research methods and outlets of dissemination of findings (e.g., journal articles, book chapters, conference papers). Confidentiality issues were also discussed (i.e. recording interviews, interviewees' anonymity, company's name being published, etc.) before the researcher started the interview collection. These discussions led to a memorandum of understanding in which the two parties (FINEST and the researcher) agreed on the terms of the research project. The MNC studied had to be anonymised for this research. The information provided in this section and throughout the thesis maintains a certain degree of imprecision on FINEST's practices. The name of the MNC was changed to "FINEST", similarly, the former name of the Brazilian subsidiary was changed to the pseudonym "DaTec".

Participants were given an information sheet designed to give them full details of the research project, its goals, the research funder, and what they will be asked to do as part of the research (see Appendix B Information for Research participants). Interviewees were also asked to complete the participant's consent form (see Appendix C Participants consent Form) in which they agreed to take part in the research. In this form, they also gave consent for quotes from their interviews to be used. Based on the code of research, this form was not always required and the verbal agreement was sufficient proof of the participant's consent. All individuals were assured anonymity. Participants accepted to be referred with their role in the organisation e.g., *CSR manager in French subsidiary*. They were also assured that while the researcher was going to provide a report to the HQ with the findings, the participant's opinions were not going to be traceable. The researcher also read an introduction statement before conducting the interviews see Table 12 below.

Table 12 Introductory statement

Introductory statement

I am a PhD student in the International Centre for Corporate Social Responsibility in the University of Nottingham. The title of my project is: ***"The adaptation of corporate social responsibility reporting within a multi-national corporation".*** The aim of the research is to study how corporate social responsibility reporting as a practice was diffused by the corporate office and adopted by subsidiaries across different countries.

I would like to talk to you for approximatively one hour. This will be an informal interview about FINEST and corporate social responsibility reporting. The interview will be recorded and I will provide you a transcript to verify the accuracy of the interview. The questions are mainly related to your role in the implementation of those processes and your perception on key enablers and obstacles to the implementation of those processes.

The interview is completely confidential. The data generated by the research (e.g., transcripts of research interviews and recordings) will be kept in a safe and secure location and will be used purely for the purposes of the research project (including dissemination of findings). No-one other than supervisors or examiners will have access to any of the data collected. All necessary steps will be taken to protect your privacy and ensure the anonymity and non-traceability. If you do not want to answer a question, please feel free to say no.

Do I have your permission to proceed?
Do you give your consent that quotes from your interview can be used in the outputs of this research?

3.8 Research context

This section provides background information about the company as well as details about the context in which the transfer of CSRR took place. It establishes introductory information on the different aspects related to the thesis overarching research question. This case description was built mainly from the interviews conducted (see particularly Sections B of Appendix A) in the HQ and triangulated with the documents outlined in section 3.4.2. The section provides information of the business of FINEST, some background on the five subsidiaries selected, the process of transfer of CSRR, the global CSR strategy and the HQ's drivers of CSRR.

3.8.1 FINEST

FINEST provides information, analytical tools and marketing services to organisations and assists individuals managing their credit relationships and minimising risks of identity theft. FINEST belongs to what the literature has considered a "low risk" industry (Young & Marais, 2012) characterised by a lower social and environmental impact, lower human risk and thus relative lower stakeholder pressures from their stakeholders. As most of its business is with other companies, FINEST has a low consumer visibility. The main risks associated to FINEST's businesses are the management of consumers' personal data, security, and privacy issues.

FINEST was formed in 1986 when the UK and US businesses were combined under the same ownership. In 2006, FINEST demerged from the parent company and becomes an independent company listed on the London Stock Exchange. The French and Dutch acquisitions were of a number of software companies with products that filled the gaps in FINEST's existing portfolio (e.g., marketing business). The Danish acquisition was the first part of the expansion in the Nordic region. The 1980 US acquisition enabled FINEST to enter its largest and most mature market and the acquisition of the largest credit bureau in Brazil provided access to the Latin American market (see Table 13).

Table 13 General data of the MNC with its subsidiaries studied

	FINEST				
Country of Origin	United Kingdom				
Total number of employees worldwide	16,000				
Number of countries with overseas subsidiaries	39				
	French subsidiary	**Danish subsidiary**	**Dutch subsidiary**	**Brazilian subsidiary**	**American subsidiary**
Size of the subsidiary (# of employees)	250	120	75	2600	6000
Offices within the country	Paris, Monaco, Lilles	Silkeborg	The Hague	Sao Paolo	39 offices
Year of acquisition	1990	2003	1986	2007	1986
Year of first participation in the global reporting	2008	2010	2010	2008	2007

3.8.2 The transfer of CSRR at FINEST

FINEST adopted CSRR and published its first global CSR report in 2007. As a response to shareholder pressure, and the competitors' behaviour, FINEST transferred the practice to its 39 locations worldwide with the intention to standardise the processes of collecting, measurement, analysis and communication of the social and environmental impact of the MNC's operations. The following section details key chronological events in the transfer of CSRR, the global CSR strategy and the drivers underpinning CSRR.

3.8.2.a Key events in the transfer of CSRR

FINEST does not follow any international framework for reporting (e.g., Global Reporting Initiative), nevertheless, the decision to annually publish a global report required not only to standardise processes but to put in place structures to support the complex task of collecting data across the different locations.

In the years following the demerger in 1996, some changes took place (see Table 14 with chronology of changes in the CSRR structure) such as the formulation of a CSR strategy framed as "business as usual" by taking account of the potential social benefits and risks and the impact on climate change. From this strategy, six key responsibilities were specified, being "minimising impacts on the environment" one of them. Another change was the constitution of a "governance structure" across the group in which the European region placed a regional CR coordinator supported by environmental champions in charge of implementing the CSR strategy.

Table 14 Chronology of events

Year	Event
2007	– Formulation of a new CSR strategy framed as "business as usual" taking account of the potential social benefits and risks and the impact on climate change. – Six key responsibilities specified, including one on "minimising impacts on the environment". – Inclusion in FTSE4GOOD and DJSI
2008	– Adoption of global CSR policy and environmental codes of conduct, and some elements of ISO 14001. – Two senior managers included in the CR management team.
2009	– Europe submits data on a quarterly basis. – Development of the CR governance structure across the MNC (regional CR coordinator, supported by environmental champions implementing the CSR strategy).
2010	– 12 countries provided data for report in 2010 including the French and Danish subsidiaries. – Data gathering and performance management systems developed. – Introduction of database management system for reporting.
2011	– Global intranet platform introduced. – Development of methodologies and principles for reporting and environmental KPIs.
2012	– Individuals across the 39 subsidiaries of the MNC identified as "Data Providers" reporting monthly through the CR database system.
2013	– Improvements in the measurement of environmental KPIs.
2014	– The CR steering group comprises senior leaders from the five regions of the MNC – CSR function is part of the Communications department – The employee program becomes the Social Responsibility programme.

In 2008, the group adopted other accountability frameworks by which they governed their CSR operations such a global CSR policy by introducing aspects of ISO 14001 policy and environmental codes of conduct. The scope of the report widened and twelve countries from the EMEA region were reporting in 2010 including the French and Danish subsidiaries. During that year, a data gathering and performance management system was developed, supported by a global intranet platform introduced the following year along with a set of methodologies and principles for reporting developed by the HQ. The purpose of these methods was to provide a framework that guided each subsidiary in how environmental and social reporting had to be performed by defining specific items to be calculated and relevant indicators. Individuals across the 39 subsidiaries of the MNC were identified to become on a voluntary basis "Data Providers" (DP) and report monthly through the CR database system as part of the CSRR process (see Figure 6). According to the HQ, once data is submitted by the DP, it is quarterly approved by a data approver (DA) who is most of the times the country manager. Following the collection and data gathering, the regional environmental leader

(REL) reviews DA's approval. The global CR team in the head-office pulls provisional reports centrally and regions are asked to explain performance. Data is merged to the regional data set every six months and the formatting and design process starts in the HQ with help of an assurance company. Data is audited only at the HQ level. According to the methodologies and principles for reporting, in the final stage, an evaluation of the whole reporting process takes place with participation of regional managers and the global CSR team.

In 2010, a data gathering and performance management system was developed and supported by a global intranet platform introduced the following year along with a set of methodologies and principles for reporting created by the HQ as a way to provide a framework that guided each foreign subsidiary in how environmental and social reporting had to be done by defining standard disclosures and relevant indicators. As of 2014, the processes covered six areas: employee diversity, health & safety, employee engagement, community investment, waste, carbon emissions with 22 specific indicators. Two documents were disseminated across the subsidiaries: the "*CSR reporting references" and the "Manual for social and environmental indicators"* with specific guidelines on how to collect and record data.

3.8.2.b CSR strategy

The CSR strategy followed by the MNC followed a "glocal" (Barkemeyer & Figge, 2013) or "transnational" logic (Barlett & Ghoshal, 1989) in which the CR corporate management set the main directives derived from the global CR strategy and subsidiaries have a relative autonomy to apply and implement these directives on the ground with activities that suit the local operations. Nevertheless, in the case of CR and CSRR, a centralised imposed policy meant that subsidiaries were obliged to support the global reporting, restricting the development of any other form of local CSR reports. Additionally, subsidiaries had to get the approval by PR and the Communications department at the HQ for approval of any other type of external communication (e.g., website information). This directive was intensified even more when at the beginning of 2014 the CR function was integrated to the Corporate Communications.

Figure 6 Process of CSRR


```
┌──────────────────┐      ┌──────────────────┐      ┌──────────────────┐
│ Data put into    │──────│   Submission     │──────│   Approval by    │
│ local level      │      │ for approval to  │      │    country       │
│ quarterly        │      │  data approver   │      │  coordinator or  │
│                  │      │     ( DA)        │      │  data approver   │
└──────────────────┘      └──────────────────┘      └──────────────────┘
         │                                                    │
┌──────────────────┐                                 ┌──────────────────┐
│ Data providers   │                                 │   Regional       │
│ across offices   │                                 │ Environmental    │
│ report through CR│                                 │ Leader (REL)     │
│ database system  │                                 │ reviews DA's     │
│ (monthly basis)  │                                 │ approval         │
└──────────────────┘                                 └──────────────────┘
         │                 Process of CSRR                    │
┌──────────────────┐                                 ┌──────────────────┐
│                  │                                 │ Provisional      │
│ Evaluation of    │                                 │ reports pulled   │
│ the process      │                                 │ centrally at the │
│                  │                                 │ HQ . Regions     │
│                  │                                 │ explain          │
│                  │                                 │ performance      │
└──────────────────┘                                 └──────────────────┘
         │                                                    │
┌──────────────────┐                                 ┌──────────────────┐
│                  │                                 │ Data merged to   │
│ Assurance by a   │                                 │ the regional     │
│ third party      │                                 │ data set every   │
│                  │                                 │ 6 months         │
└──────────────────┘                                 └──────────────────┘
         │                                                    │
┌──────────────────┐      ┌──────────────────┐      ┌──────────────────┐
│ Writing up of    │──────│                  │──────│                  │
│ passages         │      │ Design of report │      │ Formatting of    │
│ internally and   │      │                  │      │ data             │
│ with help of the │      │                  │      │                  │
│ editors          │      │                  │      │                  │
└──────────────────┘      └──────────────────┘      └──────────────────┘
```

3.8.2.c Drivers of CSRR

Today, the report is mainly addressed to the responsible investment community as a way of attracting capital, but it is also used as a tool of risk management and talent attraction. From the HQ's perspective, the process of CSRR provides the basis to assess FINEST's CSR performance and consequently make changes in the CSR strategy. According to the interviewees, the report served to legitimise the CR function internally and to "provide a picture of professionalism" (P2) to the company leadership. FINEST's CSRR can thus be considered as "explicit" (Matten & Moon, 2008) form because it refers to the voluntary standardised processes within the MNC that ensure the systematic data collection across all subsidiaries, communicated in terms of CSR performance in the CSR report. The drivers of this explicit form are mainly instrumental (Aguilera, Rupp, Williams, & Ganapathi, 2007). Relational motivations such as the legitimisation of the CSR function were rarely evoked.

According to the HQ, an extensive implementation of the practice across its subsidiaries would enhance the reliability and completeness of the information, particularly since the assurance of the information published only assessed the HQ's processes. The HQ expected that the transfer of CSRR would allow subsidiaries to develop knowledge useful to address their social and environmental local agendas and enhance their performance, highlighting again the instrumental underpinnings (Aguilera et al., 2007) of the practice.

3.9 Conclusion

This chapter has been an account of the research's epistemology, methods and design. It has argued why a critical realist perspective is well suited to the study of transfer of CSRR in view of the premise that causality is not uniform but multiple and conjunctural and the consideration of the world as a stratified reality. Since the goal of this research is to provide a multi-level framework offering an holistic account of the determinants across different levels of analysis and their cross level interaction that explain adaptation of the transferred practice by subsidiaries a critical realist perspective, qualitative methods and a single case study design seem the most appropriate.

An embedded case study method was chosen since it captures the complexity of cross-border and institutional settings and at the same time allows studying the embedded units' closely similar context: the MNC.This chapter has also discussed the various criteria for assessment of the reliability, validity and transferability and usability of the research and the procedures used to undertake rigorous research.

It has also addressed the important issue of reflexivity in qualitative research and the importance of the research ethics to ensure confidentiality to the firm and the participants. Finally the single case study of FINEST was introduced by providing an account of the transfer of CSRR, the general CSR strategy and the drivers underpinning its adoption at the HQ level and its subsequent transfer across the subsidiaries.

This chapter explained that a critical realist explanation involves a search for generative causality in particular contexts in speculating upon unobservable underlying forces operating on the subsidiaries. Following the recommendation by Harrison and Easton (2004) the study begins with the observable outcomes or events that followed the transfer of CSRR in the subsidiaries studied in chapter 4 and is followed by chapters 5, 6 and 7 identifying the mechanisms that are influential along with the identification of contextual features. Chapter 8 will bring together the outcomes, the contexts and the mechanisms.

4. Outcomes of the transfer: Adaptation of CSRR and associated strategic responses

4.0 Chapter overview

The main focus of the previous chapter was to establish the philosophical and methodological roots of the study. The present chapter is the first of four empirical chapters discussing the "outcomes" of the transfer and is foremost oriented in analysing the adaptation configurations and subsidiary strategic responses following the transfer of CSRR from the HQ. This chapter specifically asks how subsidiaries respond to the adoption of CSRR? And what are the are the configurations of the adaptation of the transferred practice? By drawing on existing typologies of strategic responses to institutional pressures and literature on practice variation, this chapter sheds light on the variety of strategic responses associated with the adaptation of CSRR and challenges the overemphasised notions of isomorphism and conformity in the literature. The main findings suggest the existence of four adaptation configurations across the five subsidiaries: *intentional decoupling, proactive adaptation, unintentional decoupling and ceremonial adaptation.* The chapter contributes to the existing literature by building upon the theoretical conceptualisation of practice variation, teasing the concepts of implementation, internalisation and integration, building on their distinctive characteristics and proposing two configurations which lead to integration. It contributes to the understanding of the relationship between implementation, internalisation, integration and fidelity, exposing important conditions to achieve integration. To the diffusion literature it contributes by highlighting that an absence of integration limits the trajectory of a practice's diffusion.

4.1 Introduction

The objectives of this chapter are:

•To analyse the diversity of subsidiary responses to the adoption of the transferred practice

•To analyse the variation of the practice across four dimensions: implementation, internalisation, integration and fidelity.

•To compare the four dimensions of practice variation across the subsidiaries

•To link the strategic responses with configurations of practice adaptation

Chapter 2 outlined that the CSRR literature has expanded in the past 20 years. However, research considering the ways in which CSRR is adapted by MNC subsidiaries is scant despite the recognition that CSRR implementation may affect the accountability and transparency of the MNC and play an essential role driving organisational changes towards sustainability. On one hand, deficiencies in the implementation of processes such as collecting and recording social and environmental data across foreign subsidiaries, may put in question the credibility, reliability (Jahdi & Acikdilli, 2009) and completeness of the information (Strong et al., 2001) published in the CSR report. On the other hand, subsidiaries may be complying with the HQ at the surface by implementing the CSRR processes, but keep doing their business as usual within the deeper levels of their organisation (Boxenbaum & Jonsson, 2008) and shielding the organisation's day–to-day operations from the impact of those policies (MacLean & Behnam, 2010).

In the IB literature, scholars are increasingly recognising that transfer to foreign subsidiaries is not an either-or matter (Ferner et al., 2005) and that although MNCs HQ might try to "muddle through" (Crilly et al., 2012) and harmonise their implementation of their CSR policies, the complexity of their organisations may prevent a homogenous adoption of practices or "isomorphism" (DiMaggio & Powell, 1983). Although an MNC may adopt CSRR voluntarily, internally, compliance by its subsidiaries is ostensibly mandatory. As outlined in chapter 2, more recent institutional writings suggest that organisations may not always comply with external pressures but may instead use a variety of responses (Oliver, 1991) to address to the exerted pressures from the HQ. In light of this, while the transfer of CSRR is expected to lead to greater uniformity in the reporting processes across the MNC,

dynamics of conformity, decoupling and resistance may arise in in the adoption of CSRR at the subsidiary level.

Scholars in a recent stream, the practice variation literature (Ansari et al., 2010; Ansari, Reinecke, & Spaan, 2014; Canato, Ravasi, & Phillips, 2013; Fiss, Kennedy, & Davis, 2012; Gondo & Amis, 2013; Reay et al., 2013), have suggested that few management practices qualify as "one size fits all" and that their implementation has a certain degree of variation (Brunsson & Jacobson, 2002). Their work has theorised and documented how practices evolve along dimensions such as implementation, internalisation and fidelity requiring custom adaptation to make them meaningful and suitable within specific contexts. In the MNC context research on subsidiary adaptation to practices is scarce, where the simplified typology of Kostova & Roth (2002) remains the dominant framework combining only two dimensions: implementation and internalisation. This knowledge gap opens the opportunity to incorporate lessons from the practice variation literature in order to refine the conceptualisation of adaptation of transferred practices by MNC subsidiaries.

This chapter exposes the subsidiary responses to the adoption of CSRR and the configurations of subsidiary adaptation by building from writings on strategic responses to institutional pressures and leveraging insights from the recent contributions of the practice variation literature. The findings show that despite the HQ's intention to create uniformity and standardise the MNC reporting processes, particularly since CSRR had become fragmented as a result of HQ acquisition strategy, there is considerable variability in terms of the implementation, internalisation, integration and fidelity of the practice. The analysis sheds new light on four adaptation configurations: *intentional decoupling, proactive adaptation, unintentional decoupling and ceremonial adaptation* which display different degrees of implementation, internalisation, integration and fidelity.

Several theoretical contributions to the study of practice variation and adaptation and transfer of CSRR are made in this chapter. First, the findings suggest that integration, as a process of

adaptation, has a direct influence on diffusion and that *intentional decoupling* (Gondo & Amis, 2013) limits the trajectory of practice diffusion inside and outside the subsidiary. Second, by building upon insights from previous research and theoretically driven dimensions on heterogeneity of diffusing practices (Ansari et al., 2010; Fiss et al., 2012; Gondo & Amis, 2013; Westphal, Gulati, & Shortell, 1997) this chapter exposes two configurations that lead to integration of the practice to the organisation. The first one is through the combination of high levels of implementation and internalisation. The second configuration displays high levels of internalisation and low levels of implementation. Additionally, two conditions were found necessary to achieve integration: mild forms of resistant responses such as compromise and negotiation and unified responses within the subsidiary, employees and managers, in other words display congruent responses. The chapter contributes by refining prior typologies of adaptation configurations (e.g., Kostova & Roth, 2002) and inductively building on the distinctive characteristics of internalisation and integration, offering four typologies of adaptation. Lastly, the chapter contributes to the literature by showing that adoption is not necessarily equivalent to isomorphism and provides a nuanced account of the heterogeneity of responses and adaptation configurations.

The paper is organised as follows. The chapter begins with section 4.2 which reviews the literature on strategic responses and sets out the framework to understand practice variation. Following section 4.3 describes the specific analytical stages conducted in this chapter. Section 4.4 exposes the heterogeneous strategic responses to the adoption of CSRR and section 4.5 evaluates practice adaptation across four dimensions: implementation, internalisation, integration and fidelity. Section 4.6 highlights the significance of the findings, followed by section 4.7 which outlines the contributions of the chapter.

4.2 Theoretical Framework

The theoretical framework of this chapter is organised in two main sections. The first section examines and builds from existing typologies of strategic responses to institutional pressures

and discusses their application to the context of MNC subsidiaries. The second section reviews and builds a framework to understand subsidiary adaptation. Figure 7 illustrates the theoretical model of this chapter.

Figure 7 Strategic responses to the adoption of the practice and adaptation

Strategic responses to the adoption of the practice

HQ

Practice transferred

Implementation

Internalisation

Integration

Fidelity

Practice adaptation

**Outcomes of the transfer
Subsidiary level**
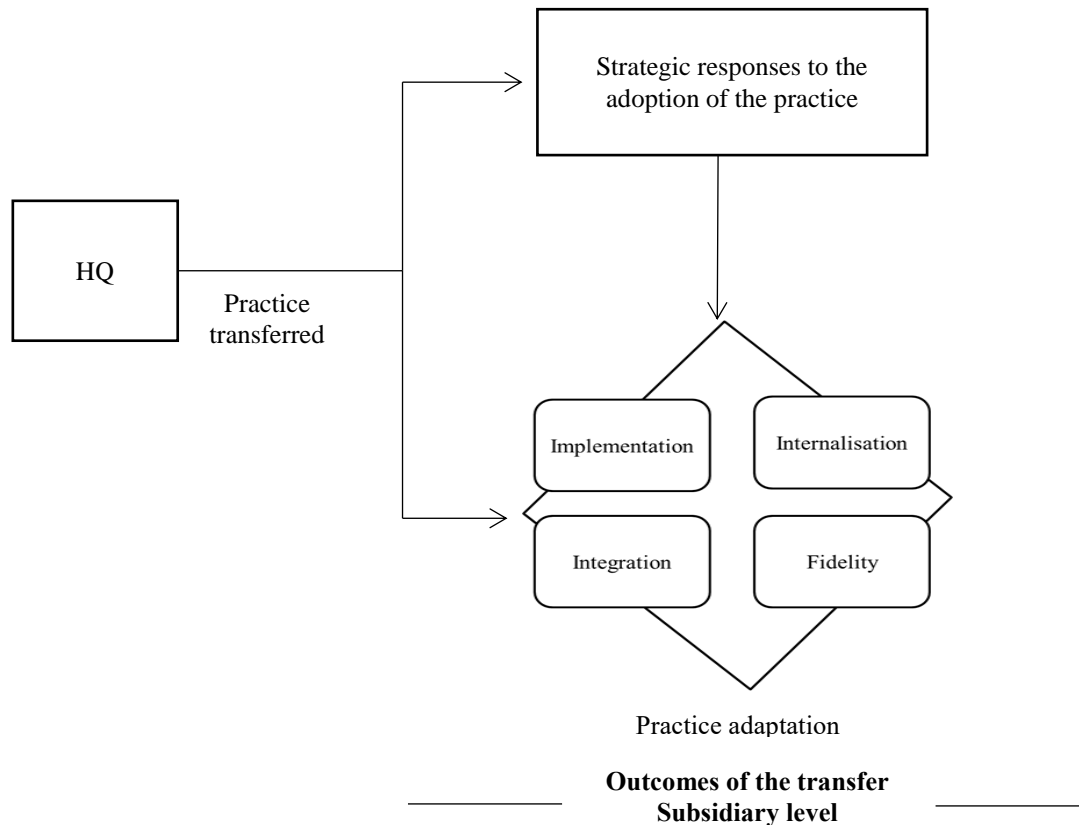
4.2.1 Challenging conformity: strategic responses to the adoption of the practice

Chapter 2 outlined that recent institutionalist work has suggested that the notions of conformity (isomorphism) may have been exaggerated by the new institutionalist approach and that organisations do not blindly conform to institutional pressures but rather there are important elements of variation in terms of degree of agency, choice, proactiveness and self-interest in responding to institutional pressures (Scott, 2008). The examination of a number of typologies of strategic responses to institutional pressures in Chapter 2 (see Table 5) has suggested that the seminal contribution of Oliver (1991) provides the groundwork to empirically examine and theoretically redefine the predictors that lead to different subsidiary responses in the context of the transfer of practices from the HQ. Integrating arguments from

resource dependence theory, Oliver (1991) rejects the deterministic perspective of institutional theory and elaborates a continuum of strategic responses to institutional pressures. She argued that these responses varied with respect to level of resistance to those pressures from passive to active and labelled them *acquiescence, compromise, avoidance, defiance,* and *manipulation*. Table 15 reproduces Oliver's typology including the gradients or tactics within each of the five strategies.

Table 15 Strategic responses to institutional pressures Oliver (1991)

Strategies	Definition	Tactics	Examples
Acquiescence	Acceding to institutional expectations	Habit	Following invisible taken-for granted norms
		Imitation	Mimicking institutional models
		Compliance	Obeying rules and accepting norms
Compromise	Conforming to institutional expectations but compliance is only partial	Balance	Balancing the expectations of multiple constituents
		Pacifying	Placating and accommodating institutional elements
		Bargaining	Negotiating with institutional stakeholders
Avoidance	Organisational attempt to preclude necessity of Conformity to institutional expectations	Concealment	Disguising nonconformity
		Buffering	Loosening institutional attachments
		Escape	Changing goals, activities, or domains
Defiance	Unequivocal rejection of institutional expectations	Dismissal	Ignoring explicit norms and values
		Challenge	Contesting rules and requirements
		Attack	Assaulting the sources of institutional pressures
Manipulation	Organisational attempt to actively change or exert power over the content or sources of institutional expectations	Co-optation	Importing influential constituents
		Influence	Shaping values and criteria
		Control	Dominating institutional constituents and processes

The subsidiary responses to the adoption of CSRR have not been empirically assessed to date, but some studies in the social and environmental accounting literature have documented the diversity of institutional responses adopted by domestic companies. Neu, Warsame, and Pedwell (1998) suggested that voluntary environmental disclosures were made using a mixture of acquiescence, compromise and defiance strategies. Their study showed that facing multiple opposing pressures, firms tend to omit the interests of less powerful publics in order to meet the demands of more powerful stakeholders (e.g., shareholders). The adherence to formal structures that provide symbolic legitimacy to the organisation by means of myth and ceremony (Meyer & Scott, 1983) has also been substantiated in some studies. O'Dwyer and

Unerman (2007) showed in their study how a new initiative conceived to broaden social accountability did little to change accountability relationships that remained focused on control and justification rather than on partnership and learning. Similarly, O'Dwyer (2002) suggested in his study that that minimal and symbolic social disclosures in the Irish context were "aimed at demonstrating minimal appeasement of these external demands" (p.425). Recently, Chelli et al., (2014) evidenced that some organisations use symbolic social and environmental reporting as a way to deal with the introduction of mandatory accounting legislation and the symbolic adoption of disclosure is intended to mitigate the effect of bad performance. While these studies focus mostly on the strategic responses intended to demonstrate visible conformity with external expectations for legitimation, the contributions provide a fertile theoretical background which could be expanded to the case of MNC subsidiaries, where the expectations to conform originate internally from the HQ.

4.2.2 Dimensions of practice variation

Chapter 2 outlined that the diffusion literature has used the economic and institutional arguments to explain how ideas and practices diffuse across time and space. Many of these studies have assumed the homogeneity of diffused practices, treating them as invariant models ignoring what happens when a practice "arrives at an organisation's doorstep" (Campbell, 2004). In other words, practices are seen to spread to passive recipients or followers without undergoing much change during the adoption process (Sahlin & Wedlin, 2008).

A group of scholars has moved away from the assumption that practices are adopted unchanged and are shifting their attention, instead, to the consideration that practices are modifiable and mutable during their diffusion process (Ansari et al., 2010; Campbell, 2004). Indeed, studies examining the intra-organisational implementation of practices have increased in popularity recently (Ansari et al., 2010; Ansari et al., 2014; Canato et al., 2013; Fiss et al., 2012; Gondo & Amis, 2013; Reay et al., 2013). These studies have theorised and documented how practices evolve through mechanisms of implementation, requiring custom adaptation to

make them meaningful and suitable within specific contexts (Ansari et al., 2010; Fiss et al., 2012). As argued by these authors, the main reason for organisational adaptation is that the original features of the practice may not necessarily fit with all of organisational characteristics of the adopter. Thus, to improve the fit between an external practice and the adopter's technical, cultural and political characteristics, organisations modify the practice over time (Ansari et al., 2010), rather than simply rejecting it.

The incorporation of the concept of adaptation in this literature marks a rejection to the overemphasised assumption that diffusing practices are homogenous, and that potential adopters either adopt or reject the new practice. As suggested by Jensen & Szulanski (2004: 510): "*the goal of adaptation is typically to alter the asset being transferred so that it works within existing local cultural and market frameworks, allowing local actors to accept the asset more easily. Lack of fit may engender a rejection of the asset being transferred and, at the extreme, a rejection of the subsidiary attempting to use the asset*". For Ansari et al., (2010: 68) adaptation referred to the "*process by which an adopter tries to create a better 'fit' between a practice and the adopters' particular needs, where 'fit' is the degree to which the characteristics of a practice are consistent with the (perceived) needs, objectives, and structure of an adopting organisation*". Adaptation based on this definition, may be identified at different levels: practice adaptation (change in the practice but not in the organisation), organisational change (change in the organisation but not in the practice) and mutual adaptation change in both the practice and the organisation) (Ansari et al., 2010; Canato et al., 2013).

This thesis is in line to this perspective and considers adaptation as a multi-dimensional construct. In order to offer more nuanced patterns of practice adaptation, novel insights are drawn from the practice variation literature (Ansari et al., 2010; Ansari et al., 2014; Fiss et al., 2012; Gondo & Amis, 2013) wherein scholars have proposed different dimensions to understand practice and organisational adaptation of a diffused practice. The following

section expands on four key different dimensions of organisational adaptation of practices: implementation, internalisation, integration and fidelity.

4.2.2.a Implementation

Although the implementation of CSR has attracted quite some attention in the literature before (Baumann-Pauly, Wickert, Spence, & Scherer, 2013; Maon, Lindgreen, & Swaen, 2009; Vidal, Kozak, & Hansen, 2015), most of the extant work includes many attempts at listing the different stages involved in successfully managing CSR practices (Mirvis & Googins, 2006), ranging from creating a CSR vision to monitoring and improving CSR activities. For example Vidal et al., (2015) study provides a comprehensive framework of CSR implementation and suggests that the establishment of formal processes and rules is a key component of CSR implementation. Likewise the framework of Maon et al., (2009) provides many detailed suggestions about how companies should implement CSR, ranging from raising CSR awareness inside the organisation to institutionalising CSR policy.

Because the extant work on CSR implementation remains rather prescriptive (Wickert & De Bakker, 2015) and is framed as an operationalisation process, this chapter draws from the contributions of the literature in practice variation and international transfer of practices. This literature has considered implementation as an essential aspect of adaptation (Whitten & Collins, 1997) and refers to it as the degree to which the recipient unit follows the formal rules implied by the practice and is reflected in certain objective behaviours and actions at the recipient unit (Kostova, 1999). Ansari et al., (2010) referred to this dimension as "extensiveness" and suggested that it relates to the degree of implementation compared to the previous version of the practice. Two types of implementation have been identified in the literature: symbolic and substantive. The former occurs when practices do not result in meaningful implementation due to the lack of will or capacity. These symbolic actions (Dowling & Pfeffer, 1975; Meyer & Rowan, 1977) intend to demonstrate visible conformity while simultaneously decoupling (Meyer & Rowan, 1977) or shielding the organisation's day–to-day operations from the impact of those policies (MacLean & Behnam, 2010). In

contrast, organisations that adopt substantive implementation (Christmann & Taylor, 2006) embed the practice requirements in their daily routines, serving thus a substantive purpose.

4.2.2.b Internalisation

The second dimension concerns the degree to which externally imposed rules become internalised in the recipient unit. Kostova (1999) defined it as a cognitive state in which the employees at the recipient unit attach symbolic meaning to the practice beyond external conformity to the institutional pressures. A practice becomes "infused with value" (Selznick, 1957) when the employees see the value of using the practice, it is accepted and approved and it becomes part of the employees' organisational identity. An important assumption in this definition is that internalisation implies the approval of the practice which strongly resonates with the "acceptance" dimension conceptualised recently by Gondo & Amis (2013) as the "belief of those charged with adopting the practice in that it will improve the productive value of the organisation". From this perspective, it can be distinguished those employees who are more enthusiastic to embrace a practice (i.e. with high levels of acceptance) from those who will be less supportive (i.e. low levels of acceptance).

Commitment has also been considered and important elements of internalisation. In a recent study, Vigneau and Humphreys (2015) conceptualise internalisation as the strategies adopted to enhance the commitment to the practice inside the firm. They integrate the concepts of "breath" and depth" (Haack, Schoeneborn, & Wickert, 2012) where the former refers to the diffusion of standards across space and times and the latter refers to the entrenchment of the standards and their persistence inside the firm.

Drawing from institutional theory, Kostova and Roth (2002) theorised and provided empirical evidence of the relationship between implementation and internalisation. On the one hand, the more a particular practice is used in an organisation, the more likely it will be that employees will take it for granted and will attach a symbolic meaning and value to it. On the other hand, in some cases implementation did not automatically result in internalisation and thus,

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although a practice is formally implemented and its rules strictly followed, the employees do not infuse it with value by developing positive attitudes toward it. They may, for example, disapprove the practice or some of its aspects, or they simply may not have had the time to develop a positive attitude toward it.

4.2.2.c Integration

The study of the integration of practices in the receiving units has received considerably less attention in the literature perhaps due to the construct's theoretical overlap with the concepts of implementation and internalisation. Some studies have considered integration as the combination of commitment (internalisation) and actions (implementation) (Spence & Vallentin, 2015; Vigneau & Humphreys, 2015). For example Christmann and Taylor (2006) in their study about the compliance of international certifiable management standards by firms in China, "substantive implementation" implied that firms consistently used the certified standard's practices, embedded it in the organisation's daily routines and served a substantive purpose that goes beyond the purpose of appearance. Haack et al., (2012) in their study about the institutionalisation of CSR standards proposed that decoupling should be considered as a transitory phenomenon (Boxenbaum & Jonsson, 2008; Scott, 2008) in the standardisation process whereby "talking the talk" would allow organisations to address inconsistencies between the actual and idealised level of implementation. By arguing the narrative contestation, organisations and individual members developed a sense of entitlement and conviction which may ultimately lead to the integration of the standard.

Within the HR literature, integration has been suggested to concern the degree to which a transferred practice is connected and linked up with existing routines and practices in the recipient location (Björkman & Lervik, 2007). According to Szulanski (1996), transferring practices means breaking the web of linkages to other routines in the sender context and re-establishing linkages in the recipient context. Thus, integrating new practices requires altering the locally grounded practices (Boxenbaum, 2006b) by which the new diffused practice is merged with elements with existing local routines and practices (Van Gestel & Nyberg,

2009). This chapter is in line to this perspective and argues that while implementation is related to the "imitation" and repetition of processes happening at the periphery of an organisation, integration requires the development of connections within structures of the organisation and with prior existing practices. The focus here goes beyond the individual practices or policies, but rather how these new processes in an organisation are internally consistent with the organisation and working in concert. Integration thus refers to a crucial criterion for accomplishing organisational objectives (Björkman & Lervik, 2007). In the context of CSRR, the integration of the practice would help to solve local social and environmental dilemmas, for example, how to reduce costs while also decreasing CO_2 emissions and supporting the development of CSR strategic goals.

4.2.2.d Fidelity

Ansari et al., (2010:71) defined fidelity as *"the dimension that relates to whether the adapted practice resembles or deviates in kind from the features of the previous version"*. They also highlighted that the notion of a prototype or template is useful to map the terrain of the possible variations in an evolving practice over time. Prototypical practices may therefore be used to benchmark the fidelity of adaptation processes relative to the original prototype, as well as relative to subsequent versions (Lewis & Seibold, 1993). The work of Ansari and colleagues and subsequent empirical work (e.g. Canato et al., 2013) assigns primary importance to the material transformations examining how "true" or "distant" versions of the practice are from the original template but has paid less attention to the adaptation of the meaning of a practice. Literature has suggested that practices can remain materially identical but need to be symbolically repackaged to fit the new context (Gond & Boxenbaum, 2013). Thus, fidelity may be observed at the material and at the normative level. This chapter is particularly interested in the latter and the extent to which there was a shift of drivers between the original and adapted practice.

4.2.3 Configurations of adaptation

The study of implementation, internalisation, integration and fidelity has led academics to develop typologies which conceptualise configurations of adaptation displaying different configurations of these dimensions. Scholars both in the practice variation and MNC literature (Ansari et al., 2010; Gondo & Amis, 2013; Kostova & Roth, 2002) have built a set of matrices combining two of the discussed dimensions. Table 16 exhibits these contributions highlighting the two dimensions combined and the four-quadrant typologies. A few observations can be drawn from this table. First, some of the proposed taxonomies overlap with each other because of the conceptual similarity of the constructs as it was explained in section 4.2.2 (e.g., "internalisation" and "acceptance of the practice" are conceptually very similar likewise "implementation" and "extensiveness"). For instance, *"assent adoption"* in Kostova & Roth's typology resonates with the "*unintentional decoupling"* by Gondo & Amis (2013), correspondingly, *"intentional decoupling"* (Gondo & Amis, 2013) coincides with *"minimal adoption"* (Kostova & Roth, 2002). Second, some configurations are subsets of a typology as they provide further details or include a different dimension. For example, within the *"active adoption"* in the Kostova & Roth (2002) typology, if the practice is implemented with greater fidelity to its prior version then it corresponds to the *"full and true adaptation"* proposed by Ansari et al., (2010). Similarly within the *"ceremonial adaption"* (Kostova & Roth, 2002) typology, if the practice is substantially modified and different from its prior version then it corresponds to the *"tailored adaptation"* proposed by Ansari et al., (2010).

The current typology proposed by Kostova & Roth (2002), the only developed specifically in the MNC context, remains oversimplified in the theorisation of these configurations. More nuanced ways of conceptualising these, may be informed by drawing from the lessons of the practice variation literature which has included other dimensions such as fidelity (Ansari et al., 2010) and integration (Björkman & Lervik, 2007; Szulanski, 1996) which are largely dismissed by the transfer of practices literature.

Table 16 Typologies of adaptation configurations

	Dimensions	Typology	Matrix
Kostova & Roth (2002)	Implementation Internalisation	**Assent adoption:** Adopted by organisations that believe in the value of the practice but yet displayed the lowest behavioural response. **Active adoption:** Practice is implemented in a far-reaching manner and employees believe and recognise the value of the practice. **Minimal adoption:** Organisations display low levels of implementation and internalisation. **Ceremonial adoption:** High levels of implementation and low levels of internalisation. In this configuration there is a high level of disconnection between the behaviour and the beliefs and the attitudes.	
Ansari et al., (2010)	Extensiveness Fidelity	**Low-dosage adaptation:** Adaptation is more aligned with the prior version of the practice but presents a more timid effort at implementation in terms of its scope. **Full and true adaptation:** Practice is implemented extensively with greater fidelity to its prior version. **Distant adaptation:** The practice deviates extensively from the prior version and it is implemented in a smaller scope. **Tailored adaptation:** Extensive levels of implementation and the practice is a substantially modified version from its prior version.	
Gondo & Amis (2013)	Acceptance of a practice Conscious reflection during implementation	**Change to the organisation:** Employees are motivated to adhere to a prototypical version of the practice and actively search for organisational inconsistencies that can be rectified to align the organisation with the new practice. **Change to the practice:** High level of conscious reflection during implementation and a lack of acceptance of the practice meaning that much more efforts will be placed on changing the practice to better fit the organisation's interest. **Unintentional decoupling:** Passive approach in implementation, yet they believe that adoption of the new practice will improve the productive value of the organisation. The passive approach to implementation will make unlikely that changes will be made in the organisation to effectively incorporate the practice. **Intentional decoupling:** Employees lack acceptance of the value of the practice being adopted and a passive approach to implementation. There is a lack of desire to integrate the practice into the day-to-day operations of the organisation.	

4.3 Methodology

The methodology of this chapter is consistent with the embedded multiple case study design and the six-stage model of explanatory research proposed by Danermark et al., (2002). As outlined in chapter 2, the first three stages of the explanatory model are attained through a hybrid process of inductive and deductive thematic analysis. This section elaborates on the four analytical stages of this chapter presented in the figure below.

Figure 8 The four analytical stages of the chapter

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┌──────────────────────────────────────────────────────────┐
│ Stage 1: Identification of the strategic responses to the │
│                    adoption of CSRR                        │
└──────────────────────────────────────────────────────────┘
                            ▽
┌──────────────────────────────────────────────────────────┐
│ Stage 2: Examination of the four dimensions of practice   │
│     variation (implementation, internalisation,           │
│              integration and fidelity)                     │
└──────────────────────────────────────────────────────────┘
                            ▽
┌──────────────────────────────────────────────────────────┐
│ Stage 3: Identification of the configurations of          │
│          adaptation across the five subsidiaries           │
└──────────────────────────────────────────────────────────┘
                            ▽
┌──────────────────────────────────────────────────────────┐
│ Stage 4: Determine the patterns between strategic         │
│      responses and adaptation across the subsidiaries.     │
└──────────────────────────────────────────────────────────┘
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First, in order to identify the subsidiary strategic responses to the adoption of CSRR, a template approach (Crabtree & Miller, 1999) in the form of codes was applied as a means of organising text for subsequent interpretation. The interview guide expressly did not include questions where participants had to characterise their response of the adoption of CSRR as either resistant or conformant but rather the open-questions were used to dwell on their experiences following the transfer and obtain a rich account of the employee's perceptions of the adoption of CRRR (see Section C, Appendix A). While some of the questions yielded factual information, other questions were designed to capture the employee's perceptions and opinions regarding the practice. The researcher defined the template a priori based on the framework of Oliver (1991) theorising the strategic responses presented in section 4.2.1. Fifteen broad categories, referring to the tactics suggested by Oliver (1991), formed the code manual (habit, imitation, compliance, balance, pacifying, bargaining, concealment, buffering, escape, dismissal, challenge, attack, co-optation, influence and control). These codes were entered as nodes in N-Vivo and the researcher coded the text by matching the codes with segments of data selected as representative of the code. No empirical evidence across the subsidiaries was found to justify the buffering, escape, attack, co-optation and control codes. Based on Oliver's framework, the remaining ten codes were aggregated in five categories:

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Acquiescence, compromise, avoidance, defiance and manipulation. The segments of text were then sorted, and a process of data retrieval organised the clustered codes for each project document across all the five sets of data (French, Danish, Dutch, American, and Brazilian subsidiary). In some cases, it was identified that the responses adopted were heterogeneous across different groups within the subsidiary notably between managers and employees implementing the practice. These differences were recorded and are discussed in the findings section and can be visually spotted in Figure 10. Evidence to support the constructs of strategic responses is provided throughout the text and in Table 17.

The second stage of analysis consisted in the examination of the four dimensions of practice variation. Two different strategies were used to conduct the analysis. The review of the dimensions of practice variation in section 4.2.2 exhibited (1) the lack of empirical work assessing internalisation and integration and (2) the lack of clarity between the constructs. Consistent with prior work in the MNC literature, implementation was defined in section 4.2.2.a as the degree to which the recipient unit follows the formal rules implied by the practice and is reflected in certain objective behaviours and actions at the recipient unit (Kostova, 1999). To evaluate the level of implementation of the practice, interviewees were asked the following questions: How would you assess the level of implementation of the CSR reporting process at your location, i.e. has the CSR reporting actually been put in practice? For the following items: (1) use of management system, (2) calculation of indicators, (3) recording relevant data, (4) providing relevant supporting documents and (5) submitting according the time frames the data (see section D of Appendix A). The analysis here focused on the adjectives used by the employees to qualify the degree of implementation of the processes outlined above. It was possible to detect ranges based on the answers obtained and thus, allocate the precise assessment (Low, Moderate and High) for each of the processes. To avoid self-reported presentations of employees and issues of key informant bias, the researcher also included in the analysis the perceptions from the HQ (see section H of

Appendix A). The qualitative measure for implementation found in Table 20 corresponds to the aggregation of the five items assessed.

Once the definition of implementation was established, it was necessary to identify the differences between internalisation and integration. Because of the issues in their conceptualisation outlined above, codes were inductively developed from the data although the pre-understanding was theoretically informed (Mantere & Ketokivi, 2013). During the first round of coding (first-order coding), relevant codes or themes were extracted arising from the data and recorded the relationships between them. These first codes were created on the basis of statements that emerged directly in the interviews (see section D of Appendix A) and seemed to detail significant topics, respondents' perceptions, and the processes of meaning-making relevant to the research question (e.g., how was the practice adapted?). During the second round of coding, the first-order codes were integrated into more theoretical and abstract categories (see second column in Figure 9). The strategy was thus to move back and forth between the data and the emerging structure of the theoretical arguments. Finally, the findings were aggregated into the two-dimensions evidenced by our interviewees in reflecting upon these. Through this process, three sub-dimensions were identified for internalisation (recognition, identification and commitment) and four sub-dimensions for integration (development of strategic objectives, merge of new practice with existing practices, establishment of new links and continuous readjustment of the practices). Evidence to support the constructs of internalisation and integration are found throughout the text and in Table 18. Once the two constructs were identified, the analysis moved on to assessing the extent to which subsidiaries displayed elements of the two constructs. Nvivo frequency count reports of the coded transcripts were useful here to assess the density of the codes and provide a qualitative measure of internalisation and integration.

Figure 9 Data structure: Internalisation and integration

1st Order Concepts   2nd Order Themes   Aggregate dimensions

- Recognition that data collected is relevant for shareholders
- Recognition that CSR reporting is a source of competitive advantage for a global company
- Recognition of the relevance of the data for shareholders and the reporting process for a global company

Recognition of the value of the practice

- Discussions about the practice with colleagues
- Examination of the practice and development of opinions regarding it

Identification with the practice

Internalisation

- Employees are willing to take additional efforts to adopt the practice
- Strong desire to continue using the practice

Commitment with the practice

- Consideration of CSRR as a means to save costs in the subsidiary
- Development of local KPIs
- Reputation gains with customers
- Engagement with clients and customers
- Assessment of the social and environmental impact to adjust strategy and targets
- Use of data collected to increase reputation with customers and enhance customer engagement

Development of strategic objectives

- Integration of new knowledge with works councils, dialogues, storytelling, PR and external communications.
- Modification of existing practices to accommodate new knowledge
- New knowledge is consistent and works in concert with previous practices

Merge of new practice with existing practices

Integration

- Development of internal communications with other departments to obtain data and external communication with utilities companies
- Communication of CSR performance across the organization

Establishment of new linkages within the organization

- Reflection and continuous evaluation of processes
- Development of training to new employees

Continuous readjustment of the practices

NOTE: Implementation and fidelity are not part of this figure as the study consistently used the definitions by Kostova & Roth (2002) and Ansari et al., (2010) respectively. According to the examination of the literature, internalisation and integration were those constructs that lacked clarity and thus required to be developed inductively through the data.

Consistent with the definition of fidelity in section 4.2.2.d, the assessment of fidelity focused on the motivational rather than on the material dimension of the practice. The "prototype" of the practice was compared to the version adopted across the five subsidiaries. The interviews conducted in the HQ were essential at this stage to determine the drivers of the original version (see section B of Appendix A). As outlined in chapter 3 in section 3.8.2.c, the drivers of the original practice were mostly instrumental. The analysis focused in comparing the original drivers of the practice to the drivers evoked by the subsidiary employees when referring to the new practice. Following the theorisation of motives proposed by Aguilera et al., (2007), the transcripts were coded along three codes: instrumental, relational and moral. The qualitative measure of "high level of fidelity" refers to the subsidiaries that mostly displayed instrumental motives. "Moderate level of fidelity" alludes to a version of the practice which combined instrumental and relational motives. Cases of "low level of fidelity" where the original instrumental drivers of the practice were wiped out and replaced by a relational motivation were not encountered.

The third stage of the analysis consisted in identifying the configurations of adaptation configurations, the analytical strategy known as "stacking comparable cases"(Miles, Huberman, & Saldana, 2014:176) was used by which the five mini-cases are written up using the templates. Once each case was well understood, it is "stacked" in the case-level -matrix condensing the findings from the fourth dimensions and the strategic responses, permitting systematic comparison. The analysis focused here on cross-checking for commonality between the five sets of data in order to detect patterns of convergence, but areas of divergence were highlighted by displaying data in matrices.

At these later stages of the analysis, the work of Haack et al., (2012) conceptualising decoupling as a transitory phenomenon and the work of Ansari et al., (2010), Kostova & Roth (2002) and Gondo & Amis (2012) assisted in the interpretation of the findings. As a result of

the analysis and of moving towards an increasingly higher level of abstraction, and the use of "pattern matching" strategy (Miles & Huberman, 1994), four adaptation configurations emerged as significant among the ways in which subsidiaries adapted the transferred practice: *(1) intentional decoupling (2) proactive adaptation (3) unintentional decoupling (4) ceremonial adaptation.* As it can be noted later in this chapter in Table 20, "proactive adaptation" was the only configuration that was replicated across the Danish and American subsidiaries. Constructs from the literature (e.g., Gondo & Amis, 2013; Kostova & Roth, 2002) were used to label these patterns as a way to expand current definitions with the findings of this chapter. These configurations are explained in the discussion section.

The final task consisted in identifying the relationship between the proposed four configurations of adaptation and their relationship to the strategic responses. To do so, the researcher used axial coding to draw attention to the relationship between the two constructs. Relying on the coding from stage 1 and stage 3, differences and similarities across strategic responses and variation dimensions were identified. The data exhibited a similar pattern across those subsidiaries that achieved high levels of integration where compromise strategies were indeed frequent. The findings are presented in the following sections. Section 4.4 elaborates on the strategic responses to the adoption of CSRR and section 4.5 expands on the four dimensions of practice adaptation.

4.4 Strategic responses to the adoption of CSRR

The Danish subsidiary embodied the highest level of conformity (Oliver, 1991) from the five subsidiaries through the use of habit and compliance tactics (see Figure 10). The employees' perceptions suggest that CSRR had attained a "taken for granted" (Scott, 1987) status in the organisation and that although there was initially some resistance to the new standardised processes, these changes did not entail major conflict as CSR related programs (not under the CSR label) had existed before FINEST acquired the company meaning that some requirements of the standard were in place, overall showing that these processes were

historically repeated and customary. The following quote by the Head of Data Service exemplifies this:

> *"When we adopted the data base management system in Denmark our reporting became much more structured but because we were already doing it… it was something that was embedded in the company but it was not organised under the 'CSR' label"* (P14)

Danish employees justified that the adoption of the practice as a conscious decision and framed it around specific benefits derived from an active implementation as exemplified by the following quote:

> *"It was 2008 and then the crisis hit and there was a lot more focus on costs and we needed to prove the value of CSR so there was a lot more focus on whether we could save on energy, electricity and heating and stuff like that, we needed to measure and we needed to show that we are actually saving energy, electricity, reducing CO_2 and not wasting money"* (P12)

Similar to the Danish case, the employees in the American subsidiary also embodied habit tactics. The American subsidiary is the oldest subsidiary of FINEST and witnessed the introduction of CSRR since its origin. The data suggests that the subsidiary had been implementing these processes long time before the "official" diffusion of the practice in 2008 (as the HQ outlined). Those interviewees that had been at FINEST for a long time, described the practice and its evolution throughout the years, denoting the customary status of the practice. Evidence of this was provided by the Director of Public Education who had been working at FINEST for 18 years and involved in CSRR since he joined FINEST in 1996. In the following quote, he highlights how his multiple positions, all related to CSR, has been embedded in different departments:

> *"So I have been part of six different teams over the past 18 years. I have always reported internally the CSR commitments around credit education. Until in the last couple of weeks that I have been part of our corporate communications, part of corporate marketing, part of legal, also at one point, reported to HR at some point. Now I report to sales, so I have kind of reported to different groups within the company in terms of the structure but I was always doing it the same thing"* (P25)

Compromise strategies were also encountered in the American subsidiary, particularly through the use of balance tactics. Employees suggested that by adopting a balance approach, they could overcome the tensions between the global expectations established by the HQ

regarding the reporting and the local resources available to achieve those targets as evoked in the following quotes:

> *"We frame our objectives based on the global strategy but also on our own. So it's a little bit of both you know, there are overarching global objectives but we also try to use the reporting as way to achieve our own goals in North America" (P24)*
> *"I think you must have the right strategy in place for your region so it's not a one-size fits all approach so what works in the UK, may not work in Brazil and what works in Brazil may not work in North America. So it can be a one-size fits all but you will have to customise your program" (P27)*

Contrastingly, French employees implementing the practice embodied defiance strategies (Oliver, 1991) and demonstrated dismissing tactics such as consciously ignoring the requirements, overlooking guidelines and deadlines of the reporting. Often it was not clear to them what to report, where to get the data from, how to calculate some environmental indicators and how to use the database management system as expressed by the coordinator of reporting (P7) and Finance Assistant and Data Provider (P11):

> *"So, sometimes, we have to ask 400 times because they do other stuff, they are busy, in some countries there are many offices so, in the same country, they have problems collecting the information of all the offices" (P7)*

> *"It is very difficult to have the information and when we have them is one or two months afterwards and so it's too late to come back. For example if someone tells me that two months ago they gave a box of objects, I ask myself, I need to know what are the values, and so sometimes we cannot report them" (P7)*

> *"It's a new thing, this is why is difficult because the people are not so sure of what is included, what is or not included in the categories" (P11)*

In the French case there was a manifest divide between the perceptions of the management and those employees directly involved "on the ground" implementation of explicit CSRR. The management (HR and Marketing) overemphasised their satisfaction with the practice indicating that the subsidiary was highly aligned to FINEST's requirements concealing the problems faced by employees (see Figure 10). The following managerial quote highlights the use of concealment tactics to disguise the non-conformity behaviours from the other employees behind a façade of conformity and "ceremonial pretense" (Meyer & Rowan, 1977).

"I am very happy that we can have these processes (reporting) within our company, and that it allows connecting people and creating value. It is really extremely appreciated for everyone. So I am thrilled, I am very happy it's very cool. The reporting has allowed us to elaborate a CSR programme. I think everything is new but we have very well started and we must continue there" (P8)

The Dutch subsidiary generally evidenced compromise responses which were relatively unified within the organisation. Similar to the American case, balance tactics were observed in the Dutch subsidiary.

An example of these tactics is evidenced by the use of the works council, an employee representation committee which complemented the CSRR process. Both practices co-existed and had mutual influence on each-other. This finding will be further expanded in chapter 5 with the study of the influence of the national business system and in chapter 8 with the analysis of the translating strategies which shows that Dutch translator selected the works council as a vehicle to ground the practice.

Pacifying strategies were also detected in the Dutch subsidiary where the HR manager allocated efforts to redefine and fit the diffused practice to the local context. The conflict between the corporate expectations and the local context was framed by contrasting the differences between an "Anglo-Saxon culture" associated to CSRR and the more "European way" of addressing the accountability responsibilities. For instance, it was considered that in the Netherlands, companies do not inform and overstate their social and environmental behaviours and thus CSRR required some reframing to fit in the subsidiary. The following quotes illustrate these pacifying strategies:

"It's always difficult in European countries, they don't always understand the more 'American culture' as these practices are designed in the global level. Very often it has a more American kind of course and that is always directly inspiring countries in Europe. It's simply cultural differences… so that it has to be translated, the tools have to be translated to the local situation…" (P16).

"CSR is very much dependent on the local context and this had to be adapted depending on the local culture" (P16).

The Brazilian subsidiary embodied a wide variety of strategic responses (acquiescence, compromise, manipulation and defiance) demonstrating the most resistant behaviour from the sample. The subsidiary started its CSR engagements since 1970's and had very well developed CSR processes and programs, including those around social and environmental accountability and transparency. For instance, the subsidiary reported the Global Reporting Initiative B+ standard, was a signatory to the UN Global Compact and had intense stakeholder engagement. Becoming part of a global company meant that the subsidiary had to comply with new processes, many employees were laid off from the CR team, and those that stayed, were interested in demonstrating to the corporate office in the HQ that they were complying with the new requirements. However, the interviews suggest that employees had the perception that many of the new processes such as submitting data monthly through the system were very "top-down" (P20). For example, according to the interviewees, they were rarely consulted about the KPIs and stories that would be part of the global report.

The sustainability manager who was working for the Brazilian company before the acquisition by FINEST engaged in a mix of pacifying and bargaining tactics. He explained that there was a negotiation process by which some engagements had to be discarded, reduced or kept and this involved a trade-off between the HQ requirements and the existing practices. For example, the Global Compact signatory was cancelled because from the HQ's perspective, it did not make sense to have a signatory which corresponded to a subsidiary. Likewise the annual CSR report which had been published since 2000 was cancelled. The following quote from the former Global Head of CSR nicely illustrates these post-acquisition struggles and the interest of the subsidiary in negotiating directly with the HQ:

> *"The CSR team is smaller now, I mean when you acquire a company and it becomes part of a public company it has to operate to different standards… you would expect them to do certain things better but in other elements that they have been putting more focus we were less interested as a global public company. If I'm very honest, their report was probably 10 cm thick, huge report, they were leading the way, absolutely leading the way and we had to stop them doing that report because the company had to publish that … it was a report that they included their financials so it was a totally integrated report. I had to negotiate with them about that and talk about how they were going to be part of the big picture and not publish their own report. It was very tricky." (P1)*

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Evidence from the Brazilian subsidiary website and the interviews suggest that some other elements were kept such as the code of ethics which dates back to the origins of the company. Similarly, the subsidiary was allowed to keep its CSR online communications in Portuguese. Some efforts were also devoted to keep the stakeholder engagements in place, such as the stakeholder panels with the Central Bank of Brazil, the Brazilian Federation of Banks and the Brazilian Association for. An interesting finding is that some of the interviewees considered that as long as they respected the global guidelines, there was some HQ's tolerance to maintain local "interactions" (P19) with Brazilian stakeholders.

A more rebellious response to the adoption of the new processes was adopted by the Corporate Citizenship Manager in the Brazilian subsidiary who held incompatible views to the HQ removing the local CSR report. She justified her defiant strategies based on the argument that part of the CSR budget came from the local operations. From her perspective, this was a legitimate reason not to discard completely their prior practices. The next quotes illustrate these defiance strategies:

> *"I know that a global report also helps us but it's not the same thing, but it's the FINEST global initiatives, it's not DaTec[5] initiatives, it's different. It's more basic to say what I do here in Brazil in this global document. This document doesn't tell everything that we did here so it's not enough, of course it helps but it's not enough" (P20)*

> *"I am not comfortable with this challenge with these targets in particular… but I am extremely comfortable in working in social responsibility, but I know the importance of this company" (P20)*

The data suggests that after a difficult post-acquisition process, the Sustainability Manager in Brazil engaged in influence tactics shaping the global strategy defined by the HQ in his new role as part of the governance group in the HQ. He highlighted his lobbying in the matters: *"We didn't have a way to keep the level in these processes but I think in the future they can come back" (P19)* and argued that his strategic influence in the global standards would bring favourable changes to the Brazilian subsidiary, such as the reinstallation of the previous

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[5] For confidentiality, the former name of the Brazilian company changed to the pseudonym 'DaTec'

Table 17 Illustrative quotes of the subsidiary strategic response

Strategic responses	Illustrative quotes
Acquiescence	*Danish subsidiary:* *"There was no resistance to adopt the reporting in the sense that … this one additional work load we have to perform, but there was no resistance, I wouldn't call it like that" (P13)* *"Maybe at the beginning there was this feeling of 'we were asked to do this thing' but there was an understanding that if we wanted to have the benefits of it we needed to report on it" (P15)* *American subsidiary* *"Yes, and I talk to X who is part of our group, part of the same structure of corporate social responsibility group, she works with community involvement and voluntarism. We both report through our global structure and keep our senior executives always appraised of what we are doing and why it is important and share what we are doing with others in the global structure"(P26)*
Compromise	*Dutch subsidiary* *"It's simply cultural differences… so that has to be translated, the tools have to be translated to the local situation…and I think they found out in the first year that it was important to translate that tool to the local situation so I think I was somehow the connection point in the second year. And now in the third year, other colleagues took that role and they take a different approach in the sense that the frequency of the calls has been broken down a little bit and it is more to the local countries to be really active. But then, they changed the role. That was the second year, because the first year it was on a very global level "(P16)* *Brazilian subsidiary* *"The HQ gives me the global guidelines but we have this flexibility to work locally with our needs. Of course, respecting the global guidelines, part of my budget as I said comes from the UK, but today must of it is here, is locally with local investment" (P20)* *American subsidiary* *"I would say that we know our core and our strength and most of our focus goes into the areas established by the HQ but we also provide a lot of opportunities for employees to focus on areas they are personally passionate about" (P24)*
Avoidance	*French subsidiary:* *"There aren't any obstacles (in implementing the practice). The only obstacle that we can find is the lack of time to implement these actions. It's all… everyone has the desire to do it. Everyone is motivated. So there aren't necessarily obstacles" (P8)* *"In terms of the reporting , we submit many details of our programs, all the detail is there detail it allows us to know the impact that the (CR) action had to know whether if it was followed, if it was appreciated" (P10)*

Defiance	**French subsidiary:**
	"Every task that is not part of the daily work of people is difficult to make them follow up. These are new processes that are being put in place so the people is still not familiar with them and sometimes is necessary to send them back and frequently explain them, frequently they will make questions" (P11)
	"In fact the global reporting has never been justified… the group published the figures and they look for people that is interested in projects and when you find these people, they ask them what have you done, and in fact it works more in this way than a real two way communication system" (P7)
	Brazilian subsidiary
	"We have global targets and we need to achieve them, it's not easy because sometimes we don't participate in the creation of these targets. I do my best in the best way that I can do it and keeping the targets of the company of course but sometimes I don't know how they measure this, how they created these goals in particular, so it's a little bit difficult, and of course I am not comfortable because it's a an important part of this to build these strategies together" (P19)
	"I knew the targets through a presentation with the biggest challenges in three years, double the investments and actually increase the numbers of workers" (P20)
Manipulation	**Brazilian subsidiary**
	"I am now responsible to coordinate the governance committee and I have to be in direct contact with the main areas that have some relation with the material issues that's how I bring the necessity, I bring risks and bring opportunities to the discussions of the committee" (P19)

practices and the influence the approach to the reporting at the MNC level. An example of the influence tactics was the recommendation to systematically adopt stakeholder engagements across other subsidiaries and the encouragement of a materiality focus on the CSR global report:

"If we look the discussion that we used to have in these stakeholder panels and that we use to do our materiality process, we are trying to get on them on board for the whole company" (P19)
"Materiality was the main aspect that we used to focus on Brazil and we are now looking at the materiality of FINEST's CSR report" (P19)

Figure 10 Strategic responses of the five subsidiaries to the adoption of CSRR
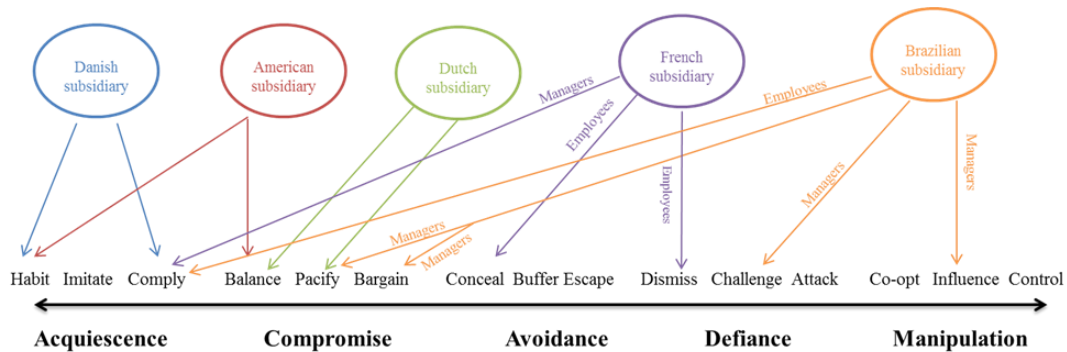
Note: Employees and managers in the Brazilian and French subsidiaries displayed differences in their responses. In the rest of the subsidiaries, these responses were unified.

4.5 Dimensions of practice variation

4.5.1 Implementation

The Danish, Brazilian and American subsidiaries embodied an extensive level of implementation of the practice denoted by the consistent enactment of behaviours and actions required by the practice such as recording social data and environmental footprint, submitting the data routinely through the data base management system, compiling documentation for auditing following strictly the *"CSR reporting references"* and the *"Manual for social and environmental indicators"* and, collecting data of case studies featured for the global CSR report.

In the Danish case, the adoption of CSRR involved mainly the formalisation of some standards already in place and it did not entail major organisational changes. The database management system was described as "easy to use" and the employees suggested that their "know how" on "dealing with data" which was its main business, reduced technical difficulties.

A moderate level of implementation was identified in the Dutch subsidiary where despite most of the employees adhered to the formal rules and processes, some processes were not performed according to the HQ expectations. For example, they were sometimes they omitted the submission of relevant data for the auditing process carried on by the HQ.

In contrast to its counterparts, the French subsidiary portrayed a minimal level of implementation of the practice. Employees directly involved "on the ground" implementation of CSRR revealed substantial ongoing tensions in that the HQ required to apply these processes but they lacked clarity of what to report, where to get the data from, how to calculate some environmental indicators. Some technical challenges were also highlighted such as the lack of familiarity with the database management systems which according to the employees was imposed from one day to another. Employees consciously ignored the requirements, overlooking guidelines and deadlines of the reporting. These implementation challenges influenced the quality of the reporting process, sometimes compromising the completeness and timelessness of the data. This is nicely illustrated in the following quote by P7 who highlighted these issues:

> *"In the reporting is difficult to collect the information on time, and most of the times, we have to ask them many times to send it and the information is incomplete so we have to re-do it. Anyway, we have to make many questions to deepen on the issues and be able to use the information" (P7).*

Implementing the standard involved more than the documentation of the social activities and the environmental footprint. These tensions emerged as many of the standards were introduced from "scratch". For example, the creation of the voluntary position of "Data Providers", created conflict among employees as many of the processes were still not fully formalised.

4.5.2 Internalisation

Most Danish and American employees interviewed (management and subordinates) expressed high commitment towards the new practice (Kostova, 1999) and reflected a high degree of consensus concerning the value of a practice (Tolbert & Zucker, 1996). Employees demonstrated a positive affective attitude toward CSRR and appreciated its value for the organisation. Their perceptions about the value of the practice were overwhelmingly articulated around the notion of efficiency as expressed by the Danish and American interviewees:

> *"If you do this you will have better stories to sell, you can tell them to your customers, you can use some in sales presentations, you can use some of them when you hire new people, you can use them for reputation management and brand management"(P12)*

> *"Another thing we found is that it can actually help us to reduce costs to the business. When we have a call, if consumes call us and they are knowledgeable about what we do, what a credit report is, how it works, we see the call time decrease, they don't need to spend too much time on the telephone with us, which reduces our calls to the company so that is a very direct relationship to the bottom-line (P25)*

> *"So I think that you know PR is always important and you know having like some of the projects we go on, there will be press there that you know will get the message outside the community on what FINEST is doing as a company out there and you know externally that is you know good for the business side as well" (P24)*

In the Danish subsidiary, despite employees adopted the additional voluntarily role of "data providers", they were open to take additional efforts in implementing the practice (e.g., allocate some hours per week to the CSRR tasks on top of their usual responsibilities) and considered themselves "proud" to engage in a practice that socially speaking made a difference and that simultaneously was enjoyable:

> *"Locally, we have some fun ... and we have something to talk about and about of course when you think about making a difference" (P14)*

The Dutch subsidiary also denoted a high level of internalisation of the practice (Kostova & Roth, 2002) which was surprising after learning about some of the implementation challenges outlined in the previous section. The Dutch employees largely recognised the value of the reporting for a global corporation particularly since they recognised the increasing pressures

from competitors and media. Similar to their counterparts in the Danish subsidiary, they evoked sentiments of satisfaction and reward:

> *"I think it is very important for the team work and it is important for our local community also but in this case it's not about let's say the commercial effect of FINEST but the social aspect of the community feeling, it is also important to show that we are more than just the commercial company, I mean we do more than only data and main profits, I mean we show that the world and the community is important for us" (P18).*

The key element that distinguished the Dutch employees is that they dedicated lots of efforts to discussing and examining the practice which allowed them to develop cognitions about the meaning of the data collected (e.g., meaning of KPIs, impacts in the organisation) and the ways in which problems are solved (e.g., quantification issues and comparability of data across subsidiaries). The MNC's organisational mechanisms and translation strategies that facilitated this level of internalisation will be further analysed in chapters 6 and 8.

In France, those employees implementing the practice were generally sceptic regarding the strategic utility of the practice. Evidence from our interviews in the French subsidiary and the HQ allows us to suggest that the practice was far from being internalised (Kostova, 1999). In other words, employees did not attach any symbolic meaning or value to the practice. For instance, the Financial Responsible and Coordinator of Reporting (P7) compared the proposed practice to a mechanistic task often reduced to *"fill in a spreadsheet"* or to complete the CR database system, and in which there was no further use of the data collected. Our findings suggest that there was a perception that the practice did not convey any benefits as expressed by the Finance assistant:

> *"The problem is that people usually do not know understand what are these figures for, if they do not understand, they are not very motivated to do it" (P11)*

Employees continuously pointed issues of time constraints which denoted a lack of ownership to the practice as in this example about finding the value of a donated box of toys:

> *"We have to find a simple way because it takes long to be able to count the different types of objects in the box... we have to be able to assign a value and that is anyway very complicated. So, if we start counting each toy and the different sizes... it is very*

complicated. It takes a lot of time. The process itself is not complicated but it takes a lot of time, time that people do not have" (P7)

Although there is evidence that some rudimentary cognitive associations were developed (e.g., recognition that CSRR was important for collecting relevant data for shareholders) these cognitions were only developed by managers. The management (HR and Marketing) overemphasised its satisfaction with the practice, mechanism which was mainly used to maintain the subsidiary legitimacy with FINEST's HQ. This is illustrated by the following managerial quotes:

"It's good for everyone, for the company, for them, for the spirit of the team, for the business and that we all have interest in doing things more and more, so I am confident enough in fact that these type of actions will develop" (P10).

"We have to inform our CEO of our corporate activities with our money and our resources" (P8)

The case of the Brazilian subsidiary is quite unique in the sense that the transfer of the practice did not bring new knowledge as in the other subsidiaries but instead it was a HQ device to ensure that previous practices were aligned to the new CSRR practice. While employees viewed CSRR as highly valuable they did not believe that keeping only the global report would be beneficial for the subsidiary. From this perspective, employees disapproved of the practice as they perceived that it would damage all the efforts carried on since the subsidiary was founded. This was a general sentiment that was consistent across hierarchical position and is illustrated in the following quote:

"I think that having just a global report is not enough for stakeholders, our local stakeholders, to enhance the brand, our FINEST, our company and our social responsibility issues. Here in Brazil when you don't have a local report you will lose places in the rankings" (P23)

4.5.3 Integration

In the Danish case, the new practice was highly integrated in the subsidiary and this was evidenced by four different mechanisms: the establishment of new linkages within and outside the subsidiary, the development of strategic objectives, the continuous readjustment of the practices and the merge of the new practice with existing practices (see first order themes of integration dimension in Figure 9).

The subsidiary not only adopted the new policies but restructured some processes such as establishing links with other departments, requesting specific data to utilities' companies and developing systems to record and justify for the HQ the submitted data. The introduction of the new practice led to the development of a strategy to reduce costs which brought long term effects on the subsidiary. Additionally, the subsidiary engaged in processes which allowed the employees to reflect on their own learnings and the objectives achieved as illustrated in the following quote:

> *"We did have a catch up on our region finance meeting where we saw what the other countries did and how they executed it their volunteering day" (P13)*

Regarding the merge of the new practice with existing practices, it was found that the data collected through the new management system was integrated with the "storytelling" and dialogues with stakeholders. The reports and other outputs generated from the process were taken as supporting materials when meeting with stakeholders particularly with clients and government giving a sense of formality and legitimacy to the programs that the subsidiary was committed. In the following quote the Marketing manager exemplifies this, when referring to their financial education program for young people:

> *"You can say that in Denmark the benefits of CSRR were very much on reputation and our relationship with customers and for our stakeholders in terms of saying this data shows how we actually engaged. We hold all this data and we know that young people get in trouble so we can actually help them, we can educate them, we have the competencies, and our people are the best qualified in Denmark to do this type of education of the young people so we could volunteer their hours. The reporting is a very good story to tell to your customers, and the customers buy into that agenda" (P12)*

The American case is also an example of a highly integrated practice. Similar to the Danish subsidiary, the introduction of CSRR led to the development of subsidiary strategic objectives to improve the overall subsidiary reputation, which had long term impacts in the subsidiary. In this subsidiary, robust evidence suggests that existing practices were merged with the new practice. For example, the strong local focus on PR and communications was enhanced with the use of figures, case-studies and KPIs obtained through the new processes implemented. Local media releases, online dialogues taking place through *google hangouts* and blogposts

forums led by the director of Public Education were now using some of the CSR data collected and case-studies, not only from the American subsidiary but from other subsidiaries. Another example of the merge of new and old practices was the use of an existing management system to record the volunteering efforts of their employees. This practice helped to liaise and complement the new data collection for the CSR report.

Noticeably this subsidiary was the only one in the sample that developed locally tailored CSRR training for its employees which reflected their commitment to guide their employees in the integration of their practice in their daily operations.

"We do employee training, we from time to time do lunch and learn programs for employees so if you think of a communications channel tool I think we use it somewhere but it can be channelled because we are trying to make your points aware of what you are doing. It's also challenging because they are focused on their day to day job and they are flooded with other information coming in that it can be challenging" (P26)

In the Dutch case, the practice was moderately integrated to the operations of the subsidiary. Evidence from our interviews suggests that the new practice assisted and supported the development of strategic objectives. For instance, the HR Manager expressed that CSRR would raise the subsidiary's visibility and support one of the main local CSR strategic objectives which was to develop collaborations with private and public partners towards implementing CSR programs. As it was mentioned in section 4.5.1, the adoption of the practice involved compiling documentation for auditing, this process did not exist previously in the subsidiary and thus had to be introduced in the organisation along with other new processes which only affected the immediate members of the team in charge of CSRR. There is no evidence regarding the establishment of other links with other departments within the organisation, nor other mechanisms that allowed the continuous readjustment of the practices but announced in section 4.4, CSRR was merged with the works council, an employee representation committee which hosted discussions around the performance of the CSR programs and consulted employees on how to move forward based on the results obtained from the CSRR processes.

In the French case, there was no evidence that CSRR was integrated in the organisation. Overall, the only changes in the subsidiary were related to the repetition of new processes and routines such as collecting, recording and submitting regularly environmental and social data through the new management system affecting only the members of the CSRR team and leaving other structures intact and unchanged. An interesting finding is that there were some attempts to merge old and new practices, through the works council but unlike the Dutch case this did not led to integration. The inclusion of CSR reporting practices were not very well received from the employees participating in the council since it clashed with the committee's principles. So far, the new routines seemed incompletely integrated to existing organisational practices as demonstrated by the quote below:

> *"So, they (work councils) do not have at all a function of CSR, it rather has the function of discussion about the organisation of the company, the impact of company decisions on the employment and all that that touches the HR part, the employees, the information, the environment" (P8)*

Table 18 Illustrative quotes for the internalisation and integration dimension

Dimensions of adaptations	Illustrative quotes
Internalisation	***French subsidiary*** *"I think that it's to publish later in the reports that FINEST has available for their shareholders and the public. So, to my perspective is to demonstrate that all the actions that FINEST makes in terms of CSR"(P9)* *"It's a new thing, this is why is difficult because the people are not so sure of what is included, what is or not included in the categories" (P11)* ***Danish subsidiary*** *"We are a big company and I think it's also for shareholders of course you know as you said before it's expected from a large global company. It's important of course that they get value for money but it's also important to show that you give something back to society and that you are trying to make your company a great place to work and you are happy to you know say that you want your friends to work here and stuff like that" (P13)* ***Dutch subsidiary*** *"I don't think CSR reporting is very much embedded in the Dutch society not as much as you would like. Netherlands is one of the countries where welfare is very well organised by the government point of view and by all kinds of sources and procedures that are in place for them. CSR is a private initiative. It is growing in the Dutch society but it's not extensive as it maybe is in the US, because is better organised from the corporate" (P16).*
Integration	***Danish subsidiary*** *"The company was only of 100 employees so everybody knew who I was so we had panel meetings maybe second panel meeting I would get on the bus and say this is what we are doing, this is what we have done in Marketing, in communication and in CSR because I was responsible for all of this"(P14)* ***Dutch subsidiary*** *"I now make sure that I have everything in the same place, it is easy to find back because now I know that it has been recorded"(P16)* *'The global report of course has been shared and we also share it with the ambassadors also across the countries and the intranet but of course the global CSR team has used it also to make recommendations for the next year"(P17)* ***American subsidiary*** *"We have a lot of discussions around that because we have some targets that are going to be a big challenge to meet especially in the area of gifts and kind and so we have current discussions on where are we on these targets and how are we going to reach them"(P26)*

4.5.4 Fidelity

Across the subsidiaries, CSRR underwent a transformation of its original scope to different degrees. Three patterns were identified: (1) subsidiaries that stayed true to the original instrumental priority established by the HQ and thus represent high fidelity adaptations (2) subsidiaries that purposefully selected specific elements of the practice and displayed moderate fidelity adaptations (3) subsidiaries that integrated some local relational drivers in addition to the diffused instrumental priorities dictated by the HQ and thus, displayed low fidelity adaptations. The French subsidiary follows the first pattern where the lack of belief in the practice meant that timid efforts were placed in modifying the practice to make it suitable to the organisation. Employees deficiently implemented the processes without questioning its instrumental nature. The American and Danish subsidiary display the second pattern where some instrumental priorities were selectively given prominence more than others from the original prototype. For example the Danish subsidiary focused on "cutting-costs" in three main areas, electricity, heating and CO_2 emissions and the American subsidiary focused on a reputational logic, as a way to manage risk with consumer advocacy groups particularly since the US was the largest and more mature market for FINEST.

The Dutch and Brazilian subsidiaries follow the third pattern accommodating a relational priority to the largely instrumentally-driven prototype. For example, the Dutch version of the practice incorporated building relationships with clients (instrumental priority) and fostering social relationships with key stakeholders such as government and the community (relational priority), the Brazilian subsidiary embodied a "value creation" (P19) strategy to the company and other stakeholders which reflected both an instrumental and relational priority. The primary focus of this section is to analyse the configurations of adaptation of the transferred practice. However, an in-depth analysis of the existing practices prior to the transfer of CSRR and their underpinning motivations is provided in chapter 5. Evidence to support the constructs of fidelity is provided in table 19.

Table 19 Illustrative quotes for the fidelity dimension

	Illustrative codes
High fidelity adaptation	**French subsidiary** *"From a general point of view, CSR reporting is extremely positive for the business. The more we do it, the more we show we are better at the business, so we also make more money too. I think is really a win-win deal" (P8)*
Moderate fidelity adaptation	**American subsidiary** *"Here in the US we have an advocacy community that you know helps consumers and takes up causes to help protect consumers and by having relationships with the consumer advocacy community through the CSR report helps us to have those conversations that you know are important to understand our common ground. Even though we may not agree on everything because we won't but that's fine but by talking to advocates, having those relationships we are able to find common ground, work together on issues that are important and that really makes a difference to people's lives. So again is a very positive relationship and it's a reputation management issue" (P24)* **Danish subsidiary** *"I was telling the people that had to report: we need to have this data because we need to know our costs, we need to know where can we save how we can save if we can get a greener profile that is a benefit but we need to know what are our cost percentages" (P12)*
Low fidelity adaptation	**Dutch subsidiary** *"We show our clients our initiatives through the CSR report. This is probably not very significant but in a way that they start thinking of -hey that is a good company! To give you an example if we have large deals with important clients with banks and insurance companies they usually like to know more about the deal and the agreement for the business. So I remember a four months ago I brought the CSR report with me in one of the meetings to show what we do in the respect of social responsibility, I also give them the link to our external website on CSR" (P17)* **Brazilian subsidiary** *"Nowadays we try to connect with other financial bodies, do some things together, support some projects and bring more recognition and more value regarding for example Financial Education which is very much related to our business" (P19)* *"With the reporting we are trying to embed the sustainability to the market and create more value not only to the company but also other stakeholders" (P20)*

4.6 Discussion

This chapter sheds light on the variety of strategic responses associated with the heterogeneous adaptation configurations of CSRR. Table 20 summarises the findings enabling the identification of several novel insights which require further analysis and reflection. The first important observation is that despite the HQ's intention to create uniformity and standardise the MNC reporting processes, particularly since CSRR had become fragmented as a result of HQ acquisition strategy, there is considerable variability in terms of the implementation, internalisation, integration and fidelity of the practice. This heterogeneity suggests the absence of a cross-national isomorphism (DiMaggio & Powell, 1983) between the HQ and subsidiaries (Kostova, Roth, & Dacin, 2008).

Table 20 Summary of the chapter findings

		French subsidiary	Danish subsidiary	Dutch subsidiary	Brazilian subsidiary	American subsidiary
Strategic responses	Managerial level	Acquiescence (Comply) Avoidance (Conceal)	Acquiescence (Habit, Compliance)	Compromise (Balance, Pacify)	(Increasingly defiant with level of managerial seniority) Compromise (Pacify and Bargain) Manipulation (Influence) Defiance (Challenge)	Compromise (Balance), Acquiescence (Habit)
	Employee level	Defiance (Dismiss)			Acquiescence (Comply)	
Dimensions of practice variation	Implementation	Minimal	Extensive	Moderate	Extensive	Extensive
	Internalisation M	High	High	High-moderate	Low	High
	Internalisation E	Low	High	High	Low	High
	Integration	Low	High	Moderate	Low	High
	Fidelity	High	Moderate	Low	Moderate	Moderate
Adaptation configurations		**Intentional decoupling**	**Proactive adaptation**	**Unintentional decoupling**	**Ceremonial adaptation**	**Proactive adaptation**

M= managerial level
E=Employee level

The findings suggest that subsidiaries do not necessarily adopt one strategic response but play varying tactics, supporting the findings of a recent study by Jamali, Lund-Thomsen, and Khara (2015) highlighting dynamics of coupling and decoupling of a "hybridised response model" entailing compliance or conformity and buffering or avoidance. As shown in Table 20, two of the cases share many commonalities in their configurations of responses and adaptation (Danish and American subsidiary), both with responses located towards the conformity end of the spectrum. An interesting finding is that despite these subsidiaries evoked the "taken for granted" status of the practice and proclaimed their conformity to the demands of the HQ, they were in fact the less likely to adhere the original prototype but instead, they selected elements that fulfilled the subsidiaries' interest.

All the new versions of the practice implemented at the subsidiary level (with exception of the French subsidiary) resulted in "glocal" forms (Drori, Höllerer, & Walgenbach, 2014a) generated through the diffusion of a new model by the HQ and recombined with institutionalised forms existing before the adoption of the transferred model. The new CSRR versions that were found integrated to the subsidiary operations did not necessarily present high levels of fidelity to the original version (some instrumental priorities were prioritised

and/or combined with local priorities) which demonstrates that CSRR requires a certain degree of adaptation to the local contexts in order to achieve the HQ's intended goals and accomplish subsidiary objectives related to their CSR local agendas.

The more resistant responses identified in the French and Brazilian subsidiary are consistent with the identified low levels of internalisation. The lack of modification of the practice in order to fit the subsidiary is in line with the arguments of Westphal et al., (1997) suggesting that that the absence of customisation of the practice is a proxy that adopters do not believe or accept that adoption will improve the productive value of their organisation. Despite engaging in a variety of resistance tactics ranging from bargaining, pacifying, influencing and challenging, the analysis suggests that Brazilian subsidiary efforts remained insufficient to integrate the practice and thus, the implementation remained largely symbolic (Dowling & Pfeffer, 1975; Meyer & Rowan, 1977).

In analysing how the practice was adapted across the five subsidiaries, the findings shed new light on four adaptation configurations with different combinations in the degree of implementation, internalisation, integration and fidelity: intentional decoupling, proactive adaptation, unintentional decoupling and ceremonial adaptation. These configurations are explained below.

Intentional decoupling was adopted by the French subsidiary where implementation was at its minimum and internalisation levels were very low. This pattern is similar to the "minimal adoption" typology proposed by Kostova & Roth (2002) with the additional specification that the practice remained close to faithful to the prescriptions of the original prototype and there were not elements of integration. The American and Danish subsidiaries display ***proactive adaptation*** in which the practice was implemented extensively with high levels of internalisation similar to the "active adoption" typology proposed by Kostova & Roth (2002). In both cases the practice was moderately modified. Elements from the original version which were more appealing were intentionally selected. These subsidiaries demonstrated a high

level of integration of the practice to existing practices. The Dutch subsidiary exhibits *unintentional decoupling*. Despite a general willingness, acceptance and commitment to comply with prescribed standards, implementation in the Dutch subsidiary was not extensive similar to the "assent adoption" proposed by Kostova & Roth (2002). However, the subsidiary exhibited basic elements of integration suggesting that the development of cognitions helped to initiate changes in the structure of the subsidiary and in their practices. The label of "unintentional decoupling" was chosen because this typology resonates in a great deal with the work of Gondo & Amis (2013) who suggested that that despite employees believe in the productive value of the practice, their passive approach to implementation will make it unlikely that changes will be made to the organisation to effectively incorporate the practice. The analysis allows expanding this classification by suggesting the existence of early signs of integration and low levels of fidelity since the transferred practice was merged with local practices. Finally, the Brazilian subsidiary embodies *ceremonial adaptation* in which there is an extensive level of implementation of the practice but both levels of internalisation and integration remain rather low. Most of the efforts in the subsidiary focused on changing the existing structure of the subsidiary to fit the new practice which ultimately remained disintegrated from the operations. The subsidiary also infused the new practices with existing underpinning which explains the low levels of fidelity of the practice.

From a comparative perspective, the findings show that intentional decoupling is the opposite of proactive adaptation with exception of the fidelity dimension. Moderate to extensive levels of implementation are found across three configurations, *proactive adaptation, unintentional decoupling and ceremonial adaptation* but only *proactive adaptation and unintentional decoupling* lead to integration suggesting that the key element that enabled the integration was the high level of internalisation.

Building upon the theoretical elaboration of practice variation and developing the understanding of the relationship between these dimensions, the comparative analysis exposes three interesting and important conditions to achieve integration. First, the data suggest that

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partial conformity may be necessary to achieve integration. Although cases of open defiance were rare (only the case of Brazil), those subsidiaries that displayed high levels of integration of the practice engaged in compromise strategies which represent the "thin edge of the wedge in organisational resistance" (Oliver, 1991: 153) characterised by partial conformity but also mild forms of active negotiation which accommodate conflicting institutional demands, in this case between the HQ and the subsidiary. As evidenced by the case of the Dutch, Danish and American subsidiaries, compromise strategies are indeed frequent in cases the subsidiaries achieved high levels of integration.

Second, CSRR became integrated when there also were high levels of implementation and internalisation. However, it seems that an alternative configuration to achieve integration may be through the development of cognitions despite the standards are not extensively implemented. It is important to precise that the opposite combination does not have the same outcome; extensive implementation of the practice and low levels of internalisation does not lead to integration as evidenced by the Brazilian subsidiary. Internalisation thus needs to be present for integration to develop. According to this, *unintentional decoupling* (Gondo & Amis, 2013) may be a key footstep in the integration of transferred practices in acquired subsidiaries. Recently by drawing on a narrative approach, Haack et al., (2012) suggested that decoupling is as a "transitory phenomenon" (Boxenbaum & Jonsson, 2008; Scott, 2008) whereby "talking the talk" would help organisations to develop a sense of entitlement and conviction which may ultimately lead to the institutionalisation of the standard. From this perspective, the adoption of sustainability standards and policies is only the start of the implementation process (implementation here takes the meaning of integration) leading to practices becoming collectively accepted within organisations (Haack et al., 2012). The findings in this chapter do not emerge from a subjectivist "narrative" perspective in which actors discursively construct a practice as useful and meaningful. Nonetheless, they provide a similar view suggesting that integration may in fact start with a process of internalisation, where employees engage in cognitive processes that are not visible nor tangible such as

recognising the value of the practice, identifying with it and committing to it, before organisations can fully implement the practices they have formally adopted.

A third observation is that those subsidiaries that achieved a certain degree of integration, displayed more cohesive responses to the adoption of CSRR, meaning that the responses between employees and managers were consistent, and there were high levels of internalisation. This finding suggests that integration requires the alignment of interests between leadership and employees and that internalisation of the practice by managers is not sufficient to guarantee integration, but instead it requires that all employees believe in the practice.

4.7 Conclusion

This chapter contributes to an enhanced understanding of subsidiary strategic responses following the transfer of a practice by the HQ. It brings considerable insights to what happens when transferred practices by the HQ are adopted across its subsidiaries and the ways in which the practice was adapted. It contributes to the practice variation and transfer of practices within MNCs literature.

First, it contributes to the arguments about how practices vary as they diffuse (Ansari et al., 2010; Ansari et al., 2014). Expanding on the argument that adaptability promotes practice diffusion (Ansari et al., 2014) the findings suggest that integration, as a process of adaptation, has a direct influence on diffusion. It is during this stage that new links with other departments are created and the practice is diffused to the wider organisation and other connections are made outside the organisation. Conversely, *intentional decoupling* (Gondo & Amis, 2013) where integration is absent limits the trajectory of a practice's diffusion as the practice remains contained within some individuals.

Second, this chapter builds upon insights from previous research proposing different theoretically driven dimensions on heterogeneity of diffusing practices (Ansari et al., 2010;

Fiss et al., 2012; Gondo & Amis, 2013; Westphal et al., 1997). Although previous work has considered implementation and integration as either synonymous or strongly correlated, this assumption is challenged by teasing the concepts of implementation, internalisation and integration apart, inductively building on the distinctive characteristics of internalisation and integration and offering four refined typologies of adaptation configurations. This chapter expands and provides empirical grounding for the *unintentional and intentional decoupling* typologies proposed by Gondo & Amis (2013) by including the integration and fidelity dimensions. This study exposes two configurations that lead to integration. The first one displays a combination of high levels of implementation and internalisation and the second combines high levels of internalisation and low levels of implementation. Additionally, mild forms of compromise and negotiation and cohesive responses between managers and employees are identified essential to achieve the integration of the practice.

Finally, this research provides important insights into previous arguments of the diffusion and adoption of CSRR by showing that adoption is not necessarily equivalent to isomorphism. Considerable empirical research on the diffusion of CSRR has regarded the degree of adoption of a diffused practice as a proxy for the resulting level of homogeneity within an organisation(Fortanier, Kolk, & Pinkse, 2011; Larrinaga-Gonzalez, 2007). However empirical findings here show that differences in the way in which subsidiaries adapt a practice leads to its subsequent diffusion within the organisation. This chapter throws light on the gambits of resistance and negotiation and the interplay of power and interests at the subsidiary level that play a role in practice adaptation and that have been overlooked by the MNC literature relying on neo-institutionalist arguments.

This chapter has extensively focused on the question of HOW CSRR was adopted and adapted across subsidiaries. The research moves on to explain the causes of these configurations. For example what is causing extensive levels of implementation? Why the practice was internalised in some subsidiaries and not in others? Or more interestingly why some subsidiaries managed to integrate the practice despite low levels of internalisation? The

next three empirical chapters will address some of these interrogations identifying the determinants across the institutional field, the MNC context and the individual level that enable the various configurations identified in this chapter. Drawing from two variants of institutional theory: the new and comparative schools, the following chapter examines the influence of elements of the national business system and the organisational field pressures on the adaptation of CSRR across FINEST's five subsidiaries.

5. The influence of the national institutions and the organisational field pressures

5.0 Chapter overview

Whereas the previous chapter examined the subsidiary strategic responses and adaptation configurations following the transfer of CSRR from the HQ to subsidiaries. This chapter examines the influence of national institutions and organisational field pressures on those strategic responses and adaptation configurations. It does so by drawing from two variants of institutional theory: the new and comparative schools. In contrast to prior literature that has generally neglected the mutual influence of both levels of analysis and relied almost exclusively on one of the two theoretical perspectives leaving the field fragmented, this chapter contributes to the nascent field addressing the interactions of national institutions and organisational pressures on CSR (Chen & Bouvain, 2009; Jackson & Apostolakou, 2010; Young & Marais, 2012) and advances current knowledge in the transfer of practices literature by uncovering the mutual influence of the configuration of implicit/explicit social and environmental accountability (SEA) informed by national institutions and the organisational field pressures on the degree of compatibility between the transferred practice and the existing institutionalised practices. The cross-case analysis shows that national institutions and organisational field pressures are limited in explaining the adaptation configurations identified in chapter 4.

5.1 Introduction

This chapter addresses the question of how the national business system and the organisational field influence strategic responses and configurations of subsidiary adaptation of CSRR. The specific chapter aims are:

- To examine the national business setting and study how the institutional landscape explains the development of "implicit" and "explicit" social and environmental accountability mechanisms in the subsidiaries' host countries.

- To compare the intensity of pressures emerging from the organisational field through the analysis of the coercive, mimetic and normative mechanisms.

- To probe the effect of organisational field pressures against the power of national institutions and identify their influence on strategic responses and configurations of adaptation of CSRR.

Chapter 2 reviewed the state of art of CSRR research and identified five prominent topics in the literature, two of which are mainly interested in documenting cross-national patterns of differences and similarities in CSRR (e.g. Adams, Hill, & Roberts, 1998; Kolk, 2005; Kolk et al., 2001; Roberts, 1991) and on explaining institutional factors influencing CSRR within and across organisational fields (e.g. Beddewela & Fairbrass, 2015; Beddewela & Herzig, 2013; Larrinaga-Gonzalez, 2010; Perez-Batres et al., 2010). While this work has provided some evidence of differences in the amount, content and types of CSRR across countries and insights about the about the explosion of CSRR in different parts of the world signalling a degree of convergence, it has failed to consider other formal and informal institutions of social and environmental accountability reflecting mandatory and customary requirements different to the corporate policies and standardised CSRR processes that will serve accountability responsibilities across different contexts and that are complimentary to the institutional landscape.

Novel insights about the link between company CSR practices and domestic institutions are found in the CSR literature, where a group of academic has pioneered an area interested in understanding cross-national variations of CSR practices by applying the comparative institutionalist framework (Aguilera et al., 2007; Brown & Knudsen, 2013; Campbell, 2007; Gjølberg, 2009, 2010; Jackson & Apostolakou, 2010; Kang & Moon, 2012; Kinderman,

2012; Knudsen et al., 2015; Koos, 2012; Matten & Moon, 2008; Midttun, Gautesen, & Gjølberg, 2006). Despite an on-going discussion in this field debating whether CSR practices act as a "mirror" or "substitutes" of their institutional landscapes, the comparative approach is useful in that it provides an understanding of the institutional conditions under which CSR practices are conceived and hence relevant in the context of MNC transfer of practices, to identify how subsidiaries' host country institutions will shape practices diffused from and originated in the MNC's host country.

Recent articles have developed a particular interest on the interactions of national institutions and organisational field pressures on CSR (e.g. Chen & Bouvain, 2009; Jackson & Apostolakou, 2010; Young & Marais, 2012) but their findings are limited in three aspects. First, they focus on the impact of this interaction on the adoption rates of a CSR practice rather than on the organisational adaptation of the practice. Second, these studies have restricted their analysis to the usual opposition between continental and Anglo-American forms of capitalism (Albert, 1991; Hall & Soskice, 2001) leaving underexplored the distinctive characteristics of the business system across the continental European countries and contrasting cases such as the Latin American capitalisms and finally, these studies focus on domestic companies, leaving the complex context of MNC subsidiaries out of sight.

Despite the growing recognition that both perspectives new and comparative institutionalism can enrich the arguments in the study of diffusion of practices (Tempel & Walgenbach, 2007), it is evident that research on the transfer of practices across MNC subsidiaries tends to draw on one of the two conceptual perspectives and that researchers committed with one theoretical perspective tend not to engage with one another with some exceptions (e.g. Edwards et al., 2007; Geppert & Williams, 2006; Jamali & Neville, 2011). In order to alleviate the fragmented state of the literature offering one-sided views regarding the influence of the external environment on adaptation of practices by MNC subsidiaries, this chapter adopts an integrative approach to study the mutual influence of national institutions and organisational field pressures by drawing on the two traditions of Institutional theory: the

new institutionalism and the historical/comparative institutionalism. The analysis incorporates complementary contributions from an institutional lens, primarily the explicit/implicit CSR model by Matten & Moon (2008) which is applied to the context of social and environmental accountability (SEA) and investigates how the distinctive national institutions of a market based capitalism (MBC), continental European economy (CEE), state led market economy (SLME), social democratic economy (SDE) and hierarchical market economy (HME), interact with the coercive, normative and mimetic isomorphic pressures, specific to the organisational field in which the subsidiary operates.

The findings of this chapter show that national institutions may be supportive or complicate the adaptation of CSRR through two mechanisms: the development of implicit and explicit forms in the host country business system and the development of key organisational capabilities to respond to changing and differentiated demands. Organisational field pressures simultaneously reinforce the degree of compatibility between the principles implied in the practice that is being transferred and the existing local practices. The analysis of both the business system and the organisational field suggests that the adaptation of CSRR, may face strong barriers in the French and Dutch subsidiary, lower constraints in the Danish and Brazilian subsidiary and almost no constrains in the American subsidiary. While for the American, French and Danish subsidiary, the findings suggest that this prediction seems to be true, the findings identified in the Dutch and the Brazilian subsidiary suggest that the configurations of strategic responses and adaptation cannot sufficiently be explained by the national institutions and organisational field pressures.

The chapter contributes to the nascent field addressing the interactions of national institutions and organisational pressures on CSR (Chen & Bouvain, 2009; Jackson & Apostolakou, 2010; Young & Marais, 2012) and advances current knowledge by uncovering the mutual influence of the configuration of implicit/explicit SEA informed by national institutions and the organisational field pressures on the degree of compatibility between the transferred practice and the existing institutionalised practices. The integrated approach adopted in this chapter

using two schools of institutionalism in the study of the determinants of subsidiary adaptation of practices (Tempel & Walgenbach, 2007) reconciles the fragmented convergence/divergence dichotomy caused by the tensions between the global isomorphism and national institutional configurations.

By bringing to light the existing social and environmental accountability institutionalised forms prior to the diffusion of CSRR, this chapter expands previous studies (Chen & Bouvain, 2009; Jackson & Apostolakou, 2010; Young & Marais, 2012) by suggesting that those coercive mechanisms devised by the state pressures in low risk industries will influence less onerous adaptations of CSRR but this is contingent on employee's awareness of those mechanisms.

Unlike previous studies in the CSRR literature which focus ultimately on one of the explicit forms of social, environmental and accountability (SEA), the CSR reports, this chapter contributes to the conceptualisation of social and environmental accountability which goes beyond the voluntary, to recognise that CSR assumes different forms and serves different functions in different contexts (Kang & Moon, 2012). Finally, it contributes to the small literature empirically using the distinction of implicit/explicit (e.g. Hiss, 2009; Jamali & Neville, 2011; Witt & Redding, 2012) and contributing to the theoretical refinement of the concept (e.g. Blindheim, 2015) highlighting that implicit SEA form still takes place, that the explicit form does not take over existing practices and that explicit and implicit forms of responsibility are not necessarily dichotomous, but can be inter-active.

The chapter begins with section 5.2 which introduces the key concepts, assumptions and avenues for integrating the comparative and new institutionalist school. Section 5.3 specifies the analytical stages of this chapter followed by the findings sections 5.4 and 5.5 addressing the implicit and explicit forms developed in the subsidiaries' host country. Section 5.6 identifies particular organisational capabilities informed by the business system prompting subsidiaries to be more open to the adaptation of new organisational practices and section 5.7

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provides an analysis of the degree of organisational field pressures across the five subsidiaries. The discussion of the findings is presented in section 5.8 followed by section 5.9 which outlines the contributions of the chapter.

5.2 Theoretical Framework

The IB literature has studied the phenomenon of transfer of practices within MNCs drawing from two relevant variants of this perspective, the new and comparative institutionalism. These two perspectives have gained considerable traction, because of their potency to capture the complexity of the institutional environment of MNC subsidiaries (Kostova & Roth, 2002) and its robustness of the study of the tensions between the global diffusion of practices and the still relevant national institutions (Jamali & Neville, 2011). The review of this literature shows that these studies tend to draw almost exclusively in one of the two theoretical perspectives and rarely engage with each other, neglecting the interaction of national institutions and organisational field pressures, leaving the field fragmented and offering one-sided views on the phenomena (Edwards et al., 2007).

The theoretical framework is divided in three sections. The first section reviews the work undertaken under a comparative institutionalist perspective and capitalises from the implicit/explicit work of Matten & Moon (2008) to theorise differences in social and environmental accountability forms. The second part reviews the abundant studies relying on the new institutionalist perspective and discusses the coercive, mimetic and normative pressures in the context of CSRR. Finally the third section analyses the fragmentation of the field and opens avenues for the integration of both perspectives into the study of transfer of practices within MNCs.

5.2.1 The transfer of practices from a comparative institutionalist perspective

Institutional theory has provided a broad and rich conceptual backdrop for the exploration of how management and organisations adjust and adapt to the broad social and political environment in which they operate (Doh, Husted, Matten, & Santoro, 2010: 485) and

provides "formidable lens for understanding and explaining how and why CSR assumes different forms in different countries" (Brammer, Jackson, & Matten, 2012: 8).

The MNC literature has used the comparative institutionalist perspective to explain the process in which practices are transferred from MNCs' domestic operations to foreign subsidiaries. The review of these studies suggests two ways in which national business systems will influence either the resistance to adopt the practice, or the adaptation the transferred practices. The first view considers that some national business systems are more amenable to the adaptation of practices than others (Whitley, 1992). MNCs wishing to introduce significant organisational change are likely to find this easiest in their subsidiaries in economies which are "open" in the sense that the national business system poses only minor constraints to the implementation of new structures and practices. Conversely, the scope for introduction of new practices will be less in those subsidiaries based in countries with "closed" business systems in that they are highly regulated and distinctive (Almond, 2011; Edwards & Ferner, 2002).

Under this perspective, more cohesive and cooperative business with strong links to the local institutional setting (training and skills, innovation and supply networks, collective employer and worker representation bodies) representative of coordinated market economies (CMES) are likely to respond with resistance to transfers (Morgan & Kristensen, 2006). In the IHR literature, Edwards, Gunnigle, Quintanilla, and Wachter (2006) show that the complex web of legal regulations in the Spanish labour market constrained the ability of US MNCs to introduce new employment practices in their Spanish subsidiaries. Similarly, Geppert and Williams (2006) illustrate that the greater the degree of social embeddedness of the local subsidiary in a highly integrated business system (such as the German), the more problematic the implementation of global practices and the more idiosyncratic local politics and power resources will be. The IB literature has broadly referred to these constraints by referring to the degree of compatibility between the principles implied in the practice that is being transferred and the local practices (Edwards, 2005; Kostova, 1999; Liu, 2004; Lu & Bjorkman, 1997)

which is in itself a function of the degree to which the national, institutional setting of the parent company diverges from that of the subsidiary (Gooderham, Nordhaug, & Ringdal, 2006).

A second way in which national institutions will influence the diffusion of practices across operations is through the "receptiveness" of the business system to new practices. For instance, Lam (1997:993) has argued that the UK business system, with its emphasis on relatively narrow training, formal certification of skills and "reliance on a small number of key experts", is less receptive to some new practices than the Japanese system, since the latter relies more on the flexible use of skills, broad job categories and a broader range of potential "receptors". Conversely, US MNCs, because of the existence of systems for codifying and disseminating knowledge in the American business system, have a greater organisational capacity for coordinating globally dispersed learning (Lam, 2003).

In the CSRR literature, an attempt to investigate the influence of national institutions from a comparative perspective is the study by Young & Marais (2012) which hypothesises that CSRR may be *more developed* in coordinated market economies (CME) such as France, the Netherlands and Denmark, as these countries have developed a wider corporate stakeholder focus than in liberal market economies such as the UK. These findings are opposed to the work of Jackson and Apostolakou (2010) studying broadly CSR, which argues that CSR is likely to be a substitute for the lack of institutionalised stakeholder involvement in liberal market economies (LME) and thus firms will adopt *more extensive* CSR practices in comparison to firms located in coordinated market economies (CME). However, a shortcoming of these studies is that they compare the same CSR form (CSRR in the case of Young & Marais (2012) and CSR broadly including codes of conduct, environmental reporting, stakeholder engagement, corporate philanthropy in Jackson & Apostolakou's (2010) study) across different types of capitalism and assess whether it is *more or less* developed or extensive within those business systems. Despite drawing from a comparative institutionalist perspective, these studies overlook one of the core assumptions of institutional

complementarity (Crouch, 2010) according to which, CSR institutionalised forms in country X may have not developed in the same way in country Y, but instead, other forms of CSR, complementary to country Y's institutions may exist just because the institutional configurations in countries X and Y are different (Amable, 2000; Hall & Soskice, 2001; Whitley, 1999). With the aim to shed light on other formal and informal institutions of social and environmental accountability, different to the standardised corporate processes, the next section conceptualises these differences by capitalising on the Matten & Moon (2008) implicit/explicit framework and applying it to the context of social and environmental accountability.

Implicit/Explicit social and environmental accountability

A group of academics has pioneered an area interested in understanding cross-national variations of CSR practices by applying the comparative institutionalist framework (Aguilera et al., 2007; Brown & Knudsen, 2013; Campbell, 2007; Gjølberg, 2009, 2010; Jackson & Apostolakou, 2010; Kang & Moon, 2012; Kinderman, 2012; Knudsen et al., 2015; Koos, 2012; Matten & Moon, 2008; Midttun et al., 2006). Despite most of the discussions of this stream of literature have been around an on-going debate concerning the impact of institutional complementarities between CSR initiatives in firms and national institutions which revolves around two contradictory hypotheses: either through a logic of "similarity"(mirror) (Kang & Moon, 2012; Kindermann, 2009) or "contrast" (substitution) to the institutional environment (Campbell, 2007; Gjølberg, 2009), the comparative approach is useful in that it provides an understanding of the institutional conditions under which CSR practices are conceived and hence relevant in the context of MNC transfer of practices, to identify how subsidiaries' host country institutions will shape practices diffused from and originated in the MNC's host country.

A key contribution of this field is the work of Matten & Moon (2008) which argues that differences in CSR among different countries are due to a variety of longstanding, historically

entrenched institutions and that the global spread of CSR is shifting implicit forms in some European countries to explicit CSR forms. It is important to be clear on the boundaries of this study from the outset, while it is acknowledged the current debate in the literature on whether CSR works either through a logic of "similarity" (mirror) or "contrast" (substitution) to the institutional environment, engaging in those discussions is beyond the scope of this study, however, it is necessary to be transparent about the theoretical assumptions. The contributions of Aoki (1994; 2000; 2001) around this debate and recent empirical studies suggesting that CSR can be both a "mirror" and a "substitute" (Koos, 2012) support the choice to theorise social and environmental accountability as an "institutional complementarity" to the wider institutional landscape of national regimes through a *logic of synergy* (e.g., Amable, 2000; Hall & Soskice, 2001; Whitley, 1999). Here, different institutions are brought together, not because they remedy deficiencies in each other nor they embody some kind of similarity or affinity, but because when they occur together they produce a stable model that is mutually reinforcing (Aoki , 1994; 2000; 2001). Thus, it is assumed that a cluster of features of the institutions surrounding firms (e.g., the state, the financial system, the corporate governance and labour relations) in a particular country may reinforce or help to sustain "implicit" and "explicit" forms of social and environmental accountability forms.

Assuming accountability as one of the responsibilities under the CSR umbrella, the distinction between "explicit" and "implicit" CSR proposed by Matten & Moon (2008) may be applicable to the field of social and environmental accountability. Explicit social and environmental accountability refers to the voluntary prescriptive corporate policies and standardised processes established by the firm to systematically collect measure, analyse and communicate the social and environmental impact of the firm's operations and thus demonstrate its accountability. These forms have been originally developed in market based capitalism (MBC) such as the US and the UK (Kang & Moon, 2012; Kinderman, 2012). An example of these explicit forms is the internal organisational standards specifying processes to collect social an environmental data across foreign subunits of an MNC. Another example

is the policy describing social and environmental indicators to be calculated by foreign subsidiaries and that in aggregation will be published in the annual report or separate CSR report.

In some other countries, the mechanisms by which firms remain accountable for society's social and environmental interest and concerns are embedded within other formal and informal institutions reflecting mandatory and customary requirements (Matten & Moon, 2008) by which companies inform a broad range of stakeholders about their social and environmental behaviour. Examples of these are the institutionalised dialogues between the corporation and a wide range of stakeholders such as government, consumers, customers, NGOs and other private partners. Another implicit form is the works council, an employee representation committee, mandated by law in some European countries such as Germany, Spain, France and the Netherlands by which employees' representatives are informed and consulted by central management regarding economic and financial matters of employee matters (Rogers & Streeck, 1995).

While in the explicit form, the corporation assumes its responsibility to be transparent and has the discretion to choose specific programs and policies to address their social and environmental accountability hence, the origin of these processes is the corporation itself, the implicit forms reflect institutionalised mechanisms that are not initiated by the corporation because corporations' accountability is embedded within wider formal and informal institutions and society's social environmental interests. In the implicit approach, the role of the corporation solving these issues is rooted in an historical societal consensus.

The literature suggests that MNCs can benefit from such explicit SEA through improved corporate reputation and brand value (Herzig & Schaltegger, 2006), superior competitiveness, comparison and benchmarking against competitors and therefore access to capital (Cheng et al., 2014), consistent with Aguilera et al.,'s (2007) definition of instrumental CSR. Conversely, implicit CSRR is motivated mainly by relational drives (Aguilera et al., 2007)

such as the legitimisation of social and environmental behaviours and to a less extent by
instrumental motives. Within this implicit form, corporations engage with interested
stakeholders as a result of their historical relationship rather than for simple instrumental
purposes (see table 21).

Table 21 Explicit and implicit social and environmental accountability in comparison

	Explicit SEA	Implicit SEA
Forms	Voluntary prescriptive corporate policies and standardised processes to systematically collect, assess, measure, analyse and communicate the social and environmental impact of a corporation's operations.	Formal and informal institutions, customary requirements by which companies inform a broad range of stakeholders about their social and environmental behaviour.
Origin	The corporation assumes its responsibility to be transparent and remain accountable for its social and environmental impact to its stakeholders, mainly shareholders	Corporations' accountability role is embedded within wider formal and informal institutions for society's environmental interests and concerns.
Drivers	Mostly instrumental	Mostly relational
Examples	•Internal processes and standards for CSR Reporting •Standardised social and environmental indicators •Global annual CSR reports •External communications	•Dialogues with stakeholders •Works council •Personal accountability mechanisms
Business systems associated with this form	Market based capitalism (MBC) (e.g., US and UK)	Continental European economy (CEE) (e.g., The Netherlands), state led market economy (SLME) (e.g., France), social democratic economy (SDE) (e.g., Denmark), Mediterranean capitalisms (e.g., Italy, Spain)

Chapter 2, outlined a number of approaches which focus on the effect of a range of
institutions operating at the national level on organisations (Aoki, 2001; Hall & Soskice,
2001; Hollingsworth & Boyer, 1997; Whitley, 1997) and argued that Amable's (2006) work,
offers a more fine-grained typology of the diversity of capitalist models. Based on this
framework, the institutional differences between the UK, where the MNC's HQ is located,
and Denmark, France, the Netherlands and Brazil are clearly significant (see detailed review
of the five typologies in Chapter 2 in section 2.3.2). The UK and the US are considered
market based capitalisms (MBC) that generally embrace free markets and eschew the welfare
state. Continental European Economies (CEE) such as France and the Netherlands (Amable,
2006) rely to a large extent on governmental coordination and centralised modes of financial
governance and have highly developed welfare systems and industrial policies. France is

distinguished for having a strong reliance on state coordination mechanisms and is sometimes referred as a "state-led market economy" (SLMEs) (Kang & Moon, 2012; Schmidt, 2006). The social democratic economy (SDE) (Amable, 2006) such as Denmark is characterised by a strong, "universalistic" welfare state and corporatist industrial relations system (Gjølberg, 2010; Knudsen et al., 2015). Finally, Brazil corresponds to a hierarchical market economy (Schneider, 2009) characterised by a weak and interventionist state, centralised forms of corporate governance, shallow capital markets and atomistic employment relations.

Based on these institutional configurations, the embeddedness of an MNC in a market based capitalist system (MBC) will critically influence the development of explicit SEA forms such as CSRR with strong instrumental underpinnings. When this practice is transferred to foreign subsidiaries which are accustomed to more "implicit" forms of social and environmental accountability such as in continental European economies (CEE), social democratic economies (SDE) and state-led market economies (SME), subscribing mainly to relational values, subsidiary resistance may arise creating challenges for its adaptation.

5.2.2 The transfer of practices from a new institutionalist perspective

One of the most popular frameworks to study the transfer of practices across foreign subsidiaries (e.g. Eden, Dacin, & Wan, 2001; Ferner & Quintanilla, 1998; Gooderham, Nordhaug, & Ringdal, 1999; Kogut, 1991) and the diffusion of CSRR (Bebbington et al., 2009; Deegan, 2009; Higgins & Larrinaga-Gonzalez, 2014; Islam & Deegan, 2008; Kolk, 2005) is new institutionalism which focuses on the influence of the societal or cultural environment on organisations (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Zucker, 1977). As presented in Chapter 2, the main tenant of new institutionalism is that to ensure their survival, organisations must comply with the rationalised and institutionalised expectations of their environment and adopt the expected structures and management practices (Meyer & Rowan, 1977) which leads to an isomorphism of organisation and institutional   environment.

Under this perspective MNC scholars have conceptualised foreign-owned subsidiaries facing "institutional duality" (Kostova, 1999; Kostova & Roth, 2002; Kostova & Zaheer, 1999; Rosenzweig & Nohria, 1994; Westney, 1993) confronted with two distinct sets of isomorphic pressures from which they need to maintain legitimacy. The former refers to the approval of a subsidiary by the parent company and results from it adopting practices which are institutionalised within the MNC and shaped by the home country environment of the parent company. The latter is awarded by the institutional environment in which the subsidiary is embedded and stems from adopting practices institutionalised in that environment (Tempel et al., 2006).

As explained in chapter 2, drawing on Scott's (1995) institutional 'pillars', Kostova defined the "country institutional profile" to characterise the parent and host-country institutions. This provides the basis for assessing "institutional distance" as the extent of similarity or dissimilarity of the regulatory, cognitive and normative institutions between the parent country and the host. The premise is that the greater the institutional distance, the more problematic is the transfer; and the harder is the "internalisation" of transferred practices. Kostova & Roth (2002) found that implementation was positively affected by the favourability of the cognitive institutional profile of a host country. Subsidiaries located in environments in which people knew a great deal about the transferred practice and where many companies used quality practices, reported higher levels of implementation than units located in environments with relatively little social knowledge on quality. The normative and cognitive profiles did not influence implementation. Conversely, internalisation was positively affected by the cognitive and normative profiles and negatively affected by strong pressures from the external regulatory environment. As such, within the minimal adaption and assent adoption groups, the subsidiary institutional contexts were not particularly favourable for a practice. The ceremonial adoption group had favourable cognitive and normative profiles but was significantly exposed to higher regulatory pressures. The active adoption

group was characterised with a favourable institutional duality with the cognitive and normative institutional profiles significantly more favourable.

Chapter 2 also outlined that in new institutional terms, the main unit of analysis is the "organisational field" in which management practices and structures diffuse through three mechanisms: coercive, mimetic and normative (DiMaggio & Powell, 1983). The impact of coercive, mimetic and normative mechanisms on the adoption of practices has been extensively recognised and documented in the MNC literature (Ferner et al., 2005; Ferner, Quintanilla, & Varul, 2001; Gooderham et al., 1999; Kostova, 1999; Kostova & Roth, 2002; Rosenzweig & Nohria, 1994) and in the CSRR literature (Bebbington et al., 2009; Deegan, 2009; Higgins & Larrinaga-Gonzalez, 2014; Islam & Deegan, 2008; Kolk, 2005).

In relation to the CSRR of MNCs, subsidiaries may be forced to adopt CSRR by diverse actors. Coercive mechanisms could arise from host country government and regulations towards non-financial disclosure or requirements by stock markets and the spread of environmental management and reporting as a consequence of the voluntary adoption of the European Eco-management and Audit Scheme (EMAS) sponsored by the EU (Higgins & Larrinaga-Gonzalez, 2014).

It is important to highlight that the role of the state under the comparative institutionalism intersects with the concept of coercive isomorphism in new institutionalism. Although new institutionalism is usually thought of as being primarily a cultural theory of organisations, emphasising inter-organisational diffusion of rituals and roles, new institutional theorists have expressed a consistent appreciation of the state's role in the production and dissemination of legitimate organisational forms. For instance, Meyer and Rowan (1977) discussed the function that government plays in institutionalisation and DiMaggio and Powell (1983) recognised the centrality of state-driven coercive isomorphism but placed equal emphasis on the mimetic and normative isomorphism. According to Frumkin and Galaskiewicz (2004:286) , the regulatory state and the organisational field are "locked in a mutually reinforcing game

of moves and countermoves". Consistent with the theorisation of the environment as a multi-layered institutional environment outlined in Chapter 2, and following the definition of organisational field, coercive mechanisms refer to those mandates arising at the industry level and that may transcend national boundaries. Under this perspective, some coercive mechanisms may be part of the national regulatory framework but their reach concerns only some sectors or organisational fields. For example, existing laws in some continental European countries such as France, Denmark and the Netherlands prescribe the publication of social and environmental accounts of firms operating in environmentally-sensitive sectors. In this case, national CSRR regulation overlaps with the coercive mechanisms specific to the organisational field.

Isomorphism can also result from the pressure exerted on companies through industry standards and codes of conducts. At the global level, this may play out in global networks, for example, the UN Global Compact is designed to leverage institutional pressures through mimicry within a "learning network" (Levy & Kaplan, 2008). The explosion of reports in the last decade (Kolk, 2005) has usually been informed by membership or guidance from reporting institutions such as the Global Reporting Initiative (GRI) (Fortanier et al., 2011). This is a form of mimetic processes because they have come to be seen as legitimate standards for CSRR. Peer pressure is another mechanism of inducing mimetic behaviour is as organisations mimic the best practices of company leaders (Matten & Moon, 2008).

Normative pressures spread through professionalisation, formal education and professional networks (DiMaggio & Powell, 1983) to acquire normative authority (Scott, 1987). Being involved in professional associations, the ACCA Awards for Sustainability Reporting (Bebbington, Kirk, & Larrinaga, 2012) and networks of CSR such as the Business in the Community (BITC) and the Institute for Corporate Responsibility and Sustainability (ICRS) promoting CSR reporting are examples of them.

5.2.3 Integration of new institutionalism and comparative institutionalism

Athanasopoulou and Selsky (2015) recently suggested that the social contexts within which CSR practices unfold are too complex to be contained in a single theoretical perspective and that combinations of social context perspectives can enhance understanding of CSR practices by tapping into the different mechanisms they focus on and offering different facets of the social context.

Despite the growing recognition that rather than rejecting one institutionalist tradition in favour of another both can enrich the arguments in the study of diffusion of practices (Tempel & Walgenbach, 2007), it is evident that research on the diffusion of practices across MNC subsidiaries tends to draw on one of the two conceptual perspectives which offer only partial explanations on their own. Researchers are often committed with one theoretical perspective and tend not to engage with one another with some exceptions (e.g. Edwards et al., 2007; Geppert & Williams, 2006; Jamali & Neville, 2011). This fragmentation is explained perhaps by the differences in the level of analysis, mechanisms of adaptation and view of institutions of each of these two frameworks (see comparative review in Chapter 2) that scholars find incommensurable but that leave underexplored the interaction of both levels of analysis.

The comparative institutionalist perspective contributes to the understanding that CSR is contingent on the organisation of business systems nevertheless, there has been a tendency to play down the diffusion of normative and cognitive organisational forms and management practices by actors such as global international frameworks, competitors, professional associations and academics (Tempel & Walgenbach, 2007). This chapter is particularly interested in the tensions between the pressures for isomorphism and the still relevant influence of national institutions on the configurations of adaptation by subsidiaries that the literature continually bifurcates despite their interdependence. Hence, it integrates both views in order to reconcile the fragmentation in the field and avoid one-side interpretations of this complex phenomenon.

5.3 Methodology

The methodology of this chapter is consistent with the embedded multiple case study design and the six-stage model of explanatory research proposed by Danermark et al., (2002). As outlined in chapter 2, the first three stages of the explanatory model are attained through a hybrid process of inductive and deductive thematic analysis. Additionally, this chapter uses a methodological approach known as "abductive reasoning" (Danermark et al., 2002) which relies on constant iterations between theory and data. This section elaborates on the five analytical stages of this chapter presented in Figure 11.

Figure 11 The five analytical stages of the chapter

Stage 1: Identification of the implicit/explicit social and environmental accountability forms

Stage 2: Analysis of the relationship between implicit/explicit SEA forms and the institutional spheres of the business system

Stage 3: Assessment the strength of organisational field pressures

Stage 4: Assessment of the explanatory power of new and comparative institutionalism explaining strategic responses and adaptation patterns of CSRR

The first stage of the analysis consisted in the identification of the implicit/explicit social and environmental accountability (SEA) forms. In order to do so in accordance to the conceptualisation based on the original contribution by Matten and Moon (2008) presented in section 5.2.a, interviewees in the subsidiaries were asked to identify the extent to which their subsidiary engages in social and environmental accountability mechanisms reflecting wider or broader informal and informal norms or institutions, implying societal consensus, involving different stakeholders and corresponding to different drivers other than instrumental (see section E Appendix A). Accordingly, they were requested to identify the corporate policies

and standardised processes deliberately designed to systematically collect measure, analyse and communicate the social and environmental impact of a corporation's operations. Finally, they were asked to trace the origin of those engagements and to identify whether they existed before the acquisition of FINEST and reflect an expectation of the local environment or whether they were transferred by the HQ. The researcher defined the template a priori based on the implicit/explicit framework. Three broad categories, forms, origin and drivers, formed the code manual. Open coding was used for the "forms" category, for the "origin" category two codes were predetermined: HQ and local environment. Finally for the "drivers" category, and consistent with the theorisation of motives proposed by Aguilera et al., (2007), three codes were determined: instrumental, relational and moral[6]. These codes were entered as nodes in N-Vivo and the researcher coded the interview transcripts by matching the codes with segments of data selected as representative of the code. The segments of text were then sorted, and a process of data retrieval organised the codes or clustered codes for each project document across all the five sets of data (French, Dutch, Danish, American and Brazilian subsidiary). At this stage of the analysis it was possible to identify whether the subsidiaries had developed implicit, explicit forms or a hybrid approach combining elements of both.

Investigating implicit/explicit CSR presents some difficulties due to the subtle nature of the concept and have been already acknowledged by some scholars (e.g. Jamali & Neville, 2011). It was possible to identify through the narrative of our interviewees, time indicators that suggested that those mechanisms and practices existed already before the introduction of the CSR reporting in the subsidiaries in 2008. In the case of the European subsidiaries the explicit SEA forms were strongly related to the introduction of CSR reporting by the HQ but in some cases there was evidence of a shift of implicit to explicit forms as a result of its increasing CSRR diffusion within the organisational field but also due to changes in the national business system (e.g., some corporate governance structures evolving towards a shareholder value model, growth of stock markets).

[6] The coding of the drivers of existing SEA practices had already been performed in Chapter 4 (see second stage of analysis in methodology section in chapter 4).

In order to corroborate the findings identified in this first round of coding, the strategy known as "triangulation by method" (Miles et al., 2014: 293) was used to ensure the validity of the implicit/explicit constructs (Creswell, 2014:201). The second stage of the analysis thus, concentrated on studying the relationship between implicit/explicit SEA forms and the institutional spheres of the business system. The method adopted consisted in an open coding to identify whether the implicit/explicit elements could be traced to durable institutions of the business system based on several open-ended questions about the national context (see Section F Appendix A). These codes were organised within four broader institutions consistent with Amable's (2006) taxonomy and other dominant frameworks such as Hall and Soskice (2001) and Whitley (1997) that are closely related to the social and environmental accountability: the state, financial system, corporate governance and labour relations. Patterns were established based on the theoretical conceptualisation of "institutional complementarity" underpinned by logic of synergy explained in section 5.2. It was thus possible to relate implicit and explicit forms and their complementarity to the four institutional spheres (see Table 22). The two methods used in this strategy suggest the existence of "hybrid" forms which do not fit into the ideal cases of implicit/explicit. These findings are further explained in section 5.4.

During this open-coding step, it was noted that some elements from the business system did not have a direct influence on the development of explicit/implicit social and environmental accountability mechanisms but that had an impact on the development of subsidiaries' capabilities to cope with the adaptation of a new practice. Consistent with the critical realist epistemological roots of the study outlined in Chapter 3, an abductive approach (Danermark et al., 2002) was adopted to make sense of the theoretical arguments proposed by the comparative and new institutionalism approaches with the empirical evidence. The empirical evidence regarding the existence of subsidiary capabilities to support the adaptability to the transferred practice was interpreted using the varieties of capitalism and national business systems literature. However, this literature was insufficient to explain why some subsidiaries

demonstrated adaptation capabilities despite the complementarities in their business systems did not justify their development. This is one of the key findings of the chapter and is further elaborated in the discussion section.

The third analytical stage consisted in assessing the strength of the organisational field pressures across the subsidiaries (see Section G of Appendix A). A template following the three varieties of isomorphism proposed by DiMaggio & Powell (1983): mimetic, normative and coercive was developed. As it has been mentioned in section 5.2.3, the three mechanisms sometimes overlap and intermingle. To ensure the reliability of the coding process, when there was a doubt about which category the passage belonged to, the researcher verified whether the mechanism resulted from the imposition by a more powerful authority (coercive), from uncertainty (mimetic) or associated with professional associations and specialised networks (normative). A pre-study of the information systems industry and the business systems across the five countries allowed probing the interviewees regarding their awareness on existing national regulation, guidelines or networks. The absence of some mechanisms was noticed. For example indication of coercive mechanisms at the organisational field level was absent in the interviewee transcripts, but it was noticed that interviewees repeatedly referred to coercive mechanisms devised by the national government. Similarly only normative mechanisms were identified in the Brazilian subsidiary. A cross-case analysis was undertaken assessing the strength of the pressures of each component (particularly the mimetic mechanism). Nvivo frequency count reports of the coded transcripts were useful here to assess the density of the codes to provide a quantitative measure of the strength of the pressures resulting from the organisational field.

The fourth stage of the analysis relied again on an "abductive reasoning" (Danermark et al., 2002) where the predictions provided by a comparative perspective and new institutional theory were confronted with the empirical data in order to assess their explanatory power on predicting configurations of adaptation and strategic responses. At this stage the cross-case comparison played an important role. Table 22 and 24 were useful to compare the similarities

and differences across cases independently at the national level and the organisational field. The information from these two tables and the configurations of adaptation and strategic responses (outcomes of the transfer) from Chapter 4 were organised in a case-ordered predictor meta-matrix. According to Miles et al., (2014) this type of matrix is useful to visualise the patterns when a wide diversity of effects from a general cause-itself varies across cases. The analysis moved now to ask questions such as: What are the adaptation configurations and strategic responses resulting from weak or strong organisational pressures? What are the adaptation configurations and strategic responses resulting from the prior existence of "implicit" or "explicit" SEA forms? Why do the data display more defiant strategies at the French subsidiaries and less in the Danish subsidiary despite both subsidiaries have developed "implicit" SEA forms and low organisational field pressures? Why does the Dutch subsidiary display easiness towards adaptation which is not explained by the complementarities of its business system?

The findings are fleshed out below in the following sections. Section 5.4 and 5.5 draws from the comparative institutionalist literature to explain the influence of the national business systems through the development implicit, explicit or hybrid forms relevant to understanding adaptation configurations of CSRR. Section 5.6 expands on a second influence of the business system through the development of capabilities for adaptation and finally section 5.7 presents the external isomorphic pressures to which the subsidiaries are confronted within their organisational fields.

5.4 Implicit and hybrid social and environmental accountability mechanisms across the European subsidiaries

5.4.1 Dialogues and partnership with stakeholders: Danish and Dutch subsidiary

Social and environmental activities of the Danish subsidiary date back to the 19th century foundation of the company though interviewees stressed that these were not framed under a "CSR" label. Instead, these initiatives were implemented in an informal and even implicit

way as a response to current local expectations and demands. As in the example mentioned by the CR and Marketing Manager:

> *"There was involvement and engagement in volunteering work in schooling in youngsters about financial issues but it was not called CSR... it was just something that was embedded in the company and that some volunteers of the company where doing in their spare time. It was not organised in a CR function as such" (P12)*

Human rights and the environment were considered by the interviewees as a "big thing" (P13) in Denmark and "being green" (P14) was seen as an historical characteristic of the Nordic countries.

The interviewees in the Danish subsidiary highlighted the use of "story-telling", understood as the stories and narratives shared often by improvisation, as a way to inform and communicate the organisation's social and environmental performance by which it was held accountable for its impact. The "storytelling" and dialogues in the Danish subsidiary take place with three main stakeholders, externally, the government and customers and, internally, the employees. The interviewees referred to the narrative of stories about the company's social and environmental behaviour mainly disseminated orally in presentations at town hall gatherings but also diffused in written form through emails and a Danish intranet communications platform existing before the acquisition.

Three of the four interviewees traced the existence of dialogues between the subsidiary and the Danish government to project partnerships between both stakeholders around different social and environmental issues. In the case of the FINEST subsidiary, the government was consulted as to its views on the corporation's social performance in meeting those expectations as P12 mentioned:

> *"When I came along in 2008, we started cooperation with the government and the Danish Tax Authority about expanding a financial education program ... We took a broader responsibility together with the Danish authorities and we did some educational material... We also hosted a conference where for instance I would present on the progress of our educational programs ... explaining this is what we do"*

This example illustrates a fairly typical approach in the Danish NBS where government and companies have engaged in dialogue and partnerships to solve fundamental welfare state dilemmas (Morsing & Thyssen, 2003). In the case of internal employee dialogues, these reflect the Danish business-labour relationships characterised by an approximate symmetry of power (Kristensen, 1992) and embody traditions of consultation, compromise, and collective organisation.

Interestingly, contrary to the theorisation of implicit forms as being underpinned by mostly relational drivers, the "storytelling" and dialogues with stakeholders were driven by instrumental motives (Aguilera et al., 2007) such as sales increase, employee attraction and reputation management and were much less driven by relational motives such as raise of employee morale and belongingness to the company (see Table 22).

Dialogues were also identified in the Dutch subsidiary but these were different to those in the Danish subsidiary in that they engaged a broader spectrum of stakeholders: government, communities, NGOs but also other local businesses and even clients and customers. According to the HR manager, many of these meetings were mainly organised by the government which reflects the longstanding role of the government coordinating business activities in the Dutch Business system (Van Iterson & Olie, 1992). As part of her HR role, she participated three times a year in these informal assemblies. Along with her counterparts in other firms, they provided an update about the progress in their social and environmental programs, particularly of those involving their joint collaboration. Consistently with the theorisation of implicit in section 5.2.2, these forms of social and environmental accountability were driven by relational motives (Aguilera et al., 2007) as a strong mechanism to legitimise those corporate efforts addressing social and environmental issues. These forms mirror elements of the Dutch corporate governance system (see Table 22) which conceives a company as an entity that pursues the public interest and surpasses the partial interests of stakeholders, suppliers of capital, management, workforce and the public (Van Iterson & Olie, 1992).

Table 22 Implicit and explicit SEA forms and their complementarity to institutional spheres

		French subsidiary	Danish subsidiary	Dutch subsidiary	Brazilian subsidiary	American subsidiary
Implicit/Explicit forms	Forms	•Works councils •Personal mechanisms	•Story telling with stakeholders •Dialogues with government, customers and employees.	•Works council •Dialogues involving government, businesses, NGOS, communities	•Dialogues with stakeholders initiated voluntarily by the subsidiary with other local firms (no involvement of government) •External CSR report	•CSR reporting through website, social-media, blog-posts.
	Drivers	Relational	Instrumental and Relational	Relational	Instrumental and relational	Instrumental
Complementarity to institutional spheres which emerged in the data		**State:** Interventionist role of the state **Corporate Governance:** Substantial interlocks and cross-holdings Lack of market for corporate control **Labour relations**: Trade Unions influence the regulation of labour-relations	**State:** Extensive engagement of the state in public policy and corporatist state **Labour relations:** Inclusive forms of corporatist dialogue and a bargaining.	**Corporate Governance:** Consideration of all stakeholders of interests under company Law. **Labour relations:** Prominent role of Unions and Enterprise Councils Corporatist complex	**State:** Weak capacity of the state Development of business associations to address accountability issues Lack of trust between actors **Corporate governance:** Family ownership and religious value	**State:** Liberal role of the state **Financial markets:** Developed stock market Shareholders is the primary stakeholder **State:** Limited role, scepticism about intervention of the government

5.4.2 Works councils in the Dutch and French subsidiary

Evidence from the interviews suggests that the works council, an institution embedded in the French (Antal & Sobczak, 2007) and Dutch labor relations system (Van Iterson & Olie, 1992) had served as a forum of dialogue between employees and management to discuss social and environmental issues of the subsidiary. Works councils are required by law in France and are part of a system of worker representation in the workplace which includes local unions (Tchobanian, 1995) and that are entitled to receive information and offer advice on "the firm's organisation, management and general functioning" (p. 117). Similarly, the mandatory Dutch works council "Ondernemingsraad" of 1950 was designed as a channel of communication between employer and employees and was embedded in a paternalistic view of labor-management relations (Visser, 1995). In both cases, the social and environmental reporting to the "works council" can be considered an implicit responsibility because it originated in the context of the corporatist complex of the French and Dutch national industrial relations system. Nevertheless; differences are encountered in the level of influence

granted to employees within the council. In the French subsidiary employees participated in the discussions but had a limited decision-making regarding social and environmental matters as illustrated in the following quote:

"So, they (work councils) do not have at all a function of CSR, it rather has the function of discussion about the organisation of the company, the impact of company decisions on the employment and all that that touches the HR part, the employees, the information, the environment. For the CSR part, employees are informed but they do not have any big role on these actions" (P8)

Meanwhile in the Dutch subsidiary, employees had a more prominent role laying-down, amending and withdrawing social and environmental proposals and monitoring corporate adherence to health, safety and implementation of welfare regulations as illustrated in the following quote:

"During the works council we have to take specific company decisions, we either give advice or we have to vote. So we can really say no. When different subjects come up or they want to change something in the our 'rules book' we have to look into it and sometimes we get feedback from other people and see if we are OK with it and approve or maybe add some changes, revise it and then send it back to voting. We have like a sort of manual it's like a sort of agreement on the rules for the employees. It says about what you need to do when you get sick, rules about your lease car… yeah all different kinds of day to day stuff and we have to approve everything that is written in there so if it's the HR manager or the CEO who want to say something, we have to look at the text and revise and approve" (P16)

These extended roles of employees in the Dutch subsidiary illustrate the recognition of employees as a legitimate party at all levels of decision-making within the firm as part of an institutional framework of organised consultation between labor and capital (Visser, 1995) characteristic of a Coordinated Market Economy (Hall & Soskice, 2001) and Continental Economies (Amable, 2006). The fact that French employees had a more bounded participation reflects the less powerful and organised labour representation mechanisms in SLMEs (Kang, 2010).

Additionally, both subsidiaries engaged assiduously in internal communications with employees through the intranet platform created by FINEST to disseminate the stories of employee-driven CSR activities. As expected from the initial conceptualisation differentiating implicit and explicit when probing the interviewees on the drivers of those implicit forms,

instrumental drivers were consistently absent from their accounts. The data illustrates that the social and environmental discussions within the works council and the internal communications' were mainly informed by relational motives (Aguilera et al., 2007) such as to strengthen the "belongingness" of employees which highlights that labour is a priority in promoting socially cohesive CSR practices through the influence of employee representation mechanisms such as the work councils in Continental European economies (CEEs) and State-led market economies (SLMEs).

5.5 Explicit social and environmental accountability: the American and Brazilian subsidiary

The American and Brazilian subsidiary embodied explicit forms of social and environmental accountability prior to the diffusion of the practice from the HQ and thus had very similar practices compared to what was transferred (in terms of drivers and existing processes). Overall, both cases fit into the theoretical definition of "explicit" (section 5.2.2). The most evoked aspects of the explicit forms that emanated from the interviews in the Brazilian and American subsidiary were related to the voluntary, deliberative, strategic nature of the responsibility of "being accountable" and the strong instrumental motivations behind those responsibilities (see Table 22).

In the American subsidiary, some processes to collect data regarding the subsidiary's community involvement and employee volunteering (the most salient CSR activities of the subsidiary) were already in place before the diffusion of CSRR in 2008. As it was mentioned in Chapter 4, the subsidiary introduced a management system which allowed to record and keep track of real-time data of the volunteering activities of the American employees across their 39 offices.

> *"We have a very good system called voluntary impact it's a web page platform that our employees go there and apply for their matching donations, where they record their volunteering time if they want to match for the organisation that they volunteer and they can also put in any opportunities that are coming up for volunteering events in their*

offices around the country so that is a very good tracking mechanism for us I can go in and I know how much they are giving since they are matching the donation" (P24)

Once these and other environmental and social data were collected, it was used to for external communications using channels such as the subsidiary website and supported in the last years by a strong PR strategy using social media, blogs and online dialogues. The interviews in the American subsidiary consistently evoke the instrumental motives (reputation management and competitive advantage) informing those engagements as illustrated by the Community Relations Manager:

"So I think that you know PR is always important and you know having like some of the projects we go on, there will be press there that you know will get the message outside the community on what FINEST is doing as a company out there and you know externally that is you know good for the business side as well" (P24)

The Brazilian subsidiary started its CSR engagements since 1970's and has very well developed CSR processes and programs, including those around social and environmental accountability and transparency. For instance, it published since a CSR report following the Global Reporting Initiative B+ standard and had been a signatory to the UN Global Compact. The instrumental perspective largely informed these practices (e.g., management, benchmarking, competitive advantage) but in some instances, the Brazilian interviewees also emphasised the use of CSRR as a way to legitimise the CSR engagements of the subsidiary particularly when these were initiated by the firms and were related to the provision of Education to communities in Brazil as illustrated by the following quote from the Sustainability Manager in Brazil:

"So with the reporting process we were able to show for our stakeholders how things work here and what levels of security we have, what happens with all the information, how is I coming, how is it going out, how do we treat the information and also our position in our investments on issues like financial education" (P19)

Despite the Brazilian and the American subsidiaries had adopted explicit social and environmental accountability forms in the shape of CSRR, before the adoption by the HQ, this is explained by quite different institutional configurations in market based economies and hierarchical based economies.

In the American subsidiary, the voluntary nature of this form of accountability originates in the non-involvement of the state coordinating business activities typical in market based capitalism. The largely instrumental motivations encountered in the interviews underlines that shareholder value is integral to the firm's competitive strategy strengthening the competitive motivation for CSR (Kang & Moon, 2012) and complementary to the structure of financial markets where distant investors usually prefer to supply capital on arm's length terms that emphasise transparent financial and non-financial information (Hall & Soskice, 2001). Firms seeking to access capital have to appeal a wider audience and thus engage in assiduous explicit mechanisms (e.g., intense external communications) to provide information available to investors (Chen & Bouvain, 2009) .

In the Brazilian subsidiary the adoption of CSR reporting was traced and associated to the weak capacity of the state coordinating economic activities which left space for voluntary efforts of companies addressing issues such as transparency and corporate accountability and the development of business associations driven by the private sectors with the aim to solve social issues and provide welfare to communities. Evidence to support the constructs of implicit and explicit are provided in table 23.

Table 23 Illustrative quotes of implicit and explicit

Illustrative Quotes (with highlighted key phrases and words)	
Implicit SEA	**Explicit SEA**
*"If we focus on CSR, you could say that it is very much different in each country because **it depends on how the political and welfare system is organised if you look in countries like the USA for instance, that is less organisation from a governmental point of view so there is much more need for CSR, than it is in countries where welfare is on a very high level organised by the government**. And that is what you see for instance in the Netherlands but also in Scandinavian countries like here in Denmark it was difficult to organise voluntary activities because it was simply too well organised in the country"* (P16) *"**It was more like a presentation more than a reporting itself** which was shown to our major customers saying this is what we do but it was an informal thing... but **it wasn't a system that was collecting data or anything like that**"* (P12) *"If I had to **report something or I want to communicate something for a town hall or for a newsletter** or whatever, then I would have to look and see what we have been doing and say something about it but **it was never on a strict corporate level**"(P17)* *"We **provide some results in town hall results every quarter where we communicate the progress of the projects but is it is not in a structured standardised way**, every quarter we see what we have to communicate and then we will do so"* (P16) *" If we are all gathered in Copenhagen for a day to attend the kick off day for the financial year and on that kick off meeting we would have **a small talk with people presenting** about the competitions and activities but this only happened once per year"* (P15). *"You can say employees were very much interested in the **good stories and the pictures and they were not interested in the data behind. So you can say an employee to be proud of the company, the reporting as such was not a driver or anything, it was the story telling that was the driver but not the data collection of it or the KPIs"*** (P12).	*"We also **send a spreadsheet throughout America to all our kind of CSR champions in each of the offices** and they add anything that didn't get reported through the volunteering impact website"(P24)* *"Other thing we found is that it can actually **help us to reduce costs to the business.** If a consumer call us and they are knowledgeable about what we do, what a credit report is, how it works, **we see call times decrease, they don't need to spend too much time on the telephone** with us, which reduces our calls to the company so that is a very **direct relationship to the bottom-line*** (P25) *"So **I tried to bring more strategic field for the area,** so we started to build the first sustainability report and this was in 2005 to report the year of 2004. It was the first move to change the way the company was reporting because the way the company was reporting before 2005 was a separate report, one was the financial and the other was the social responsibility report"* (P19) *"We did all **these processes with the reporting and also with the strategy in the area**, we changed the social responsibility area to a sustainable department dedicated to the social investment of the company and also we tried to think about problems and business strategy and governance **how to bring more strategic thinking to this** and we are now in a good position on that"...(P19)* *"**When you start following standards you have to review some of your process to be able to fulfil the standard so there is also this moment when you decide to apply a high standard like that it makes the company to rethink some things,** some things that the company was not thinking about"* (P21) *"**It was very good for taking decisions, making some improvement into our strategy and our processes and our programs"*(P19)* *"In Brazil **I think is a sort of benchmarking when we talk about CR reporting**, there are many companies using especially GRI standards and now they are migrating to the integrated reporting process"(P23)*

One of the interviewees in Brazil, who had been working in the company since the 1990s explained that the founder of the company in Brazil had a strong interest in developing an institute that would set the grounds to define the social and environmental responsibilities of Brazilian companies. He along with other business leaders decided to support the development of a CSR institute, ETHOS, which main objective was to raise the awareness about CSR and to improve its management within companies. Since then, the institute has defined a set of CSR indicators for companies in Brazil and has developed research with information available not only for the private sector, but also for researchers, the public and the non-profit sector. Ethos has considered reporting and transparency as key priorities to alleviate corruption, one of the main issues pertaining the country (Sobczak & Coelho Martins, 2010). In the following quote the sustainability manager illustrates the lack of involvement of the government in issues of corporate social transparency and his expectation of more regulation:

> *"I think in some issues of the economy, the government is more involved but they are disengaged when we talk about CSR and sustainability. Government needs to… I think that the role of the government at least in the sustainability agenda is more on the incentives and bringing maybe more regulation. We try to work with other companies and learn together how to be more transparent, how to fight corruption, how to take care of some social issues that government was supposed to take and they are not, so there is that necessity but no company in an isolate way will be able to make something"* (P19)

In contrast to the European countries in which the implicit social and environmental accountability forms were embedded in a consensus with other stakeholders, according to the interviewees in the Brazilian subsidiary, there is a widely expectation from society that businesses have the capacity to fill in those provision gaps and should voluntarily engage in CSR.

The next section elaborates on other mechanisms by which the national business systems influence the adaptation of CSR reporting by subsidiaries of MNCs that may provide additional arguments to the adaptation configurations identified in chapter 4.

5.6 National business systems and openness to adaptation and change

Following the arguments of the comparative institutionalism, suggesting that the complementarities of the national business systems determine key organisational capabilities of firms to respond to changing and differentiated demands (Amable, 2006; Hall & Soskice, 2001; Whitley, 1999), during the open-coding process explained in section 5.3 it was possible to identify in the data differences in the amenability of subsidiaries towards the adaptation of CSR reporting. Distinctive receptiveness capabilities were identified in the Danish and American subsidiaries and an absence of these capabilities was noticed in the French and Brazilian subsidiary. These findings are consistent with the arguments proposed by the VoC literature. However, some unexpected findings emerged in the Dutch subsidiary where the literature suggested a different outcome of what was identified in Chapter 4.

Openness to change and the ability of firms to cope with innovation is also connected to dominant institutions and across different contexts (Whitley, 1999). As thoroughly explained in Chapter 4, Danish and American employees coped positively with the changes following the transfer of the new practice, denoted a great degree of agency in the adaptation of CSRR and achieved the highest levels of integration within the sample. However, the explanation to this openness and easiness to adjustment can be found in different features of their business systems.

One of the complementarities of the Danish business system is incremental innovation (Edquist & Lundvall, 1993). Literature suggests that Danish managers have developed the capacity to quickly modify process technologies and put them to different uses as the market requires coping with the pressures of economic globalisation (Molina & Rhodes, 2002). Additionally, the decentralised inclusive version of corporatism has afforded Denmark important capacities for flexibility and learning (Campbell & Pedersen, 2007a) including managers' capacity to quickly modify process technologies and put them to different uses as the market requires coping with the pressures of economic globalisation (Molina & Rhodes,

2002). Additionally, the strong system of training and vocational programs has given Danish firms the ability to leave much decision-making discretion to its workers rather than having to supervise them closely in rigidly bureaucratic ways. The institutional environment based on based on negotiation, consensus, and trust that we have highlighted in previous sections has been the framework that facilitates learning and adjustment. Thus, these institutional arrangements seem to be consistent with the ease in which employees in the Danish subsidiary responded to the adoption of CSRR and adapted it by selectively choosing elements from the original versions that were more appealing to fulfilling the subsidiary strategic objectives outlined in Chapter 4.

In the case of the American subsidiary, the conformity responses and the readiness to adapt the practice in line with the local interests points to the significance of locally embedded "flexible high-skills ecosystems" (Almond, 2011) that drive innovation and provide subsidiary actors, resources for shaping practice transfer (Ferner et al., 2012). The strong emphasis upon the need for quick adjustments to an uncertain environment in market based capitalism (Amable, 2000) and radical innovation capabilities, make firms more sensitive to adverse shocks and thus prone to react proactively to adjust instrumentally the practice to help achieve the subsidiary interests.

Opposite findings are found in the French subsidiary where historically, there has been a substantial influence of the state on the development of innovative capabilities of French firms (Antal & Sobczak, 2007; Beaujolin & Capron, 2005) making firms ill equipped to succeed in areas of incremental innovation (Goyer, 2001). FINEST French managers did not develop a local use of the explicit form and expressed a preference to have much clearer directives on how to implement the processes (e.g., calculate KPIs) and on the meaning of the data collected. The emphasis upon reliance on centralised modes of control, which are pervasive values within the French business systems (e.g., centralist orientation of the French state in the economy) (Albareda, Lozano, & Ysa, 2007; Antal & Sobczak, 2007) seem to have prevented CSRR from becoming easily assimilated.

Recent literature in the varieties of capitalism in Latin America suggests the existence of a "negative complementarity" (Schneider, 2009) between MNCs and domestic groups. The existence of MNCs in higher technology manufacturing reduced the returns for domestic groups to investing in proprietary technologies and R&D generally, and increased the returns to business groups that invested in other areas such as natural resources, commodities, and services that used lower skills and technologies. In general, both MNCs and business groups had relatively low demand for skilled labour and weak incentives to invest in training. While in a market based capitalism economies such as the US have advantages in radical innovation and coordinated market economies such as Denmark are excellent for incremental innovation, the competitive advantage of hierarchical market economies relies on the production of commodities (Schneider, 2009). These interactions along with other factors such as state intervention and volatility meant that the core hierarchical market economy (HME) complementarities the finding were not geared toward upgrading and innovation (Schneider, 2013). This explanation seems to support that employees in the Brazilian subsidiary were quite reluctant to adapt the practice and used a variety of tactics to defy the requirements from the HQ.

In the Dutch subsidiary, it was encountered that employees coped positively with the adoption of the new practice and overall displayed conformity responses. This an interesting finding since it is opposed to what the NBS and VOC literatures would predicate. The review of the arguments of this literature suggests that the strength of the public training system and industry-based unions, the ability of managers to restructure organisations and work systems radically in response to market and technology changes is less than in social-democratic or liberal market economies affecting the capabilities of managers to continuously innovate their products, processes and organisational abilities, making them slow adaptation to market changes (Amable, 2002). The discussion section reflects on these puzzling findings.

5.7 The organisational field pressures

5.7.1 Coercive isomorphism

Based on the definition of coercive mechanisms proposed in section 5.2.3, referring to the devices of control imposed by actors within the organisational field. The findings show a general lack of coercive mechanisms within the information systems industry. However, what was noticed was that despite this lack of regulatory instruments, some of the interviewees made instead, allusion to national regulation consistent with the mandating (Fox, Ward, & Howard, 2002) government role as a key CSR policy instrument in Denmark, France and the Netherlands (Knudsen et al., 2015). The three business systems employ coercive mechanisms towards the disclosure of social and environmental accounts, in Denmark through the Green Accounts Act of 1995 and the Financial Statements Act, in France with the most recent Law Grenelle II, and in the Netherlands with the regulation of 1999.

Danish interviewees were highly cognisant of these coercive mechanisms deployed by the government. Some of them highlighted that despite none of the existing legislation applied to the specific context of the subsidiary[7], its extensive diffusion in Denmark had an indirect influence on the way CSRR was embraced because of the government's effort in disseminating this responsibility as illustrated by P13 and P12:

> *"We are very very far ahead. We have one of the most toughest legislations in terms of how we need to report on a government level on our environmental responsibility so in general you can say that the Danish business community is very familiar with environmental reporting" (P13)*

> *"It absolutely does influence because in Denmark now there is a Law saying that the largest companies they have to report on how many women are on management positions, they have to report on environmental issues, they have to report on anti-corruption issues and they have to report on human rights. So these thousand largest companies in Denmark have to find in their statutory accounts that they have to report on these issues" (P12)*

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[7] According to the article 225 of the Law Grenelle II and the Danish Financial Statements Act, subsidiaries are not obliged to report on CSR if the parent company reports on CSR on the group's behalf. The Green Accounts Act applies only to companies operating in environmentally –sensitive sectors.

Contrastingly, none of the French and Dutch subsidiary interviewees was familiar with existing Laws for CSR reporting.

> *"I don't think there is a law for CSR reporting in France…" (P7)*
> *"I am not aware of such regulation…" (P11)*

While in the Brazilian subsidiary, it was recognised that the government had not been very active devising coercive mechanisms to induce transparency which again underscores the more explicit approaches to SEA in hierarchical market economies highlighted in section 5.5, no coercive mechanisms were identified by the interviewees in the American subsidiary who consistently heightened the idea of the market as a self-regulatory mechanism.

5.7.2 Mimetic processes

Turning to the mimetic pressures, the Danish, Brazilian and American managers were quite open about tracking the social and disclosure activity of their perceived competitors. The American subsidiary's competitors were mostly other large American MNCs in the same industry, while for the Brazilian subsidiary, the competitors also included foreign banks and financial services companies. The sustainability manager in the Brazilian subsidiary highlighted that before their acquisition, DaTec was the leader in CSRR in Brazil as highlighted in the following quote:

> *"All the main competitors in Brazil are focusing only on the economic side of business, they do not report, they have only a few actions on the interaction with society but we are the leader in the industry and we are benchmarking here" (P19)*

The Dutch managers followed what their competitors were doing but not as formally and systematically as their counterparts in their other subsidiaries because these were small and local businesses. Interestingly, the Danish Marketing Manager referred to international rather than to domestic competitors and strongly highlighted her motivation to keep pace with competitors.

The monitoring of competitor's activity in the US was justified as a mechanism to ensure that FINEST remained the leader in CSR reporting as illustrated in the following quote:

"We don't see our competitors as actively engaged all of the way as we are. I personally don't see when I'm involved in advocacy conferences or outreach programs involved as much as we are, and I think the advocacy community will especially tell you that and they are there, they invest but they are nor as aggressive in the area as we are. Big corporations in America are doing more charitable things. I do not know of any other company in my area that it's gone into the community and provide information like FINEST does. I do not believe, I have not heard that our competitors in the US have done a thing. In fact I'm sure that they haven't" (P25)

The French interviewees indicated that they paid no attention to what their competitors were doing (e.g., whether they published information or held stakeholder dialogues) and did not see CSRR as contributing to competitive advantage within the industry. They claimed that customers in the French information system industry were not interested in the social and environmental performance of the company. This is highlighted in the following quote:

"I think the customers would think 'Ok why should we be bothered in having this information? I don't think they are interested" (P11)

The Danish and Brazilian subsidiaries were the only cases that referred to the UN Global Compact as one of the most influential international standards in the field. The knowledge about it was more extensive in the Brazilian subsidiary as it had a signatory to the Global compact and used GRI as main framework to produce the report and included other guidelines from the National Quality Foundation (FNQ), and the guidelines of the Brazilian Association of Listed Companies (Abrasca).

5.7.3 Normative pressures

Surprisingly, normative pressures were only identified in the Brazilian subsidiary, there was no indication of these pressures across the rest of the subsidiaries. The interviews and subsequent corroboration of the data suggested that the Brazilian subsidiaries had been awarded several prizes for standard implementation, such as the Abrasca prize for Best Corporate Report for Private Sector Companies in 2006 and engaged actively in the promotion of CSRR organisational practices through the institute ETHOS mentioned in section 5.5.

Table 24 organisational field pressures across the subsidiaries

	French subsidiary	Danish subsidiary	Dutch subsidiary	Brazilian subsidiary	American subsidiary
	Absence of coercive mechanisms within the organisational field				
Coercive isomorphism	•Unawareness of national regulation	•Awareness of national regulation	•Unawareness of national regulation	•Awareness of absence of national regulation	•Awareness of absence of national regulation
Mimetic processes	•Subsidiary does not pay attention to the CSR reporting activities of competitors.	•Subsidiary actively tracks CSR reporting activity of their competitors •UN Global compact	•Aware of competitors but does not track them as they are small Dutch companies •Media	•Abrasca awards for CSR reporting •Rankings •Magazines •Subsidiary tracks local and big foreign companies in the Banking and Financial services •UN Global Compact •GRI (Global Reporting Initiative) •Integrated reporting (IR) •National Quality Foundation guidelines (FNQ)	•Strong competition from big global companies •Subsidiary actively tracks reporting activity of these competitors.
Normative pressures	No normative pressures mentioned during interviews	No normative pressures mentioned during the interviews	No normative pressures mentioned during interviews	•Ethos: Industry association for CSR	No normative pressures mentioned during interviews

5.8 Discussion

Overall, the analysis of the influence of national business systems of the host countries, suggest that in a state led market economy (SLME), continental European economy (CEE) and a social democratic economy (SDE) the institutional landscape has reinforced the development of implicit SEA forms in the subsidiaries while for a market based capitalism (MBC) and a hierarchical market economy (HME), explicit forms have dominated the subsidiaries' approaches to SEA.

Explicit forms of SEA were detected in the American and the Brazilian subsidiaries. In the former, these practices allowed engaging in intense external communications aligned with a PR strategy while in the latter, these processes allowed recording systematically social and environmental data in order to produce annually a CSR report. The findings in the American

subsidiary suggest that firms in market based capitalism (MBC) are more likely to emphasise the publicity of their CSR programmes because they are more dependent on satisfying investor and financer demands. In the Brazilian subsidiary, these voluntary practices are complementary to the institutions in hierarchical market economies (HME) characterised by a lack of government capacity to address corporate accountability and transparency matters and the development of business associations that solve social issues.

In contrast to these findings, institutionalised forms of stakeholder participation and dialogue with social partners were found in the three European subsidiaries. The implicit forms in the three cases share some similarities such as the consensual stand, the involvement of a broader range of stakeholders and the legitimisation of corporate efforts in the social and environmental agenda, however, they also differ in the type of forms (e.g., dialogues, storytelling and works council). In the Danish subsidiary the implicit forms reflect the social democratic economy (SDE) labour relationships characterised by an approximate symmetry of power embodying traditions of consultation and collective organisation, while in the Dutch subsidiary they reflect the longstanding role of the government coordinating business activities and the corporate governance system conceiving a company as an entity pursuing public interest in continental European economies (CEE). The works council as a form of implicit SEA was found across the Dutch and French subsidiaries and is embedded in the corporatist complex of both national industrial relations system.

Nevertheless, not all the identified forms fulfil the ideal theorised cases of implicit/explicit. Some surprising findings were found in the Brazilian and the Danish subsidiary where both elements of implicit and explicit were detected. For instance, the Danish subsidiary denoted the most instrumental and competitive motivations suggesting the existence of implicit forms with explicit motivations. This finding is contrary to the literature suggesting that in coordinated market economies (CMEs), typology to which commonly Denmark is associated with, companies face strong relational pressures for CSRR (e.g., Young & Marais, 2012). In

the Brazilian subsidiary although the explicit form is the dominant approach, it is underpinned by a mix of relational and instrumental motivations.

Subtle differences within the implicit forms also emerge among the Dutch and French subsidiaries. Despite in both cases the works council served as mechanism of accountability, higher levels of employee involvement were found in the Dutch case which highlights the recognition of employees as a legitimate party in the decision-making within firms in continental European economies (CEE) and the less powerful and organised employee representation mechanisms in state-led market economies (SLME).

Applying a new institutionalist perspective allows identifying the strength of the pressures and the diffusion of CSRR across what could be considered as a low risk industry (Bebbington et al., 2008b). Despite belonging to the same organisational field or industry, the intensity of the pressures occurs in varying degrees across the five subsidiaries. The American, Brazilian and Danish subsidiaries are more susceptible to isomorphic pressures through the influence of mimetic pressures (practices of other global peers, global networks, e.g., UNGC and international frameworks, e.g., GRI) normative mechanisms (business associations dedicated to CSR) and indirectly through coercive mechanisms in the Danish case at the national level regulating explicit forms of SEA.

The European cases highlight that continental European economies (CEE), social democratic economies (SDEs) and state led market economies' (SLME) governments are increasingly adopting strategic roles in the promotion of CSRR mainly through coercive mechanisms, as part of a process of marketisation of institutional arrangements where public value is gradually being replaced by shareholder value, shifting CSR relational drivers towards competitive motivations (Kang & Moon, 2012).

As shown in Figure 12, the French and Dutch subsidiaries are more closely enmeshed in national structures and institutions which flavour distinctive implicit forms which appear incompatible with the transferred CSRR practice from the HQ. This low degree of

compatibility is further accentuated with weak isomorphic pressures. The SEA forms developed before the transfer of CSRR in the American subsidiary were strongly similar to what was diffused. The strong isomorphic pressures in this subsidiary amplified the already strong level of compatibility. In contrast to its European counterparts, the Danish subsidiary was not totally immune to the isomorphic pressures. These moderate organisational pressures reinforced its already instrumentally driven-implicit institutionalised forms. Similar to the Danish case, the Brazilian subsidiary also developed hybrid SEA forms combining elements of implicit and explicit which interacting with the strong pressures from the organisational field led to a moderate level of compatibility.

Figure 12 Influence of developed implicit/explicit forms and organisational field pressures on the level of compatibility between transferred and existing practices
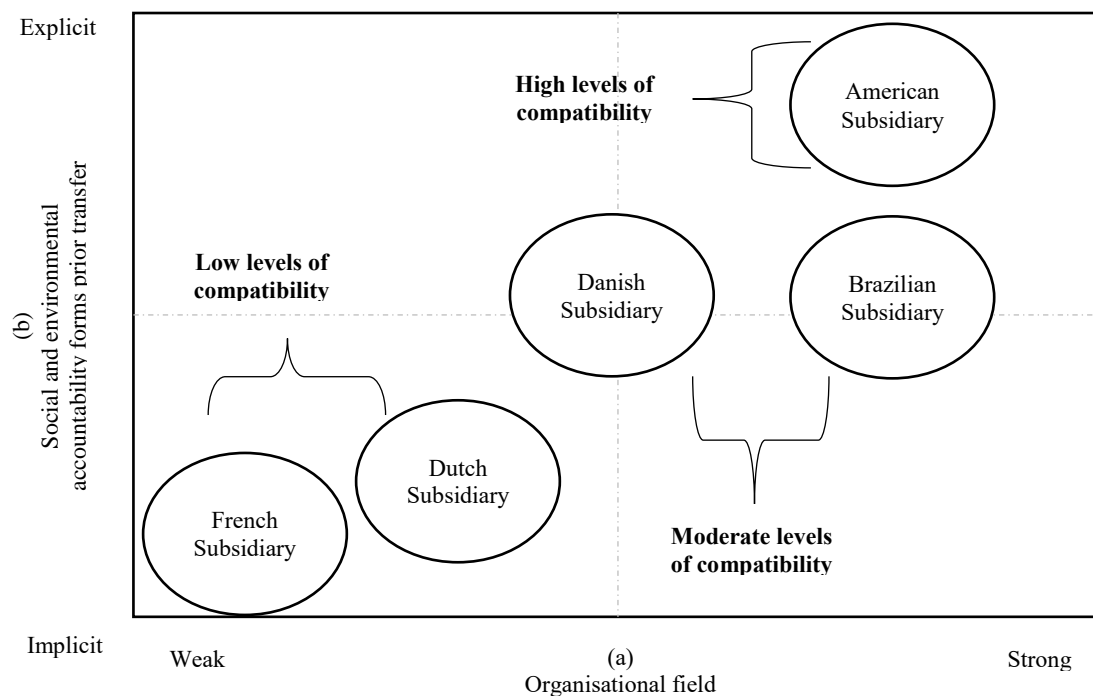
National institutions also influence the adaptation configurations and strategic responses through the institutional complementarities that determine the development of key organisational capabilities of firms to respond to changing and differentiated demands. The findings show that the Danish and American business system have generated institutional complementarities (Crouch, 2010) that provide subsidiary actors with resources for actively

shaping the transferred practice that were found absent in the French and the Brazilian subsidiary. Based on the analysis outlined above, Figure 13 depicts the theoretical framework capturing the iterative influences of the NBS and the isomorphic pressures from the organisational field where the solid lines refer to a direct influence and a dashed line denotes an indirect influence.

Figure 13 Influence of the national business system and the organisational field
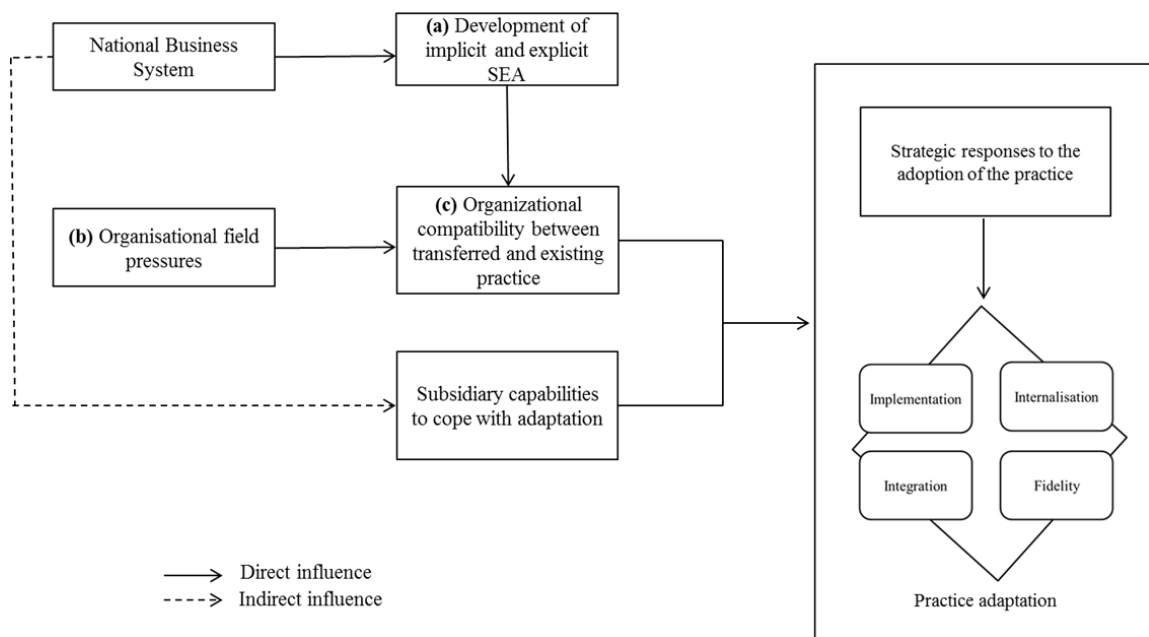
Linking influence of national business systems and organisational field pressures on strategic responses and adaptation to CSRR

The analysis of both the business system and the organisational field suggests that the adaptation to CSRR may face strong barriers in the French and Dutch subsidiary, relatively lower constraints in the Danish and Brazilian subsidiary and almost no constrains in the American subsidiary. The findings of Chapter 4 suggest that while for the American, French and Danish subsidiary, this prediction seems to be true, the findings identified in the Dutch and the Brazilian subsidiary suggest that the configurations of strategic responses and adaptation cannot sufficiently be explained by the national institutions and organisational field pressures.

The French and the American subsidiaries constitute the "positive cases" that confirm the predictions of the comparative and new institutionalist perspectives. These two cases can be considered the antithesis of each other in the sense that their strategic responses and adaptation configurations are the opposite of each other. The former displayed *intentional decoupling* and avoidance strategies while the latter displayed a *proactive adaptation* with compromise strategies. The pressures in the national and organisational field also mirror this antithesis. The French subsidiary had developed incompatible practices prior to the transfer and was subject to weak organisational field pressures. By contrast, the American subsidiary had the highest level of compatibility and was subject to strong isomorphic pressures. While the French business system had not equipped the subsidiary with capabilities towards adaptation, the American system had provided the subsidiary with resources for actively shaping the transferred practice.

The findings in the Danish subsidiary are also generally consistent with the forecasted suggestions of the comparative and new institutionalist perspective. The Danish subsidiary displayed conformity and very proactive responses to the adaptation of the practice, which is not entirely surprising since its implicit institutionalised forms are instrumentally driven, requiring less effort in the adaptation. In addition, the Danish business system has equipped the subsidiary with normative frameworks that support innovation and adaptation.

The Dutch and Brazilian subsidiaries are the "negative cases" in the analysis. Despite the weak pressures from the organisational field and the high level of incompatibility between the transferred and institutionalised implicit forms, the configurations identified in the Dutch subsidiary (compromise responses and moderate levels of implementation, internalisation and integration) may suggest the influence of other antecedents at different level of analysis. Another piece of evidence supporting this argument is that the organisational capabilities to cope with change and adaptation found in the Dutch subsidiary could not be linked to its institutional complementarities anticipated by the NBS and VOC literatures. In the case of the Brazilian subsidiary, despite moderately compatible practices and supportive organisational

field pressures, the practice was ceremonially adapted and employees used a variety of responses located towards the resistant end.

5.9 Conclusion

This chapter has set out to examine the influence of the national business system and the organisational field pressures on the strategic responses to adoption of CSRR and configurations of adaptation. It contributes to the literature that has generally neglected the mutual influence of both levels of analysis and relied almost exclusively in one of the two theoretical perspectives leaving the field fragmented and offering one-sided views on the phenomena (Edwards et al., 2007). The study fills in this theoretical gap and advances the knowledge in the CSRR literature and transfer of practices in the following ways.

First, this chapter shows that national institutions continue to influence the orientations of social and environmental accountability. These institutional configurations may be supportive or complicate the transfer of CSRR through two influences. First through the development of other "implicit" forms of responsibility developed in the subsidiaries' host country business system that continue to inform the subsidiary's social and environmental accountability. Second, through the development of key organisational capabilities such as the capacity to respond to changing and differentiated demands and that provide resources for shaping practice transfer (Almond, 2011; Ferner et al., 2012). The findings show that institutions in social democratic economies (SDE) in comparison to state-led market economies (SLME) and continental European economies (CEE), make it easier for firms embedded in such business system to easily accommodate explicit forms originated in a market based capitalism.

Second, the integrated approach adopted in this chapter using two schools of institutionalism in the study of the determinants of subsidiary adaptation of practices (Tempel & Walgenbach, 2007) reconciles the fragmented convergence/divergence dichotomy caused by the tensions between the global isomorphism and national institutional configurations. While neo-

institutionalist reasoning acknowledges the degree of dissemination of CSRR across organisational fields (Fortanier et al., 2011; Kolk, 2010; Levy & Rothenburg, 2002), the comparative perspective brings to light the political and economic national landscapes under which CSR practices originate. This chapter contributes mainly by uncovering the mutual influence of the configuration of implicit/explicit SEA informed by national institutions and the organisational field pressures on the degree of compatibility between the transferred practice and the existing institutionalised practices.

By bringing to light the existing social and environmental accountability institutionalised forms prior to the diffusion of CSR reporting, this chapter expands the nascent field addressing the interactions of national institutions and organisational pressures on CSRR (Chen & Bouvain, 2009; Jackson & Apostolakou, 2010; Young & Marais, 2012) and shows that varying degrees of organisational field pressures may buffer or enhance the differences between the implicit and explicit. The findings provide support to some the arguments of these studies in that national differences remain strong in industries characterised by low levels of risk and that CSRR is more likely to be adopted in European countries with high levels of institutionalised regulation. This chapter expands those findings by suggesting that those coercive mechanisms devised by the state pressures in low risk industries will influence less onerous adaptations of CSRR but this is contingent on employee's awareness of those mechanisms. Chapter 7 will build on this finding and zoom in further the role of key boundary spanners translating and reading those pressures from the environment.

Unlike previous studies in the CSRR literature which focus ultimately on one of the explicit forms of SEA, the CSR reports, this paper challenges this overemphasised focus and contributes to the comparative analysis of CSRR distinguishing between the implicit (largely ignored by the literature) and explicit forms and attending to the subsidiary level practices. The cross-national analysis of other capitalist typologies distinct to the overemphasised dichotomy between liberal market economies (LME) and coordinated market economies (CME), has provided a fine-grained view of other implicit forms such as storytelling, works

councils and institutionalised dialogues which are complementary to the broader institutional landscape and that influence the configurations of adaptation of the explicit forms. The chapter contributes to the conceptualisation of social and environmental accountability, which goes beyond the voluntary, to recognise that it assumes different forms and serves different functions in different contexts (Kang & Moon, 2012).

Finally, it contributes to the small literature empirically using the distinction of implicit/explicit (e.g. Hiss, 2009; Jamali & Neville, 2011; Witt & Redding, 2012) and contributing to the theoretical refinement of the concept (e.g. Blindheim, 2015). The findings in this chapter demonstrate that implicit SEA still takes place, the explicit form does not take over existing practices, and that in some contexts, explicit and implicit forms of responsibility are not necessarily dichotomous, but can be inter-active. Similar to the findings by Witt and Redding (2012) where they found variants of each form, this chapter illustrates hybrid forms combining implicit forms and explicit motives (Danish subsidiary) or the explicit forms with a mix of implicit and explicit motivations (Brazilian subsidiary).

The analysis of this chapter has shown that the national institutions and organisational field pressures are limited in explaining the adaptation configurations identified in chapter 4. The Dutch and Brazilian case clearly suggest that other causal mechanisms play a role in the responses and adaptation to CSRR. To address this limitation, the study progresses with the endeavour of examining the determinants across nested levels of analysis that explain the different configurations of adaptation.

The next chapter draws the attention to the next layer: the intra-organisational level in the context of the HQ-subsidiary relationship. It will focus on the influence of prior stocks of knowledge and the mechanisms used by the HQ to enhance the subsidiary capabilities to filter, assimilate and apply the transferred practice.

6. The influence of the MNC's organisational mechanisms

6.0 Chapter overview

Whereas the previous chapter studied the influence of the national institutions and organisational field pressures on the adaptation to CSRR, this chapter investigates the organisational level of analysis by zooming on the interaction between subsidiary stocks of CSRR knowledge and the MNC's organisational mechanisms underpinning the transfer of CSRR. To do so, this chapter builds on the intra-MNC knowledge literature theorising absorptive capacity (ACAP) as a critical determinant for organisational units to benefit from incoming knowledge flows. This chapter addresses two main questions: how do prior knowledge, and MNC's mechanisms such as control, social and integration affect the subsidiaries' absorptive capacity and how does absorptive capacity influence the adaptation of CSRR? The findings of this chapter show that depending on the degree of the social, control and integration mechanisms, the effects of prior stocks of CSRR knowledge on ACAP may vary. Those subsidiaries that developed the capabilities of recognition, assimilation and application were better equipped to adapt the practice. The findings generally indicate that absorptive capacity is necessary to achieve high levels of implementation, internalisation and integration. This chapter mainly contributes by addressing the interaction of heterogeneous levels of prior knowledge and organisational mechanisms largely overlooked by the literature and emerging issues regarding the reification of the ACAP concept.

6.1 Introduction

This chapter addresses the question of how do prior knowledge and MNC's organisational mechanisms affect the subsidiaries' absorptive capacity and how does absorptive capacity influence the adaptation of CSRR? The specific chapter aims are:

- To determine the influence of the MNC's social, control and integration mechanisms on the three dimensions of subsidiary absorptive capacity.

- To analyse the interaction between heterogeneous stocks of knowledge and organisational mechanisms on the subsidiaries' absorptive capacity.

- To determine the influence of the MNC on the strategic responses to the adoption and adaptation of CSRR

The review of the literature in transfer of practices within MNCs in chapter 2 evidenced a lack of understanding of the ways in which the HQ may influence the adaptation of transferred practices. Interesting insights can be found in the transfer of knowledge literature, according to which, the transfer of a practice can be viewed as a transfer of knowledge between the two parties: the sender (the HQ) and the recipient (subsidiaries). According to this literature, by transferring practices, MNCs can replicate competences originated in the home country across their subsidiaries which may recombine this transferred knowledge with related knowledge assets (Hansen & Løvås, 2004) and exploit it to prosper in local markets (Kuemmerle, 1999).

Practice adaptation entails establishing new routines, building a common understanding of certain practice components (Perez-Aleman, 2011) for which the recipient units need to develop absorptive capabilities (Szulanski, 1996). The literature has suggested the absorptive capacity (ACAP) to be one the most significant determinant of internal knowledge transfer in MNCs (Gupta & Govindarajan, 2000) as it refers to firm's capacity to recognise, assimilate and apply external knowledge (Cohen & Levinthal, 1990). A vast number of studies in the literature in knowledge transfer have extensively discussed the impact of internal mechanisms inducing knowledge flows (e.g. Gupta & Govindarajan, 2000; Szulanski, 1996) between the HQ and the subsidiary. The problem with these studies is that many of them (implicitly) assume that the benefit created from the flow is a function of how much knowledge "volume" an organisational unit receives (Ambos et al., 2013; Andersson et al., 2015) but they seem to disregard that receiving units require organisational capabilities to filter, assimilate and apply the transferred knowledge and have heterogeneous knowledge stocks (Ambos et al., 2013;

Foss & Pedersen, 2002). The challenge of adopting adequate mechanisms to enhance the capabilities of subsidiaries has become particularly relevant in the context of acquisitions in which some of the subsidiaries may possess either "limited competence" (Hoenen & Kostova, 2014) or "too much experience" regarding specific knowledge such as CSRR. This chapter fills this gap by addressing the question of how prior knowledge as well as MNC's mechanisms such as control, social and integration influence subsidiaries' ACAP and how these capabilities influence the adaptation of CSRR. The literature in intra-MNC knowledge and ACAP guides the theoretical understanding of this chapter and contributes to the field in in several ways.

The findings show that prior knowledge is not a sufficient explanation to the development of subsidiary ACAP but it is also dependent on MNC's organisational mechanisms that will trigger the development of the capabilities to recognise, assimilate and apply knowledge. Subsidiaries that displayed a proactive adaptation of CSRR (American and Danish subsidiaries) and unintentional decoupling (Dutch subsidiary) exhibited well-developed capabilities of recognition, assimilation and application of the transferred knowledge. By contrast those subsidiaries engaging in ceremonial adaptation and intentional decoupling manifested limited absorptive capabilities (Brazilian and French subsidiary). The findings in this chapter contribute to explain the adaptation configurations that the study of the institutional context solely could not explain.

The contribution of this research lies in uncovering the interaction between heterogeneous levels of prior knowledge and organisational mechanisms deployed by the HQ fostering ACAP, as the theoretical understanding of how incoming knowledge is linked to existing knowledge stocks is, to date, scarce and fragmented (Ambos et al., 2013; Michailova & Mustaffa, 2012). This chapter shows that the effects of prior stocks of knowledge on the development of ACAP will be contingent on the nature and intensity of the organisational mechanisms supporting the argument that prior knowledge is a necessary condition rather than a sufficient condition for a subsidiary to develop ACAP. The research design addresses

emerging issues regarding the reification of the ACAP construct and highlights the value of empirically studying ACAP in a non R&D context capitalising on qualitative methods. The findings have implications in current debates in the literature regarding the bright side assumption of knowledge transfer (Reus, Lamont, & Ellis, 2015).

The rest of the chapter is divided into five sections. Section 6.2 is dedicated to the theoretical framework of this chapter. Following a section describing the methodology (section 6.3), section 6.4 to 6.7 report the main findings. The discussion highlights the significance of the findings, followed by section 6.9 which elaborates on the theoretical contributions of this chapter.

6.2 Theoretical Framework

6.2.1 Absorptive capacity

Earlier, chapter 2, outlined that the ability to transfer and combine capabilities across geographically dispersed units (Grant, 1996; Gupta & Govindarajan, 2000) is recognised as a competitive advantage of MNCs, where often HQs possess valuable intangible assets and capabilities that subsidiaries can use to develop context-specific knowledge and exploit it to address local problems and challenges (Gupta & Govindarajan, 2000; Johanson & Vahlne, 1977) and thus prosper in their local markets (Kuemmerle, 1999). However, the mere flow of knowledge does not guarantee that subsidiaries will understand, assimilate and apply complex knowledge about the reporting of their social and environmental impact. The role of systems, structures and processes deployed by the HQ is vital for the effective assimilation and exploitation of knowledge by subsidiaries which may possess "limited competence" (Hoenen & Kostova, 2014) or "too much experience".

Recipient units need to develop absorptive capabilities to adopt practices (Szulanski, 1996). Absorptive capacity (ACAP) is one of the most significant constructs in organisational research in recent decades. Its literature has rapidly expanded to fields such as innovation

(Tsai, 2001), performance (Lane, Salk, & Lyles, 2001), knowledge transfer (Gupta & Govindarajan, 2000; Szulanski, 1996) and inter-organisational learning (Lane & Lubatkin, 1998). Within the literature in MNC knowledge transfer, ACAP has been identified as one of the most significant determinants of knowledge flows (Gupta & Govindarajan, 2000). The construct finds its roots with the work of Cohen and Levinthal (1990) who defined it as the firm's ability to identify, assimilate, and exploit external knowledge to commercial ends.

Absorptive capacity (ACAP) is one of the most prominent constructs in organisational research in recent decades which finds its roots with the work of Cohen and Levinthal (1990) who defined it as the firm's ability to identify, assimilate, and exploit external knowledge to commercial ends. Despite the rapid expansion of the ACAP literature, recent comprehensive reviews (Lane, Koka, & Pathak, 2006; Todorova & Durisin, 2007) have identified several issues such as the omission of insights from the original conceptualisation, the lack of specification of the underlying assumptions and its portrayal as a one-dimensional construct (often assessed as a function of the unit's familiarity with the incoming knowledge or as a sum of employees' prior knowledge). Most of the empirical studies have examined ACAP in an R&D context—often with R&D intensity as a proxy and relying on quantitative research methods. This has limited the generalisability of findings to other types of business-related knowledge and restricted the possibility of building new theory regarding the processes underpinning ACAP.

Despite current attempts to refine and reconceptualise the ACAP construct, studies continue to exhibit some of the issues outlined above reinforcing its reification (Lane et al., 2006). For example, Zahra & George (2002) reconceptualise ACAP as a dynamic capability embedded in an organisation's routines through which knowledge is acquired, assimilated, transformed and exploited, and they regroup the four dimensions into two distinct factors: potential and realised. Nevertheless, their model does not build systematically enough on Cohen and Levinthal's original contribution and introduces a new component (knowledge

transformation) which recent scholars (e.g., Todorova & Durisin, 2007) do not consider it the step after knowledge assimilation but an alternative process linked to assimilation.

Given these misinterpretations that have led to a potential reification of the concept (Lane et al., 2006), this chapter draws from the original concept of absorptive capacity proposed by Cohen and Levinthal (1990) that rests on three components: recognition, assimilation and application of external knowledge. The first dimension refers to the firm's capability to value and understand external knowledge but does not guarantee the exploitation of this knowledge. The capability to recognise the value of new external knowledge represents an important component of absorptive capacity because the valuing is not automatic and it needs to be fostered in this case by the HQ to allow the absorption to begin at all (Lane et al., 2006). The assimilation component, also labelled as transformation, refers essentially to the ability to process new knowledge. It is through this capability that the subsidiary identifies complementary assets close to its prior knowledge and the newly acquired knowledge is combined with the existing knowledge of the firm (Lane et al., 2006). This component affects how such knowledge is shared between and transferred to different parts of the organisation. Finally, the application component, also labelled as exploitation, reflects the firm's capacity to leverage the knowledge that has been absorbed, in other words, purring new knowledge into effective use.

6.2.2 Antecedents of ACAP

The literature in knowledge transfer has extensively discussed the impact of internal mechanisms inducing knowledge flows between the HQ and the subsidiary (see Michailova & Mustaffa, 2012 for an extensive review). An often implicit assumption of these studies is that the benefit created from the flow is a function of how much knowledge an organisational unit receives (Ambos et al., 2013; Andersson et al., 2015). While the literature has focused on the occurrence of "flows" it has paid less attention to the means of transferring knowledge which will influence the subsidiary capabilities to filter, assimilate and apply the diffused

knowledge and the ways in which these mechanisms interact with heterogeneous subsidiary knowledge stocks (Ambos et al., 2013; Tsai, 2001).

While the MNC literature has identified ACAP as one of the most significant determinants of internal knowledge transfer (Gupta & Govindarajan, 2000), it has rarely discussed its antecedents at the subsidiary level (see Song, 2014 for a recent review). The broader ACAP literature offers interesting theoretical and empirical insights regarding the influence of organisational mechanisms on the development of these capabilities at the intra-organisational level. Van den Bosch, Volberda, & de Boer (1999) argue that the level of ACAP is not only determined by the level of prior related knowledge, but also by the moderating determinants of organisation forms and combinative capabilities. Zahra & George (2002) consider knowledge sources and experience as antecedents of potential ACAP and social integration mechanisms as reducing the gap between potential ACAP and realised ACAP.

The study of Jansen et al., (2005) is one of the few empirical studies of organisational antecedents to ACAP which included three types of mechanisms: coordination, systems and socialisation capabilities. They found that coordination capabilities (i.e. cross-functional interfaces, participation in decision-making, and job rotation) primarily enhance potential ACAP while organisational mechanisms associated with socialisation capabilities (i.e. connectedness and socialisation tactics) primarily increase realised ACAP. However, the main weakness of their study is their reliance on the ACAP construct making a neat distinction between potential and realised ACAP reinforcing the reification of the construct.

6.2.2.a Prior knowledge
Prior related knowledge has been described as the various related knowledge domains, basic skills and problem solving method, learning experience, learning skills and shared language (Cohen & Levinthal, 1990). One of the main assumptions of ACAP is that organisations will only be able to benefit from incoming knowledge if they possess a stock of knowledge in the respective field that allows them to connect the different knowledge elements (Cohen &

Levinthal, 1990). Subsequent studies in the ACAP literature have argued that a unit's response to knowledge inflows is influenced by its interpretations and perceptions, which are primarily shaped by its existing knowledge stocks (Van den Bosch et al., 1999; Tsai, 200) but are unclear about how heterogeneous repository knowledge stocks will influence those capabilities. In the MNC literature, some empirical studies equate ACAP to relevant prior knowledge (e.g. Gupta & Govindarajan, 2000) and overlook the process capability aspect initially suggested by Cohen and Levinthal.

6.2.2.b Organisational mechanisms

Absorptive capacity is required to understand and apply the knowledge transferred from the HQ and is developed in an interaction process (Björkman, Barner-Rasmussen, & Li, 2004) dependent to a significant degree on the specific relation between HQ and subsidiary. This chapter integrates the study of three different types of organisational mechanisms which are broadly classified as control, social and integration mechanisms.

The relationship between the HQ and the subsidiary can be theorised of agency nature in which the HQ is the principal and the subsidiary is the agent. To mobilise knowledge, the HQ relies on various mechanisms to influence the development of subsidiaries absorptive capacity and simultaneously guarantee that the outcomes of such processes are aligned with the goals and interests of the HQ.

Agency researchers have traditionally proposed that principals tend to use three types of control: direct (behaviour), output (Chang & Taylor, 1999) and cultural (Eisenhardt, 1989; Ouchi, 1981; Ouchi & Maguire, 1975). Direct control implies intervention by the HQ in the subsidiary's on-going operations, through centralised decision making and/or through direct supervision by HQ representatives. Output control implies evaluation of the subsidiary's performance through use of evaluation criteria such as financial performance, market share, productivity or knowledge development (Andersson, Björkman, & Forsgren, 2005). Cultural control involves the indoctrination of agents into principal's values and interests. It has

received less empirical attention than the two main control and output mechanisms and has been mentioned as a distinct control mechanism.

Control mechanisms
Subsidiaries are reliant on their parent firms for a range of vital resources (Kostova & Roth, 2002; Taylor et al., 1996) such as investment funds, technology and managerial knowledge. Moreover, the pay packages and promotion aspects of subsidiary managers are heavily shaped by the corporate HQ (Coller, 1996). Through these mechanisms, parent company managers are able to structure the choices and actions of those in the subsidiaries. There are two broad types of control mechanisms: output and behaviour.

Control (output) mechanisms
 From an equity theory perspective, employees expect that they receive the rewards they are entitled to, based on their contribution to the organisation (Minbaeva, Pedersen, Björkman, Fey, & Park, 2003). MNC's HQ may put in place financial compensation systems that encourage the subsidiary capabilities to assimilate and use the transferred knowledge. This chapter investigates two types of (output) mechanisms: financial incentives and specification of performance evaluation.

Financial incentive mechanisms refer to the use of rewards, increments/bonuses and promotion for recognising, assimilating and exploiting knowledge at the subsidiary level (Gooderham, Minbaeva, & Pedersen, 2011). In social capital research, it has been suggested that a consistent use of mechanisms such as rewards sends "a signal to organisational members about the kinds of activities and habits of practice that are valued by the organisation" (Leana & Van Buren, 1999:545). Despite agency theory suggesting that output control can be an efficient way to affect the behaviour of subsidiaries, previous studies (e.g. Björkman et al., 2004; Gupta & Govindarajan, 2000) have failed to establish a positive effect of compensation and knowledge flows.

Specification of performance evaluation provides employees with feedback on their performance and provides direction for enhancing their competencies to meet the needs of the

firms (Minbaeva et al., 2003). The criteria used by HQ to evaluate subsidiary performance are likely to influence what subsidiary managers pay attention to and focus on in their operations (O'Donnell, 2000). The more the HQ underline knowledge assimilation as a criterion for evaluating subsidiaries, the higher the propensity of the subsidiary to invest time and resources in assimilating and using the knowledge transferred (Andersson et al., 2005; Björkman et al., 2004).

Control (behaviour) mechanisms
The authority-based hierarchical mechanisms have been suggested suitable for promoting "obedience to authority for material and spiritual security" (Adler & Kwon, 2002:18). These mechanisms stimulate interactions that are based on the latent threat that a lack of cooperation will trigger the prospect of sanctions. The literature has suggested that rather than "consummate cooperation", hierarchical control mechanisms may result in purely "perfunctory compliance" (Ghoshal & Moran, 1996:25). This chapter studies the degree of budget autonomy.

The use of *budgetary controls* has been considered a major tool for control over the behaviour of units, groups or individuals (Chenhall, 2003) by breaking down expenditure norms for specific tasks and operations. In the context of knowledge transfer, the effect of subsidiary autonomy is uncertain (see Ghoshal & Bartlett, 1988; Gupta & Govindarajan, 2000; Noorderhaven & Harzing, 2009). Recently Björkman, Stahl, and Vaara (2007) obtained mixed results and showed that participation in decision making was only positively related to acquisition of knowledge but not to the other capabilities such as assimilation and application.

Social mechanisms
 In the knowledge transfer literature, the concept of social relations has received substantial attention (e.g., Bresman, Birkinshaw, & Nobel, 2010; Gupta & Govindarajan, 2000; Tsai & Ghoshal, 1998). It is argued that management can positively influence knowledge transfer by deploying non-market, intrinsic incentives (Osterloh & Frey, 2000: 541) that "allow for establishing psychological contracts based on emotional loyalties". The increase in inter-unit

interaction is likely to enhance the focal unit's ability to identify, acquire and assimilate capabilities residing in the other unit because it receives more information about the practice (Lenox & King, 2004). The review suggests the existence of mixed arguments regarding the impact of social mechanisms on any of the three dimensions of absorptive capacity. Zahra and George (2002) suggested that socialisation tactics enhance the combination of newly acquired knowledge and existing knowledge through facilitating "bisociation" among unit members, facilitating thus the second dimension. Jensen et al., (2005) found that socialisation tactics enhance commitment and compliance along with the exploitation process of new external knowledge (third dimension). They also suggested that socialisation mechanisms impede a unit's ability to acquire and assimilate new knowledge but they did not find evidence to support their hypothesis. In contrast, Hotho, Becker-Ritterspach, and Saka-Helmhout (2012) found that social integration mechanisms influence all components of absorptive capacity and that the influence can be either positive or negative according to the type of new knowledge and type of knowledge processes. Three mechanisms are investigated: the intensity of communications, corporate socialisation and visits from the HQ to the subsidiaries.

Intensity of communications has consistently been regarded as a major determinant of an organisation's effectiveness in assimilating and applying knowledge. Effective communication alleviates the anxiety caused by misinformation, facilitates interaction between individuals and ensures that the decision making process during acquisitions' integration and post-acquisition process is explicit and transparent (Bresman et al., 2010; Haspeslagh & Jemison, 1991). Szulanski (1996) suggested that transfer of tacit knowledge was facilitated by intense interaction through communications between sender and receiver. Similarly, Monteiro, Arvidsson, and Birkinshaw (2008) argued that frequent communication makes employees more aware of opportunities to leveraging competencies.

Corporate socialisation refers to the ability of the HQ to produce a shared set of values, ideology, objectives and beliefs across MNC units (Nohria & Ghoshal, 1994) that offers employees a strong sense of a shared mission and a unitary corporate culture and attractive

identity as well as collective interpretations of reality. Research on the knowledge-based view of the firm suggests that social interactions between the corporate office and managers in subsidiaries blur the boundaries of those units and stimulate the spread of information and knowledge (Hansen, 1999). Socialisation capabilities may influence ACAP by specifying broad, tacitly understood rules for appropriate action under unspecified contingencies (Camerer & Vepsalainen, 1988).

Finally *visits from the HQ* have been found positively related to knowledge transfer in acquisitions (Bresman et al., 2010). Face-to face interactions address specific tasks or problems related to the transfer of knowledge but they also integrate social components that enhance normative integration within the corporation (Van Maanen & Schein, 1977).

Integration and coordination mechanisms

Operational integration may facilitate the transfer and assimilation of more tacit knowledge, as processes and practices will have to be articulated and possibly codified. This chapter focuses on cross-functional interfaces such as *liaison individuals* who identify relevant and potentially fruitful elements of knowledge to combine with previous knowledge, select, process information and facilitate knowledge absorption without creating self-contained units. Because of their familiarity with the organisation, these individuals have an important role in selecting and processing information and have an extensive familiarity with the organisation (Tushman & Katz, 1980). Jensen et al., (2005) found that cross-functional interfaces not only enhance the knowledge acquisition and assimilation of new external knowledge but also enable employees to combine sets of existing knowledge and newly acquired knowledge thus increasing the transformation and exploitation of new knowledge (thus affecting the three dimensions).

The literature suggests that *team structures* are more effective than liaison individuals allowing employees to create social ties to other organisational members, facilitating resource sharing (Dyer & Singh, 1998) and the integration of knowledge in the organisation (Grant, 1996). Permanent teams are built into the organisational structure and have formal

responsibility and accountability for their assigned tasks (Persson, 2006) while temporary team structures are usually teams brought together for specific projects during a limited period (Gersick, 1988). Two opposed views are found in the literature. On the one hand, formal structures, processes and practices as well as integration of activities across acquiring and acquired units are suggested to make it easier to capture prior experiences that may enable employees to research for, and assimilate new external knowledge (Adler & Borys, 1996). The formal incorporation of the teams into organisational structure leads to team visibility and gives them legitimate power and creates a sense of mission (Nonaka, 1994). On the other hand, it has been suggest that non-permanent positions, create greater conditions for creation and transfer of knowledge (Persson, 2006) because they are usually more dynamic, informal and task oriented than the permanent teams. The study of the influence of permanent teams is almost absent in the absorptive capacity literature with the exception of Jansen et al., (2005) who despite not specifically referring to permanent structures, did not find support of the influence of formalisation in any of the dimensions of absorptive capacity.

6.2.3 Adaptation of CSRR as an outcome of ACAP

A firm's ACAP is not a goal in itself but it moderates important organisational outcomes (Van Den Bosch et al., 2003). Research has generally focused on innovation-related performance as a main outcome of ACAP due to the early association of the construct with R&D-related contexts, other outcomes studied by the literature are firm performance (e.g. Chang, Gong, & Peng, 2012; Tsai, 2001), competitive advantage (Zahra & George, 2002) and organisational learning (Huber, 1991; Kim, 1998).

Within the MNC literature, two broad outcome themes are encountered: the success and effectiveness of flows and innovation and technical development and performance (see Michailova & Mustaffa, 2012 for an extensive review). Conceptualisations vary in terms of the definition of a successful transfer of knowledge. Perceived benefits and effectiveness of transfer (Ambos & Ambos, 2009; Ambos, Ambos, & Schlegelmilch, 2006), knowledge improvement/development or superiority of the subsidiary (Almeida, Song, & Grant, 2002),

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or the level of implementation and internalisation of the knowledge at the recipient end (Kostova & Roth, 2002). As defined in chapter 4, the outcomes of the transfer of knowledge in the context of this research are theorised in terms of the adaptation of CSRR, integrating four key dimensions: implementation, internalisation, integration and fidelity. This chapter is interested in the role played by ACAP on those outcomes studied in chapter 4, whereby ACAP may play a catalyst role.

Based on the contributions of prior models, this chapter considers two clusters of antecedents (1) prior related knowledge and (2) organisational mechanisms deployed by the HQ. Figure 14 illustrates the organising framework that structures the study of antecedents of subsidiary ACAP and its relationship to the subsidiaries' adaptation of CSRR.

Figure 14 Organising framework of chapter 6
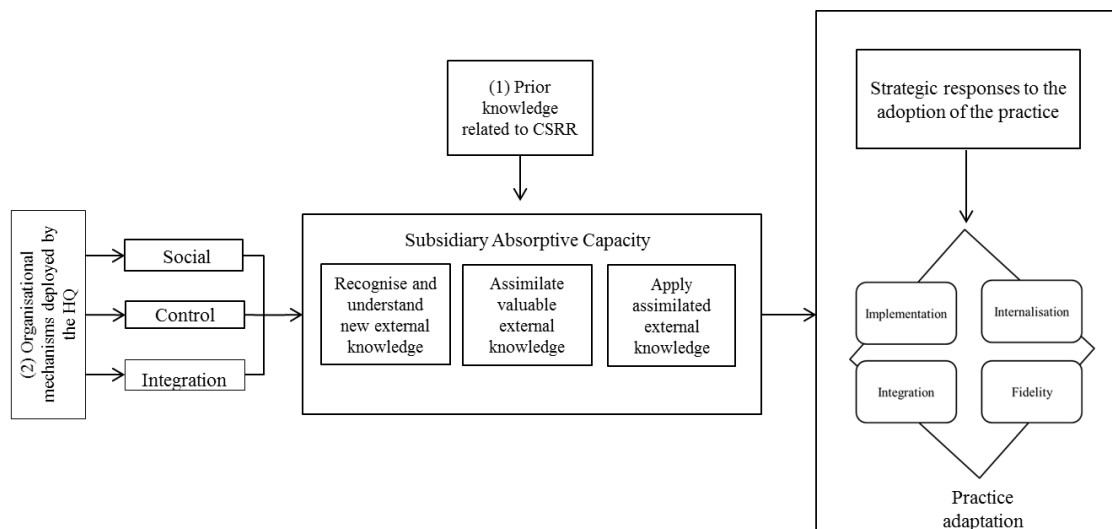
6.3 Methodology

The methodology of this chapter is consistent with the embedded multiple case study design and the six-stage model of explanatory research proposed by Danermark et al., (2002). As outlined in chapter 2, the first three stages of the explanatory model are attained through a hybrid process of inductive and deductive thematic analysis. This section elaborates on the four analytical stages of this chapter presented in the figure below.

Figure 15 The four analytical stages of the chapter
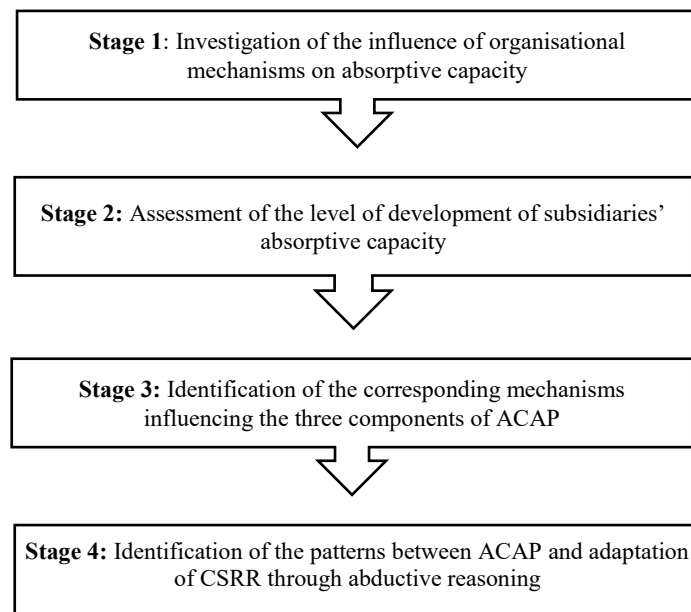
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┌─────────────────────────────────────────────────┐
│ Stage 1: Investigation of the influence of       │
│ organisational mechanisms on absorptive capacity │
└─────────────────────────────────────────────────┘
                      ▼
┌─────────────────────────────────────────────────┐
│ Stage 2: Assessment of the level of development  │
│ of subsidiaries' absorptive capacity             │
└─────────────────────────────────────────────────┘
                      ▼
┌─────────────────────────────────────────────────┐
│ Stage 3: Identification of the corresponding     │
│ mechanisms influencing the three components      │
│ of ACAP                                          │
└─────────────────────────────────────────────────┘
                      ▼
┌─────────────────────────────────────────────────┐
│ Stage 4: Identification of the patterns between  │
│ ACAP and adaptation of CSRR through abductive    │
│ reasoning                                        │
└─────────────────────────────────────────────────┘
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To investigate the influence of the organisational mechanisms on the subsidiaries absorptive capacity, respondents were asked to outline the forms of engagement that the HQ generally used in promoting and diffusing SEAR knowledge in the subsidiaries and the challenges and benefits they perceived in these mechanisms used by the HQ (see section H and I Appendix A). Codes were inductively developed from the data although the pre-understanding was theoretically informed (Mantere & Ketokivi, 2013). During the first round of coding (first-order coding), relevant codes or themes were extracted arising from the data on the basis of statements that emerged directly in the interviews to the question outlined above. Nine codes were developed: prior knowledge, specification of performance evaluation, financial incentive systems, CSRR budget control from HQ, intensity of communications, corporate socialisation practices, visits from the HQ to the subsidiary, liaison mechanisms and structure of local teams, these were entered as nodes in N-Vivo and the researcher coded the text by matching the codes with segments of data selected as representative of the code. These categories were regrouped in three broad categories based on the literature review of the antecedents of ACAP presented in section 6.2.3: control, social and integration mechanisms. The segments of text were then sorted, and a process of data retrieval organised the clustered codes for each project

document across all the six sets of data (HQ, French, Danish, Dutch, American, and Brazilian subsidiary). Descriptive codes also known as "attributes" in N-Vivo were developed to evaluate the significance of the organisational mechanisms. For example, for the intensity of communications codes were developed such as: "once per year", "twice per year", and "each quarter". The findings in chapter 4, regarding the organisational pressures and national institutions were useful to map the level of knowledge in the subsidiary. Codes were developed to assess the level of employees' CSRR knowledge prior the transfer of CSRR. The number of years of experience with CSR and CSRR before working for and as part of FINEST was noted and the extent to which the professional background of the interviewees has provided knowledge about CSRR.

The measure of subsidiary "prior knowledge" is the aggregation of the prior knowledge of each of the individual stocks of knowledge for each of the individuals interviewed. Consistent with the literature, this qualitative measure was developed based on the assessment of the subsidiaries' familiarity with the incoming knowledge (Cohen & Levinthal, 1990; Gupta & Govindarajan, 2000; Kim, 1998). Subsidiaries varied in terms of their level of CSRR prior knowledge and this was explained generally by the differences in each host country's institutional context (social and environmental accountability practices historically developed) and employees' awareness of CSRR laws and regulation, competitor's behaviour and national social and environmental agendas. Subsidiaries' employee's background (previous roles and experiences related to CSRR) and experience in dealing with CSRR in FINEST, and its level of familiarity with the incoming knowledge were assessed.

The second stage of the analysis consisted in assessing the level of development of absorptive capacity. Rather than using a proxy to assess ACAP (as most of prior studies, using expenditures in R&D), codes applicable to the context of CSRR were developed using items used by previous studies from broader measures of absorptive capacity, consisting with its definition as a capability and using the original concept proposed by Cohen & Levinthal (1990) as recommended by Lane et al., (2006) . The interview transcripts were coded. A

coded passage reflects evidence of that capability during the interview. The density of the codes was assessed using a frequency count of the coded transcripts which provide a quantitative measure of the level of development of each of the three dimensions (Table 25).

To assess the extent to which the organisational mechanisms influenced the three dimensions of absorptive capacity, the strategy suggested by Miles et al., (2014) as 'stacking comparable cases' was adopted (p.176) by which five mini-cases are written up using the templates. Once each case was well understood, it is "stacked" in the case-level in a meta-matrix condensing the findings from the associated antecedents (prior knowledge and the three types of organisational mechanisms) and level of development of ACAP. It was possible to detect ranges based on the configurations and directions of answers obtained and thus, allocate the precise assessment: (Low, Moderate and High); the presence or absence of a particular mechanism was also noted.

Table 25 Density of codes for the three dimensions of absorptive capacity

*The different shades of grey represent high-moderate and low levels for each of the dimensions of absorptive capacity. For example the darkest shade represents the cases in which those items were most frequent in the interview transcripts for that subsidiary. Conversely, the lightest shade of colour represents the case in which those items were least frequent on the interview transcripts for that subsidiary.	Frequency of code in French interview transcripts	Frequency of code in Danish interview transcripts	Frequency of code in Dutch interview transcripts	Frequency of code in American interview transcripts	Frequency of code in Brazilian interview transcripts
Capability to recognise new external knowledge					
The employees recognise the usefulness CSRR knowledge transferred from the HQ [Adapted from Cohen & Levinthal, 1990]	0%	9%	3%	7%	8%
Employee subsidiaries analyse the new transferred knowledge [Adapted from Zahra & George, 2002]	3%	6%	5%	6%	4%
Employees assess the value of the new practice [Adapted from Lane & Lubatkin, 1998]	0%	5%	4%	8%	7%
Employee subsidiaries understand the knowledge [Adapted from Cohen & Levinthal, 1990]	1%	8%	3%	5%	8%
Total	4%	28%	15%	26%	27%
Capability to assimilate valuable external knowledge					
Employees identify new opportunities to use knowledge [Adapted from Lane et al., 2006]	2%	8%	6%	3%	1%
New acquired CSRR knowledge is combined with existing knowledge [Adapted from Lane et al., 2006]	6%	8%	10%	4%	2%
Transferred CSRR knowledge is related to what is already known [Adapted from Fichman & Kemerer, 1997]	2%	9%	6%	5%	2%
Knowledge is shared between and transferred to different parts of the subsidiary [Adapted from Lane et al., 2006]	6%	6%	9%	3%	2%
Total	16%	31%	31%	15%	7%
Capability to apply assimilated external knowledge					
Transformed knowledge is incorporated in subsidiary operations [Adapted from Zahra & George, 2002]	5%	16%	9%	15%	4%
The subsidiary considers how to better exploit knowledge [Adapted from Zahra & George, 2002]	2%	22%	7%	18%	2%
Total	7%	38%	16%	33%	6%

This systematic comparison allowed to establish patterns in the data (Crabtree & Miller, 1999) by identifying the corresponding mechanisms influencing the three components of ACAP (Table 26) and their interaction with the repository stocks of knowledge.

The final stages of the analysis consisted in confronting the empirical data from this level of analysis and assess its explanatory power on the adaptation configurations of CSRR strategic responses identified in chapter 4. The information from Table 26Table 26 and Table 20 (chapter 4) were organised in a case-ordered predictor meta-matrix to visualise the patterns (Miles et al., 2014). Relying on an abductive reasoning, the analysis moved now to ask questions such as: Are the adaptation configurations observed consistent with level of development of subsidiary ACAP? How did the heterogeneous stocks of knowledge and level of development of ACAP contribute to the observed configurations in chapter 4? Did the lack of prior knowledge and underdeveloped ACAP contribute to the intentional decoupling pattern observed in the French subsidiary? Did the absorptive capacity help to overcome the barriers posed by the national and organisational field and the lack of subsidiary prior knowledge in the Dutch subsidiary? Did the well-developed ACAP influence a proactive adaptation of CSRR in the American and Dutch subsidiaries? Did the underdeveloped ACAP contribute to the defiant responses and ceremonial adaptation to CSRR in the Brazilian subsidiary?

The findings are presented mirroring the theoretical framework in section 6.2. Section 6.4 discusses the influence of prior knowledge on ACAP, followed by section 6.5 analysing the influence of control mechanisms. Section 6.6 outlines the impact of social mechanisms and finally section 6.7 discusses the effect of integration mechanisms.

6.4 Prior knowledge

The levels of CSRR prior knowledge varied across the subsidiaries and this was generally explained by the differences in each host country's institutional context (practices developed

historically), and employees' awareness of CSRR organisational pressures and national institutions.

In the European subsidiaries, on average only one out of three employees interviewed had experience with CSRR, and this only between one and two years. As outlined in chapter 4, employees in the French and Dutch subsidiaries were unaware of national regulation regarding CSRR and knowledge about competitors was limited. Danish employees in contrast, were highly cognisant of the CSR and CSRR topics and steadily tracked the CSRR behaviour of their competitors.

The Brazilian subsidiary had the highest level of CSRR prior knowledge. As outlined in previous sections of this thesis, the subsidiary had developed a strong commitment to CSRR and was the only subsidiary of FINEST that produced a CSR report following the Global Reporting Initiative (GRI) B+ standard. The local CSR team was integrated by highly experienced employees (both in terms of working with CSRR as part of FINEST and previous professional experience in other companies and CSR-related institutions). The American subsidiary was also characterised by a high level of CSRR previous knowledge; employees had also been involved in CSRR related jobs and identified current trends, behaviours of competitors and were aware of the pressures for CSRR in the American context.

Table 26 Summary of chapter findings

* Relative to knowledge transferred by the HQ** Present at the start of the transfer

				French subsidiary	Danish subsidiary	Dutch subsidiary	American subsidiary	Brazilian subsidiary
Antecedents			Prior knowledge*	Very Low	Moderate	Low	High	Very High
	Control	Output	Specification of performance evaluation	Unknown	Known	Unknown	Known	Known
			Financial incentive systems	Absent	Absent	Absent	Absent	Absent
		Behaviour	CSRR budget control from HQ	High	Absent	Moderate	Absent	Absent
	Social mechanisms		Intensity of communications	Low	Moderate	High	High	High
			Corporate socialisation	Low	High	Moderate	High	High
			Visits from the HQ to the subsidiary	Present**	Present**	Present**	Present**	Present**
	Integration		Liaison mechanisms	Existent	Existent	Existent	Absent	Absent
			Structure of local teams	Temporary and voluntary	Temporary and voluntary	Temporary and voluntary	Permanent	Permanent
ACAP	Capability to recognise new external knowledge			Low	High	Moderate	High	High
	Capability to assimilate valuable external knowledge			Low	High	High	Moderate	Low
	Capability to apply assimilated external knowledge			Low	High	Moderate	High	Low

6.5 Control mechanisms

6.5.1 Control (output) mechanisms

6.5.1.a Specification of performance evaluation

From the entire interviewee sample, it was found that only three managers in the Danish, Dutch and Brazilian subsidiaries were aware of the existence of performance evaluation criteria related to CSRR. The interviews with employees implementing CSRR processes revealed uncertainty about the inclusion of CSRR as part of the evaluation criteria particularly in the French subsidiary where employees considered that CSRR was nor relevant, nor "strategic" for FINEST and only committed to implement routinely the new processes but did not dedicate additional efforts in analysing and understanding the purposes of the transferred knowledge nor incorporating the knowledge to address local organisational objectives.

6.5.1.b Financial incentive systems

A general lack of market incentives was found across all the subsidiaries, including those subsidiaries with permanent CSR or CSRR related positions. The message sent by the lack of financial incentive systems was similar to what we observed with the performance evaluation criteria. Although from a HQ perspective CSRR was considered as a source of competitive advantage and thus CSRR knowledge was seen as "strategic", within the European subsidiaries that relied on non-permanent voluntary positions, the French employees implementing the practice who held non-permanent voluntary positions, did not share this perception and did not view CSRR as a "business priority" and thus they "shouldn't" dedicate more effort and time to it. While the Danish subsidiary managed to quantify the monetary impact of the exploitation of CSRR knowledge which represented a measure of subsidiary performance and thus, could use this evidence to obtain rewards from the HQ, the other European subsidiaries lacked these performance measures. So, other than the indirect financial incentive through subsidiary performance, the interviewees did not mention any rewards, promotions and/or increments which for many employees underscored their doubts about the strategic nature of the CSRR knowledge.

Employees occupying permanent positions (e.g., Brazilian and American subsidiaries) had as part of their job descriptions the identification, application and use of CSRR knowledge so the need for compensation as a salient issue did not emerge during our interviews. In contrast, employees performing voluntarily CSRR roles (e.g., French, Dutch and Danish subsidiaries) limited their engagement to the implementation of repetitive routines of the processes (the most basic level of the application capability) but did not exhibit extensive exploratory nor transformative capabilities.

These findings suggest that the absence of control (output) mechanisms generally limit the subsidiary's capabilities of recognition, understanding and assimilation of transferred knowledge.

6.5.2 Control (behaviour) mechanisms

CSR budget control

CSRR budgetary control over the CSR function varied across the subsidiaries and was consistent to the subsidiary's respective strategic significance within the MNC. For instance the Brazilian, American and Dutch offices had a budget allocated by the local management while for the Dutch and French subsidiaries this budget was allocated by the HQ. This form of control inhibited the way subsidiaries applied CSRR knowledge as subsidiaries were dependent on resources from the HQ. The data suggests that those subsidiaries with a relatively higher autonomy to allocate their budget as in Brazil, the US and Denmark, had leveraged the knowledge to develop specific projects and tasks without the constant need of justifying the purposes to the HQ. For example in the American subsidiary this money was used to develop tailored training and to buy a complementary management system and in the Danish subsidiary, the employees could access this budget to propose new projects incorporating the knowledge. For the rest of the French and Dutch subsidiaries, it was felt that the resources allocated by the HQ were insufficient to apply the knowledge transferred.

While from a HQ perspective, monitoring over the CSR budget ensures that the subsidiary displays care and diligence ensuring the knowledge adoption, the findings suggest that greater budget controls damaged the capabilities to apply the knowledge transferred.

6.6 Social mechanisms

6.6.1 Intensity of communications

Differences in the intensity of the communications across the five subsidiaries were identified. In France, employees receiving and implementing CSRR knowledge participated in one conference call each year to give feedback on the results of reporting to the HQ. The quarterly email conversations between the CSR corporate team and the local managers were overall perceived as "very poor" (P7, P8) and more of a "control" mechanism (P7) rather than a two-way communication between the HQ and the subsidiary:

"I know how it is done here, they look for people that are interested in projects and when they find them, they ask them what is happening in their country and what have you done, and in fact it works more in that way than a real communication system" (P7)

Additionally, French employees considered they were missing some information regarding the requirements from the HQ, specifically related to the fact that the subsidiary was being audited and that the submitted information has to be justified with the required paperwork. In the Brazilian and American subsidiary CSR managers had direct contact with the corporate CSR team and reported a greater intensity of communications than did the European subsidiaries for which CSRR knowledge was filtrated through the local managers or liaison personnel.

Interestingly, those subsidiaries with greater intensity of communications between HQ and subsidiary (American, Danish and Dutch subsidiaries see Table 26), were able to obtain key information from the HQ regarding the value of the knowledge which allowed employees to process and understand the tacit knowledge. Not surprisingly, the French subsidiary was that office in which the tacit knowledge, the knowledge regarding the meaning of the data collected, the organisational implications and responses to those social and environmental issues and the way in which problems are solved (e.g., quantification issues and comparability of data), was the most difficult to understand.

6.6.2 Corporate socialisation

In 2012, FINEST hosted its first CSR conference in Mumbai, India with 150 delegates to enable the HQ to sensitise employees about the importance of CSRR for the MNC as suggested by the former Head of Global CSR (P1):

"They didn't understand CSRR and the business benefits weren't clear enough. CSRR was not becoming central enough, so we took the opportunity of encouraging our management team to understand CSRR, we went to Mumbai … it was not a normal conference it was something that I deliberately did … I used that opportunity to get my message across"

CSR Managers in the Danish, American and Brazilian subsidiaries attended the conference and assessed the outcome of such conference as "very positive". They considered this event as a "turning point" which helped them to see the "bigger picture" about the importance of

CSRR knowledge. These managers developed a shared mission and a unitary corporate culture around CSRR, demonstrated the capability to recognise the value of CSRR for FINEST and the impact that it had for its shareholders and the reputation for the global company. Upon their return, these individuals also diffused these values to other local employees involved in CSRR who increasingly appreciated internal knowledge.

Another corporate socialisation mechanism was the employee program driven by HR which served as the "social responsible arm" (P20) that linked the employees with their community and CSRR activities and was rebranded as the "FINEST" employee corporate social responsibility program' in 2013 (CSR report, 2014).

As illustrated by P14, socialisation through interaction with the employee program, allowed employees to share experience, discuss and gain "common knowledge" (Grant, 1996) about CSRR and learn each other's experiences.

> *"I mean everybody is working in their own specialism, but the employee culture program gives the opportunity for people from different professions to work together and engage more than in the past, communicating about these things"(P14)*

6.6.3 Visits from the HQ to the subsidiary

Visits to the acquired subsidiaries took place at the beginning of transfer of CSRR, when at the time Global Head of CSR visited numerous subsidiaries (including those in our sample) to introduce CSRR and find the ways in which the subsidiaries could leverage their own capabilities as illustrated in the following quote:

> *"We really didn't have our arms around a CSR reporting strategy… the Global Head of CSR took a pragmatic approach saying: Ok what do we already have in the country that we can build on?"(P13)*

The interviews highlight that between 2008 and 2010, these visits encouraged employees to embrace the new processes and establish a dialogue with the corporate managers regarding the HQ expectations. The interactions that took place during these visits, allowed the diffusion of the knowledge that was mostly articulated, the explicit knowledge surrounding the technical infrastructure and the use of management information systems, the collection of

data and calculation of specific KPIs, but it also gave a framework to employees to develop an initial sense of the reasons for this transfer of knowledge. Nevertheless, the visits subsequently stopped when the HQ considered that most subsidiaries had attained an "integration" level in which the transferred knowledge was becoming routinised.

Section 4.4 in chapter 4 outlined that interviewees in the Brazilian subsidiary described that the way in which the HQ determined CSRR targets were considered very "top-down" and isolated from the subsidiaries' opinions. What is interesting here is that, some employees suggested that visits to the country would be a useful mechanism to overcome that perceived distance as highlighted in the following quote:

> "It would be very good if the CSR manager could visit our country again, see our reality, our way to work at least once per year to structure our future aligned with the global targets, goals and guidelines" (P23)

The findings support the argument that visits to the country in the early stages of the transfer are positively related to the development of the capacity to analyse, process and interpret new knowledge but may be also crucial for acquisitions after the ramp-up process where the subsidiary will go through a restructuring processes and will need support in understanding how to best apply the knowledge based on the local conditions as illustrated in the Brazilian case.

6.7 Integration mechanisms

6.7.1 Team structure

The findings suggest that the incorporation of formal CSRR teams into the subsidiary structure had a more positive influence on subsidiary's assimilation and application of knowledge than the voluntary structures. Permanent teams were only found in Brazil and in the US with five permanent positions in each country dedicated to coordinate the CSRR and related programs. Meanwhile, in all the European subsidiaries the structures were both temporary and voluntary. HR, marketing and sales managers had adopted CSRR roles as part of their core roles and were supported by a local network of temporary "ambassadors" who

were either nominated by the HQ and the local management or voluntarily self-nominated as "data providers". The informal nature of the ambassadors' role in supporting the CSRR activities meant that there was a lack of continuity in the role (turnover rate of ambassadors was very high). As noted above, the ambassadors adopted this role driven by their personal beliefs but this commitment was bounded to their core role responsibilities. This issue was particularly pronounced in the European subsidiaries which relied on these ambassadors to receive and apply the knowledge. This was acknowledged in the HQ as illustrated in the following quote:

> *"I think having people where CSRR is not part of their core role it's difficult. People will sometimes come and go, will leave the business which means that there is another challenge of how do you ensure that there is some continuity and learning that they will pass to the next person" (P13)*

In contrast, the permanent team in the US managed to leverage the knowledge by building on experiences over time, accumulated in individuals, team processes, procedures and routines. Thus, formalisation and permanency of the teams allowed employees to devote their resources not only to assimilate the new processes and routines but to go further and apply the knowledge in the development of strategies to create impact for the whole subsidiary. Continuity was ensured and previous knowledge was not lost but rather transferred to whoever adopted the new position. We find an example of the development of this capacity in the American subsidiary where the permanent positions engaged in CSRR skill development tailoring an intensive training program across the 39 offices trying to emphasise the importance of CSRR and all the activities carried throughout the country.

With the exception of the Brazilian subsidiary, our data shows that rigidity and formal team composition was more favourable to the assimilation and exploitation of CSRR knowledge than the more flexible structures.

6.7.2 Liaison mechanisms

The "liaison mechanism" existed in Europe but neither in Brazil nor the US, and we found that this was a decision that came from the HQ to compensate for the absence of developed structures in CSRR:

> "So when I started this role, the CSR teams were developed in completely different ways, so North America and Latin America were fantastic, they had great processes, they had projects, they were very strong at reporting but in Europe there wasn't that CSR leader…" (P6)

In 2008, the HQ designated that one of the HR or Marketing managers in Europe would act as coordinators of CSRR across the European subsidiaries on an annual rotation basis. Some of our interviewees highlighted many benefits of this liaison role such as deeper personal relationships to others involved in CSRR. A liaison role holder reported that:

> "What we also did was not only the calls, I had bi-weekly meetings so if I felt that if a certain country was a little bit silent, I used to phone the ambassadors directly, on a personal level and have some chat with them to find out if there was anything that I could help with" (P16)

Given the lack of communications highlighted in section 6.6, between the HQ and the European subsidiaries, the liaison personnel served as a bridge between these two as suggested by the former Global Head of CSR in the HQ:

> "She was taking responsibility for the European group and she would organise quarterly if not more frequent conference calls… we provided a lot of information about what standards they were reporting to, what type of information we needed…'"(P1)

This manager was actively engaged in communications with the region, where she would address some of the difficulties transferring CSRR knowledge particularly those related to its *tacit* nature:

> "We had a monthly conference call and on each conference we would go through what is in the pipeline for the next quarter…What other data we need to collect… if it was electricity data for instance you have differences in how the data is collected in France and Denmark…so we cannot adopt the same approach" (P16)

At the country level, employees testified the benefits of the liaison personnel who gave clear direction to the team. Moreover, as part of this role, the manager earned a significant level of discretion from the HQ to develop tailored tasks in the subsidiaries such as local training.

In contrast to the low intensity of the communications between the HQ and the European managers, the liaison coordinator organised between one and two video conferences per month with all the European subsidiaries and every two weeks only with the local team. These liaison individuals helped other employees to recognise the value and interpret the knowledge but they also invested time in grounding and applying the knowledge to the local conditions of the subsidiary.

6.8 Discussion

This chapter sheds light on the mechanisms deployed by the HQ underpinning the transfer of CSRR, the following section reflects on the findings displayed in Table 26 from a comparative perspective. The first observation considers the interaction of initial stocks of CSRR knowledge and the organisational mechanisms. Among the Dutch and French subsidiaries, those with the lowest levels of prior knowledge, moderate levels of control and extensive social mechanisms helped the former to foster the three dimensions of ACAP (Table 26). Intense control and weak social mechanisms exacerbated the effects of a lack of prior knowledge in the French subsidiary leaving the three ACAP dimensions underdeveloped. Those subsidiaries with moderate levels of prior knowledge (Danish and American) developed their three capabilities with particular unfolding of the exploitative capabilities.

The Brazilian subsidiary illustrates the negative effects of high initial stocks of knowledge. Despite its high level of expertise, the control and social mechanisms used by the HQ limited its absorptive capabilities. This finding supports the argument that different types of mechanisms need to be deployed in subsidiaries with high levels of experience in CSRR to avoid damaging its absorptive capacity capabilities and instead, ensure that these capabilities are of potential use and diffused in the wider MNC context (Yang, Mudambi, & Meyer, 2008).

When the HQ relies on social mechanisms such intense communications, corporate socialisation and visits to the subsidiary, the recognition and assimilation dimensions predominate. This is opposed to the findings of Jansen et al., (2005) in which socialisation capabilities (i.e. connectedness and socialisation tactics) were found to increase both the transformation and exploitation capabilities. These inconsistent findings may be explained by the fact that Jansen et al., (2005) adopted a broad definition of knowledge and conceptualised ACAP into the ambiguous potential and realised subsets.

The literature has recognised that tacit knowledge is more difficult to codify and thus its transfer requires intense communications (Szulanski, 1996), personal presence and face to face interactions (Athanassiou & Nigh, 2000) between expatriate managers and local employees (Wang, Tong, & Koh, 2004) in order to enable the development of a single social community (Bresman et al., 2010; Kogut & Zander, 1992) suitable for the transmission of "rich" information. The findings in this chapter confirm that most of the social mechanisms such as communications, visits, and corporate socialisation practices are significant predictors of the capability to assimilate "know-how"; however, previous findings are expanded by highlighting that in the absence of face to face interaction and expatriate managers, experienced liaison personnel enable the development of tacit knowledge stocks. The analysis also suggests that HQ visits to the subsidiaries during the ramp-up process enhance recognition and assimilation of the transferred knowledge, but they may be also crucial during the integration process where knowledge application processes may start to unfold.

A surprising finding is that formal teams induce a more structured approach toward the adoption of CSRR and have a positive impact on the development of the three dimensions permitting continuous exploitation and refinement of acquired knowledge (Sun & Anderson, 2010). This finding is opposed to the argument in the literature that formal structures damage the integration of knowledge in an organisation (Grant, 1996) but it is related to some degree to the results of Jansen et al., (2005) where formalisation procedures such as documenting rules, procedures, processes and systems positively influenced the capability of exploitation.

Although the findings could not be conclusive about the impact of control (output) mechanisms an effect of their absence was found limiting the three processes of ACAP. This finding is in line with the literature in social capital which has suggested that a consistent use of mechanisms such as rewards sends "a signal to organisational members about the kinds of activities and habits that are valued by the organisation" (Leana & Van Buren, 1999:545). In this case-study, the absence of financial incentives was perceived by employees as a signal that CSRR was neither a "business priority" nor "strategic", contrary to the HQ's intention to make CSRR a competitive advantage. A similar perception was also identified with the lack of specification of performance criteria which raises questions on the choice of mechanisms by the HQ matching its strategic objectives.

The analysis suggests that the HQ monitoring in the form of budget control was detrimental to the application of CSRR knowledge (third dimension of absorptive capacity). Thus, in the context of transfer of vertical inflows of CSRR knowledge from the HQ to acquired subsidiaries, increasing market incentives and redefining the performance criteria may be more beneficial than the behaviour mechanisms. Another interesting finding is that integration mechanisms and visits from the HQ (contingent on the time of the visit) can trigger the three dimensions of ACAP and thus are crucial for HQs to include in the transfer.

Some trade-offs between integration mechanisms can be identified in the American and Danish subsidiary. For instance despite having temporary and voluntary team structures, the liaison mechanisms helped the Danish subsidiary to enhance its recognition, assimilation and exploitation capabilities. Conversely, American subsidiaries lacked liaison mechanisms but benefited from the permanent structures.

In the context of HQ governance, the findings suggest that agency theoretic controls require a mix of social and integration mechanisms, loose behavioural controls and the inclusion of control (output) mechanisms to the effective enhancement of the three dimensions of ACAP and echo the argument by agency theorists that a variety of mechanisms to control and

coordinate their foreign subsidiaries is necessary as the different mechanisms are predominantly complementary rather than substitutes of one another (Tosi, Katz, & Gomez-Mejia, 1997).

Linking influence of national business systems and organisational field pressures on strategic responses and adaptation to CSRR

Overall, the findings indicate a positive relationship between ACAP and the levels of implementation, internalisation and integration identified in Chapter 4 revealing that ACAP is a catalyst of practice adaptation. In other words, subsidiaries that displayed proactive adaptation denoted well-developed capabilities of recognition, assimilation and application of the transferred knowledge. By contrast those subsidiaries engaging in ceremonial adaptation and intentional decoupling evidenced limited absorptive capabilities.

The stocks of knowledge in the American and Danish subsidiaries allowed them to benefit from the incoming knowledge, develop their absorptive capacities, and enable the proactive adaptation of CSRR. The success of the exploitative capabilities (see Table 26) meant that the employees recognised the long term benefits for themselves as subsidiaries, embedded the new knowledge in the subsidiary operations and reflected on how to continuously improve those processes in place leading to a high level of integration of the practice. Building from the findings of last chapter, the developed absorptive capacity in combination with the lower institutional constraints in both subsidiaries facilitated the proactive adaptation of CSRR.

Chapter 4 suggested that the adaptation of CSRR in the Dutch subsidiary, faced strong barriers at the institutional level and that the configurations identified (compromise responses and moderate levels of implementation, internalisation and integration) suggested the influence of other antecedents at different level of analysis. This chapter provides some explanation to those observed outcomes that the study of the institutional environment could not foresee. The moderate levels of control and extensive social mechanisms deployed by the HQ enhanced the development of the subsidiary's absorptive capacity and compensated for a

lack of CSRR knowledge. The subsidiary was thus equipped with the capabilities to adapt CSRR. An interesting observation is that the assimilation dimension was particularly prominent (see Table 26) thus, explaining the high level of internalisation of CSRR observed in the subsidiary (see Table 20).

In the French case, the mechanisms used by the HQ could not make up for lack of CSRR knowledge. The control mechanisms in the French subsidiary were intense and the absence of output mechanisms signalled that the practice was not a business priority. The subsidiary was in a socially isolated position in comparison to its counterparts; communication was generally patchy and managers did not participate in corporate socialisation practices organised annually by the HQ. As a consequence, the subsidiary's capability to recognise the value of the practice, assimilate and apply the knowledge was not fostered. The lack of CSRR knowledge meant that the interpretations about the new practice were made by comparing them to the existing practices in the subsidiary which were generally incompatible with the transferred practice (see Figure 12 Chapter 5). Lacking the capabilities necessary to recognise, assimilate and apply knowledge and facing strong constraints at the institutional level, the subsidiary engaged in intentional decoupling (low levels of implementation, internalisation and integration) and resistance to the adoption of CSRR.

Similar to the Dutch case in which the adaptation of CSRR could not sufficiently be explained by the national institutions and organisational field pressures, the findings of this chapter provide some explanation to the ceremonial adaptation observed in the Brazilian subsidiary. Despite moderately compatible practices and supportive organisational field pressures, the control and social mechanisms used by the HQ to transfer knowledge could not complement the high level of knowledge and damaged the subsidiary's absorptive capabilities. The findings in the Brazilian case are very interesting in that the communications were intense and it possessed permanent structures but these mechanisms only served to "indoctrinate" the subsidiary into the new practice and abandon prior practices. Lacking absorptive capabilities,

the practice was ceremonially adapted and employees used a variety of defiant and resistant responses.

6.9 Conclusion

This study builds and contributes to our theoretical as well as empirical understanding of the antecedents of subsidiary's ACAP in the context of intra-MNC knowledge transfer and contributes to the ACAP and MNC transfer of knowledge literatures in several ways. The main contribution of this chapter lies in considering the interaction between heterogeneous levels of prior knowledge and organisational mechanisms fostering ACAP, as the theoretical understanding of how incoming knowledge is linked to existing knowledge stocks is, to date, scarce (Ambos et al., 2013; Michailova & Mustaffa, 2012). The findings demonstrate that prior knowledge is not a sufficient explanation to the development of the capability to recognise, assimilate and apply external knowledge (Cohen & Levinthal, 1990) but is also dependent on organisational mechanisms that will trigger those capabilities. Depending on the nature and degree of organisational mechanisms, the effects of previous stocks of knowledge on the development of ACAP may vary from positive to negative. In other words, prior levels of knowledge can be an asset or an obstacle for subsidiaries to trigger the absorptive capabilities. The findings thus suggest that HQs aiming at increasing the learning processes of subsidiaries need to manage their foreign subsidiaries so as to stimulate the development of capabilities of recognition, assimilation and application through a mix of control, social and integration mechanisms that complement their repository stocks of knowledge. These findings thus, echo the argument by agency theorists that a variety of mechanisms to control and coordinate their foreign subsidiaries is necessary as the different mechanisms are predominantly complementary rather than substitutes of one another (Tosi et al., 1997).

This chapter highlights that if CSRR is considered strategic to the MNC and key to the development of local competitive advantages to solve social and environmental dilemmas, the HQ must consider the different existing stocks of knowledge and capabilities of the

subsidiaries when designing the organisational mechanisms underpinning the transfer of knowledge. The findings in the Brazilian case supports the argument that different types of mechanisms need to be deployed in subsidiaries with high levels of experience in CSRR knowledge to avoid damaging its absorptive capacity capabilities and instead, ensure that these capabilities are of potential use and diffused in the wider MNC context (Yang et al., 2008). As suggested by Andersson (2003) "an important mission for the MNC management is this to see that competent subsidiaries do not become isolated from other parts of their own corporation, and to ensure that capabilities created in one subsidiary and that are of potential use in the wider MNC context, are diffused within the corporation" (p.426). This chapter highlights the need for agency theory to consider more than the usual control mechanisms and consider their combination with the other types such as social and integration mechanisms.

Based on the findings, this research engages with recent critiques questioning the overemphasis in the literature on the occurrence of "flows" and the underlying assumption that the benefit created from these knowledge flows is a function of how much an organisational unit receives knowledge (e.g. Ambos et al., 2013; Andersson et al., 2015). The findings in the Brazilian case provide evidence to break this misconception by revealing that the transfer was a disrupted and ultimately damaged the learning capabilities of the subsidiary, shedding light on a "darker side" of knowledge transfers (Reus et al., 2015).

Following the calls in the field to address the reification of the construct of ACAP (Lane et al., 2006), this work builds from the original conceptualisation of ACAP originally proposed by Cohen & Levinthal (1990). The measure of absorptive capacity builds from previous metrics that capture each of the three dimensions of the absorptive capacity in a manner appropriate for the CSRR context. The chapter has shown the advantages in disaggregating ACAP as a three component construct and highlights the value of empirically studying absorptive capacity in a non R&D context.

This chapter has focused the role of the MNC's organisational mechanisms enhancing the subsidiaries' absorptive capacity and its subsequent influence on the adaptation of CSRR. The findings of this chapter show that underdeveloped ACAP in the French and Brazilian subsidiaries contribute to the intentional decoupling displayed by the former and the ceremonial adaptation exhibited by the latter, while for the Danish, American and Dutch subsidiaries a well-developed ACAP sustained the proactive adaptation and unintentional decoupling. The next chapter zooms in the individual level and the translating role of boundary-spanners interpreting the meaning of the practice.

7. The influence of individuals: translation strategies

7.0 Chapter overview

Whereas the previous chapter examined the influence of control, social and integration mechanisms on the adaptation of CSRR, this chapter zooms in on the role of those individuals that are entrusted to handle the boundary roles between the HQ and the subsidiary and perform the translation of CSRR. It specifically asks how translators influence the adaptation of CSRR? To address this question, this chapter conceptualises translators as boundary spanners and capitalises on the Scandinavian institutionalism with particular attention to Boxenbaum's (2006b) three-dimensional framework of translation. By investigating the interplay of individual preferences, strategic framing and local grounding across the five subsidiaries, the findings suggest that boundary spanners transformed CSRR deploying four strategies: hybridisation, cherry-picking, replication and substitution which largely explain the strategic responses and adaptation of CSRR configurations identified in chapter 4. The translators in the Brazilian and the French subsidiary faced strong constraints to tailor CSRR and make it suitable to the subsidiary operations, whereas in the Danish, American and Dutch subsidiaries, the translators developed translating strategies that helped to integrate the practice and increase its internalisation within the subsidiary. This chapter makes several contributions to the literature in practice variation and translation within MNCs. It advances the theorisation of the intra-organisational translation strategies and contributes to a more sophisticated understanding of the agency roles of boundary spanners within MNCs performing translation roles.

7.1 Introduction

The objectives of this chapter are:

- To identify the individuals that performed translation roles across the subsidiaries.
- To compare the process of translation across the five subsidiaries.

- To determine the translating strategies of these individuals.

- To specify the influence of these individuals on the strategic responses to the adoption and adaptation of CSRR.

As it has been presented earlier in this thesis, studies in the diffusion literature have examined the spread of management practices and ideas across time and space. Most often, the adoption of these practices has been explained drawing mainly from economic (Rogers, 1995; Strang & Macy, 2001) and sociological arguments (Abrahamson, 1991; DiMaggio & Powell, 1983; Tolbert & Zucker, 1996). While these studies have significantly enhanced our understanding of how ideas and practices travel (Ansari et al., 2010), these studies have assumed the homogeneity of diffusing practices and left unrecognised the important role which actors play in the local interpretation of diffused practices (Tempel & Walgenbach, 2007).

An alternative perspective to the notions of isomorphism that have dominated institutional research is offered by the Scandinavian school of institutionalism (e.g., Czarniawska & Joerges, 1996; Sahlin-Andersson, 1996) which points to the idea that practices are not diffused in a vacuum but are actively transferred and translated to local contexts as they travel during the diffusion process. This perspective brings a focus to the dynamics inherent to the adoption of standards and practices as general rules become applied to specific organisations or "translated" into localised rules (Brunsson, Rasche, & Seidl, 2012). Subscribing to this perspective, translation processes are expected to unravel in the transfer of CSRR from the HQ to the subsidiary where individuals will adopt the role of translators of the practice and transform it into something new that fits their organisational setting (Czarniawska and Sevón, 1996; Morris and Lancaster, 2006; Haedicke, 2012).

While the MNC literature has acknowledged the role of subsidiary managers as central to the functioning of MNCs, since they act as the boundary spanners between the subsidiary, the HQ and often the other units of the MNC (Barner-Rasmussen et al., 2010; Kostova & Roth, 2003; Tushman & Scanlan, 1981; Vora et al., 2007), it has seen as simplistic the role of subsidiary managers and their capacity to perform translation roles to purposefully modify a practice to

fit in the new subsidiary. In the CSR literature too, while much work has focused on the attributes and qualities of individuals introducing or driving CSR within their organisations, little is known about the processes through which actors translate CSR ideas imported from a different context from their own into workplace practices with only a few exceptions (e.g., Boxenbaum, 2006a, b; Göthberg, 2007; Vigneau et al., 2015). Some key contributions in the literature (Gond & Boxenbaum, 2013; Morris & Lancaster, 2006; Sahlin-Andersson, 1996) have offered us an account of the translating devices used by actors to make fit a practice to their context, reminding us of the importance of integration of symbolic and socio-material elements in the translation process, however, these strategies have not yet been empirically investigated in the intra-organisational context such as of the MNC.

This chapter fills in this gap by bringing focus to the micro-processes of variation with particular attention to the role of human agency, the "translators" across subunits within an organisation. It does so, by conceptualising translators as boundary spanners and integrating a translation perspective with particular attention to Boxenbaum's (2006b) three-dimensional framework of translation analysing the interplay of personal background, strategic framing and local grounding across the five subsidiaries. The findings show that the translators in the Brazilian and the French subsidiary faced strong constraints to tailor CSRR and make it suitable to the subsidiary operations. The replacement and replication strategies adopted by the translators are consistent with the ceremonial adaptation and intentional decoupling configurations identified in both subsidiaries. Conversely, the Danish, American and Dutch translators developed translating strategies that helped to integrate the practice and increase its acceptance within the subsidiary consistent with the proactive adaptation and unintentional decoupling adaptation configurations identified in chapter 4.

This chapter provides a more sophisticated micro-level understanding of the agency roles of boundary spanners within MNCs transforming practices transferred by the HQ. Taking the perspective of boundary spanning allowed the examination of the limits of the process of translation. The study sheds light on the tension between top-down and bottom-up translation

of management concepts and the translator's paradoxical role as representative and negotiator for both the HQ and the subsidiary. By applying Boxenbaum's (2006b) three-dimensional overarching framework, the role of a boundary spanner is unravelled into four distinct translating strategies: hybridisation, cherry-picking, replication, and replacement, thus contributing to the theorisation of the intra-organisational translation strategies. The findings highlight that "cherry-picking" and "hybridisation" lead to the integration of a practice in its new context under three conditions: the translator's substantive autonomy, awareness of the institutional context and the consistent application of Sahlin-Andersson (1996) three rules of editing. This chapter complements prior studies identifying the strategies that sustain "glocalisation" (e.g., Gond & Boxenbaum, 2013) and expands Boxenbaum's (2006b) overarching framework in the context of intra-organisational translation. The perceived low levels of autonomy explain that a practice may be interpreted as a control mechanism from the HQ which will simultaneously limit the translator's discretion to incorporate other local priorities to support the strategic framing.

The remaining chapter first provides the theoretical background in section 7.2, it then discusses the methodology in section 7.3, before reporting its findings regarding the individual preferences, strategic reframing and local grounding in sections 7.4, 7.5 and 7.6 respectively. Section 7.7 draws out the significance of the chapter. Finally, section 7.8 outlines the contributions and conclusions.

7.2 Theoretical Framework

The theoretical framework of this chapter is organised in four sections. The first section examines the main assumptions of the translation perspective drawing from the Scandinavian institutionalist perspective followed by a section portraying the role of boundary spanners as translators. The third section builds on Boxenbaum (2006b) to develop a framework for analysing the translation process of CSRR. The last section elaborates on prior work

examining the translating strategies used by actors to make a new practice fit their context. Figure 16 depicts the overarching theoretical framework of this chapter.

Figure 16 Influence of the individual level on subsidiary strategic responses and adaptation of CSRR
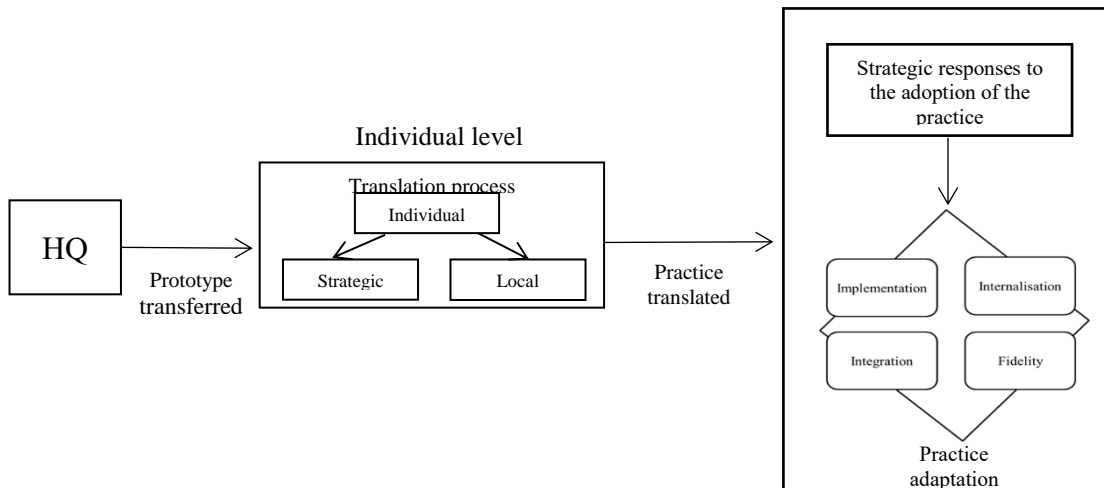
7.2.1 Translation of management practices

Chapter 4 outlined that the extensive work in the diffusion literature has significantly enhanced our understanding of how ideas and practices travel. Using mainly two sets of arguments, the economic (Rogers, 1995; Strang & Macy, 2001) and the sociological (Abrahamson, 1991; DiMaggio & Powell, 1983; Tolbert & Zucker, 1996), these studies have assumed the homogeneity of diffusing practices across time and space, treating them as invariant practices and leaving unrecognised the important role which actors play in the local interpretation of diffused practices (Tempel & Walgenbach, 2007).

An alternative view is the translation perspective which in organisation studies, has been featured prominently in the work of the Scandinavian institutional school (e.g., Czarniawska & Joerges, 1996; Sahlin-Andersson, 1996) which as outlined in chapter 2, points to the idea that practices are not diffused in a vacuum but are actively transferred and translated into local contexts as they travel during the diffusion process.

Definitions of translation vary in whether they relate to symbolic modifications or material transformations (Gond & Boxenbaum, 2013). For instance, while "glocalisation" (Latour, 1993; Robertson, 1995) is a process that involves the transformation of a diffused object or the materialisation of a diffused concept, "contextualisation work" (Gond & Boxenbaum, 2013) refers to the ways in which individuals proceed to disentangle and reassemble both the material and symbolic components of a practice and so it illuminates why and how individuals choose to combine an imported practice with one local practice or material object rather than another, and how the practice itself is transformed as a result.

In the management field, translation can thus be defined as a process whereby a general management idea, standard or practice is reinterpreted in a new setting (Brunsson et al., 2012; Czarniawska & Sevón, 1996; Sahlin-Andersson & Engwall, 2002). Such translation processes are expected to unfold in the context of transfer of CSRR between the HQ and the subsidiary where individuals will adopt the role of translators of the practice as they transform a new practice into their organisational setting (Czarniawska & Sevón, 1996; Haedicke, 2012; Morris & Lancaster, 2006).

7.2.2 Boundary Spanners as translators

The MNC literature has acknowledged the role of subsidiary managers central to the functioning of MNCs, since they act as the boundary spanners between the subsidiary, the HQ and often the other units of the MNC (Barner-Rasmussen et al., 2010; Kostova & Roth, 2003; Tushman & Scanlan, 1981; Vora et al., 2007). The term of "boundary spanning" can be defined as the "position that links two or more systems whose goals and expectations are at least partially conflicting" (Steadman, 1992:1). Due to their unique location in the organisation, boundary spanners are simultaneously exposed to competing expectations (Perrone, Zaheer, & McEvily, 2003). In this vein, the literature has suggested that these roles may facilitate the flow of knowledge across geographical, organisational and departmental levels, simultaneously spanning physical, cultural and political boundaries (Sturdy, Clark, Fincham, & Handley, 2009).

The position occupied by subsidiary translators linking the interests between the HQ and the subsidiary can be conceptualised of boundary spanning nature. Subsidiary translators are expected to be powerful mediators for successful implementation of corporate social responsibility practices (Metcalf & Benn, 2013). When a practice is transferred to a subsidiary, translators receive the prototype to be implemented and learn the HQs requirements and expectations. Following on from earlier work it is believed that these translators will permeate the practice with their own beliefs, agendas and their exposure to organisational field pressures. They will make decisions on the meaning and scope of a practice, how the practice will be adopted and implemented and the ways in which they build legitimacy and acceptance for the new practice among the other members of the organisation (Ansari et al., 2010; Knights & McCabe, 1999; Zbaracki, 1998). As such, the role of subsidiary translators can be considered of boundary spanning nature.

While the role of boundary spanners transferring intra-organisational knowledge (Mäkelä, 2007; Reiche, 2011; Teigland & Wasko, 2009) and creating social capital between the HQ and the subunits of an MNC (Kostova & Roth, 2003; Taylor, 2007) has been largely evidenced, the transfer of practices literature has seen as simplistic the role of subsidiary employees and their capacity to perform translation roles to purposefully modify a practice to fit in the new subsidiary. The conceptualisation of translators as boundary spanners, thus, provides an opportunity to develop a richer understanding of the roles and practices of these internal change agents (Balogun, Gleadle, Hailey, & Willmott, 2005) translating diffused practices from the HQ.

This under-investigated are in the MNC literature, mirrors under-investigated areas in research on translation of CSR practices. As Aguinis & Glavas (2012: 953) argue, investigating individual actors' interpretations of CSR is important, because "although CSR takes place at the organisational level of analysis, individual actors are those who actually strategise, make decisions and execute CSR initiatives". While several studies have provided valuable insights about the characteristics of employees introducing CSR to the organisations,

focused on personality traits and individual's characteristics (Voegtlin, 2011) or employee motivation and commitment (Bhattacharya, Sen, & Korschun, 2008) to CSR, there is scant knowledge of the influence of these individuals translating practices with some exceptions (e.g., Boxenbaum, 2006b; Göthberg, 2007; Vigneau et al., 2015).

7.2.3 Translation process

Boxenbaum (2006b) suggested that the translation process consists of three dimensions: individual preference, strategic reframing and local grounding.

7.2.3.a Individual preference

The notion of individual preference refers to the many ways in which key actors interpret and prioritise certain aspects of the practice. In the context of corporate social responsibility, the question of what constitutes socially responsible behaviour is seemingly embedded within the individual level, where each person's perceptions of social responsibility will drive his/her sensitivity to the myriad of concerns that arise in organisational life (Hemingway & Maclagan, 2004). In her study, Boxenbaum (2006b) shows that these individual preferences reflect their own personal and professional trajectories; for example one of the translators in her case study about the translation of diversity management in two large Danish firms, revealed a preference for human development which reflected her professional trajectory in theology and her later role as a human resource manager.

Some other studies in the translation literature also suggest that in addition to personal values, the organisational unit to which the individual belongs influences the interpretation of a practice. Literature in CSR suggests that CSR managers tend to be highly influenced by the specific organisational unit (such as HR, finance, marketing, sales, etc.) someone is located in and their "specific occupational communities" (Hoffman, 2001:146). CSR managers subsequently frame the meaning and attached values of a practice they seek to be implemented in a way that caters to those counterparts' preferences and cultural frames. For example Van Gestel and Nyberg (2009) in their study that explores how a national policy on sickness absence management is translated by HR managers into local human resource

management (HRM) practices, illustrate how some parts of the changes in national policy appeal to HR managers more than others. Some HR managers interpreted it as the opportunity for employers to extend control of absent workers and to tighten discipline while for others their interpretation stressed the importance of a "healthy organisation" reducing sickness absence.

Sahlin-Andersson (1996) argued that personal interests and power within the organisation are also predictors of the interpretation of the practice. The formal position of the translator in the organisational hierarchy seems to determine not only the access to resources necessary to adapt the practice to the organisation but also the authority necessary to impose changes in the organisation. Employees who occupy higher hierarchical positions are more able to conduct changes both in the practice and in the organisation than individuals who occupy lower hierarchical positions (Battilana, 2006). The study of Morris and Lancaster (2006) evidences this argument and shows that top managers made use of additional resources to translate lean management through teaching or socialising strategies in comparison to project-level managers who lacked these resources.

7.2.2.b Strategic framing

Strategic framing refers to the association of the practice with strategic perspectives on core issues in the subsidiary through the use of frames. Fiss & Zajac (2006:1174) referred to framing as the "cognitive processes by which managers understand and enact their organisational environment". Cognitive maps (Lepoutre & Valente, 2012) act as lenses through which individuals make sense of the world and serve as mental templates that individuals impose on their information environment to give it form and meaning (Walsh, 1995) and serve as the basis upon which future action is predicated (Smircich & Stubbart, 1985).

Chapter 2 outlined that institutional theorists have suggested that institutional demands in a given field are not experienced in a similar way by all organisations since field level

institutional processes are filtered and enacted differently by different organisations (Greenwood & Hinings, 1996; Lounsbury, 2001). In the absence of a link to an existing cognitive structure it is expected that a new practice or policy is likely to go unnoticed or to be misunderstood by employees. For example, the increasing diffusion of CSRR (as a result of coercive mechanisms from host country government and mimetic processes through international guidelines such as GRI) in some environments, may be unnoticed by individuals lacking those cognitive structures. Contrasting interpretations and framing of the practice may unfold between translators who possess those cognitive structures and are able to read the pressures from the institutional context and those who lack knowledge regarding the practice.

Strategic framing can be associated with different interpretations that are grounded in various rationalities or logics. For example Morris & Lancaster's (2006) study of the introduction of lean management into the construction industry shows that "lean" was framed as a philosophy that dealt with familiar problems of waste elimination and supplier relations, providing strong resonance in the construction industry. Frenkel (2005) presents how state-level actors framed Scientific Management (SM) as a scientific method, free from political bias by which the state's institutions could reap legitimacy from two sources simultaneously: the private employers, who saw the state's support of SM as an answer to their demands on workers to support their efforts in increasing output productivity; and on the other hand, from the union, which saw piecework wages as a way of raising salaries for unionised workers.

All management practices rely on some kind of frame (Boxenbaum, 2006a). As presented earlier in this thesis, within the CSR literature, actors may use the three types of frames to justify their engagement in CSR: instrumental, relational and moral (Aguilera et al., 2007). Frames reflect instrumental priorities when they refer to self-interest driven behaviours especially identified when CSR is related to the greater competitiveness of a firm such as protecting the MNC's reputation or saving costs. Frames with relational underpinnings are related to the preservation of social legitimacy or the "license to operate" and achieving

balance among stakeholders. Finally, frames under a moral foundation reflect perceptions about what is fair or right (Logsdon & Wood, 2002).

According to Czarniawska and Sevón (1996), the new context will affect the idea and vice versa. New processes require legitimisation and therefore generally accepted motives can be ascribed to these activities. Often translators will search for elements from their specific contexts that will help them to legitimise that particular framing. For example, Göthberg (2007) illustrated the challenging task of re-contextualising a CSR practice within a Swedish MNC insurance company (Skandia). Due to demographic changes in Western societies and the re-regulation of the banking and insurance industry, Skandia decided to change its business strategy which the translators connected with additional rational arguments to support the new practice. However, when translators ignore to frame the new practice in alignment to the context, it risks to be disconnected from its environment. A recent example of this can be found in Barbosa and Cabral-Cardoso (2014) study where managers ignored the perceptions of diversity matters in the middle of an economic crisis and the absence of institutionalisation of the practice in the context. The detachment of the Portuguese society from diversity issues and the short-term economic pressures did not foster an atmosphere receptive to diversity management approaches but rather a decoupled one.

7.2.2.c Local grounding

A new practice becomes locally grounded in the new setting when it becomes enacted in local practices (Zilber, 2002), given place to what has been referred to as "institutional hybrids" (Boxenbaum, 2006a). Attaching meanings to practices requires altering the locally grounded practices and this can only be initiated by actors who are operating in specific contexts. Failure to do so will lead the new imported practice to be decoupled from existing practices. For example, Erlingsdóttir and Lindberg (2005) showed in their quality assurance case that practitioners did not really know what do to with the imported practice. The practice was not integrated into the medical and ward practices but rather it was performed separately and thus

nurses and doctors were doing more administrative work due to the implementation of the new quality assurance models.

In order to achieve the challenging task of grounding the new practice, translators need to develop leadership capabilities to read the environment and predict the evolution of the practice and skills to engage groups in dynamic organisational change (Metcalf & Benn, 2013) that enhance cooperation among the individuals who will be implementing the practice.

7.2.4 Strategies of translation

With its focus on how concepts and ideas are made locally meaningful the translation literature has identified the strategies used by actors to transform the practices they import. As outlined in chapter 2, Sahlin-Andersson (1996) suggested that the process of translation is guided by three sets of editing rules: *re-contextualisation* of an idea, by disconnection from its previous, local context and being made appropriate for the new one, *re-formulation* and *re-labelling* of a prototype so that it seems different but familiar and the use of the *plot of the stories* by which a prototype is described according to a rationalistic logic where causes and effects are clarified. Using Sahlin-Andersson's concept of editing rules, Morris and Lancaster (2006) show how these rules were operationalised in the translation of lean management in the construction industry. Their findings suggested that the implied sequencing of the theoretical model by Sahlin-Andersson (1996) was, in practice, much more complex. While editing rules were useful to interpret lean management from the broad policy level, they did not fully explain the process of translation into different work methods and practices. To translate lean into a broad solution, firms and project managers had to translate the rhetoric into a strategy for application which meant changing the organisation. Detailing how lean became a set of actions or techniques, analogous to the editing rules concept of plot, involved adapting lean to the particular structure of production in construction.

At the inter-organisational level, Gond and Boxenbaum (2013) study of the contextualisation of Responsible Investment in France and Québec uncovers three types of "contextualisation

work": filtering, repurposing and coupling that sustain RI glocalisation. Filtering occurs when actors eliminate or downplay features of the imported practice that may be perceived illegitimate or unattractive and thus they may block its adoption in the new context. This strategy resonates with the reformulating editing rule proposed by Sahlin-Andersson (1996). For example in the French context, actors downplayed of the "moral" and "religious" connotations of RI to present it as a neutral and objective investment in firms with long-term profitability. Repurposing work refers to the change of meaning or application to enhance the perceived usefulness and/or acceptability in the new context (Boxenbaum 2006b). An illustration of this strategy was the redefinition of RI by actors in the Quebec context as a means to reinforce the model of economic development as a new form of "social economy" that helps to restore social justice and distribute financial power more equitably. Finally, actors engage in coupling work when they add a new material, practice related, symbolic, or discursive component to the foreign business practice so as to facilitate its local acceptance. This is also known as "hybridisation" (Zeitlin and Herrigel 2000) and "bricolage" (Duymedjian and Ruling 2010). An example of coupling work is the integration of RI with two large workers' unions in Quebec and their retirement funds which added symbolic value of RI as a "public good".

The contributions of Gond & Boxenbaum (2013) and Morris & Lancaster (2006) have offered us a comprehensive account of the translating devices that actors use to fit a practice to their context reminding us of the importance of integration of symbolic and socio-material elements in the translation process and to set the ground to explore those translating strategies used by actors within units of the same organisation such as the MNC.

7.3 Methodology

The methodology of this chapter is consistent with the embedded multiple case study design and the six-stage model of explanatory research proposed by Danermark et al., (2002). As outlined in chapter 2, the first three stages of the explanatory model are attained through a

hybrid process of inductive and deductive thematic analysis. This section expands on the four analytical stages undertaken in this chapter outlined in the figure below.

Figure 17 The four analytical stages of the chapter

Stage 1: Identification of the individuals performing translation of CSRR across the subsidiaries

Stage 2: Application of the translation framework proposed by Boxenbaum (2006b)

Stage 3: Identification of translation strategies

Stage 4: Assessment of the influence of translators on the strategic responses and adaptation patterns of CSRR
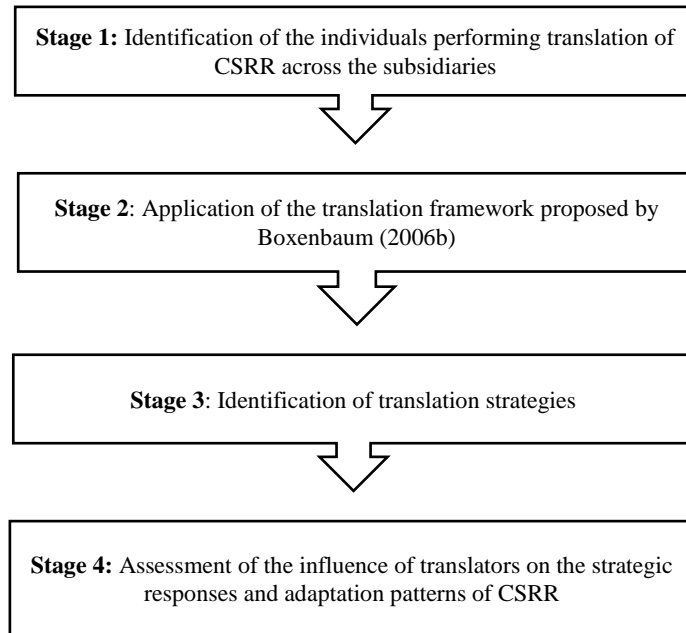
The first task was to identify those individuals who were performing the translation of CSRR. Interviewees were asked to identify who in their subsidiary had adopted the role of facilitating, supporting and organising the adoption of CSRR since its transfer in 2008 and to provide an account of the role of this individual (see Section J of Appendix A). At this stage of the research, it was not assumed that translators were designed by the HQ nor that the role was performed by only one individual. Indeed, it was found that in some subsidiaries translators had assumed the role despite the absence of a HQ's nomination. The interviewee narratives across the subsidiaries irrefutably pointed that the role was performed by a single individual with the same hierarchical position across all the subsidiaries. These findings were confirmed when those individuals self-identified themselves with that role. Translators were approached again and were asked to provide ample descriptions of their roles, their interpretations of CSRR, their personal preferences and background, their opinion about the

value of CSRR and the ways in which they achieved to introduce the practice in the subsidiary.

The second stage of the analysis consisted in organising the text for subsequent interpretation by adopting the template approach (Crabtree & Miller, 1999) already described in previous chapters. The codebook was defined a priori by the researcher based on the overarching framework of Boxenbaum (2006b). Three broad categories, individual preference, strategic reframing and local grounding formed the codebook. These codes were entered as nodes in N-Vivo and the researcher coded the text by matching the codes with segments of data selected as representative of the code. When the segments of text were sorted, the codes were organised in clusters for the five subsidiary data sets to conduct within-case analysis. The researcher was interested in how CSRR was understood and interpreted and how the original prototype was changed down to the specifics of how it got grounded in the subsidiary. Relevant themes emerged from this stage, for which the researcher created memos in N-vivo allowing the recording of the relationships observed between the different categories. For example it was identified that the appropriation and identification with the translation role seemed to vary across the subsidiaries. The translator's level of autonomy and professional background influenced two aspects, the individual's awareness of institutional pressures and the interpretation of the practices. The analysis conducted in Chapter 4 making the distinction between old and new practices and specifying their implicit or explicit nature, set the ground to identify whether translators used elements from the old or new context to frame the new practice. Subsequently, the analysis focused on a cross-case comparison to cross-check for commonality between the five sets of data in order to detect patterns of convergence and divergence. Table 27 summarises these findings.

The three dimensions (individual preferences, strategic framing and local grounding) were compared across the five subsidiaries to search for similarities and striking differences which uncovered relevant mechanisms in the translation process. It became evident that individuals

used different translating strategies to introduce the practice in the new setting. To confirm the translating strategies that emerged inductively, interviews were recoded to validate the existence of that strategy in that subsidiary and probe whether different strategies were simultaneously used. A label that captured the meaning of the strategy was assigned to the four translating strategies encountered – (1) hybridisation (2) cherry-picking (3) replication and (4) replacement.

The final stages of analysis consisted in confronting the empirical data from this level of analysis and assessing the ways in which it predicts the adaptation configurations of CSRR strategic responses identified in chapter 4. The information from Table 20 and Table 27 were organised in a case-ordered predictor meta-matrix to visualise the patterns (Miles et al., 2014). Relying on an abductive reasoning, the analysis moved now to ask questions such as: Are the adaptation configurations observed consistent with the role played by translators? How did the "replication" translating strategy adopted by the French translators contributed to the intentional decoupling pattern observed in the French subsidiary? How did the "hybridisation" strategy used by the Dutch translator helped to overcome the barriers posed by the national and organisational field and led to an unintentional decoupling? How did the "cherry-picking" strategy contribute to a proactive adaptation of CSRR in the American and Dutch subsidiaries? Did the "replacement" strategy adopted by the Brazilian translator contribute to the defiant responses and ceremonial adaptation to CSRR?

The findings are displayed following the three dimensional framework of translation: individual preferences (section 7.4), strategic framing (section 7.5), and local grounding (section 7.6). The discussion section provides a reflection on the translating strategies identified and the influence of translators in the adaptation of CSRR.

7.4 Individual preferences

The translators identified across the five subsidiaries, were all middle managers in HR (French and Dutch translator), Marketing (Danish translator) and CR (American and Brazilian translators) departments.

The first remarkable difference across these individuals is the way in which they defined their translation roles and their appropriation of that role. For instance, the Danish translator positioned herself as *"in charge"* of the translation and *"someone who believes on the practice walks the path and does the work…."* and the *"fire fighter who was doing the work."*

The Dutch and American translators evoked their role as a bridge between the HQ and the subsidiary and considered that a big part of their tasks involved making CSRR meaningful at the local level and to promote the engagement of employees in those practices. This is expressed by the American translator in the following quote:

> *"I think it's our responsibility to engage and help individuals understand what we do, so they can be that part of that process and they can understand the value we bring to our economy and to our society"(P25)*

In contrast, the French and Brazilian managers made reference to their role in a formal way by making reference to their job descriptions with no references to that additional "unstated" role of transforming the HQ policy to make it meaningful to their organisation which their counterparts evoked. This is illustrated in the following quote by the French translator:

> *"My role is to make sure with the team that we have an application of the CSRR processes consistent to the group's wishes with respect to business needs… we take care if reaching back in reporting all the projects that are carried out in terms of CSR"* *(P8)*

The data point to two key lines of translators' interpretations of what the practice implies for the subsidiaries' CSR operations. First, translators in the French and Brazilian subsidiaries emphasised the adoption of the practice as a device of HQ's control to ensure that the subsidiary behaves in accordance to the global CSR strategy and is meeting the social and environmental targets. From their perspectives, the transfer of the practice was seen as a "top-

down" and "distant" approach where the managers' opinion was considered by the HQ, as illustrated in the following quote by the Brazilian translator:

"We have global targets and we need to achieve them, it's not easy because sometimes we don't participate in the creation of these targets. I do my best in the best way that I can do it and keeping the targets of the company of course but sometimes I don't know how they measure this, how they created these goals in particular, so it's a little bit difficult, and of course I am not comfortable because it's a an important part of this to build these strategies together" (P19)

Translators in the Danish, Dutch and American subsidiary exhibited a second interpretation, where the practice was seen as a "means to an end". To their view, adopting this practice would give the subsidiary access to policies and processes that would enable them to achieve specific goals such as to improve the CSR performance (Danish and American subsidiary), raise the subsidiary's visibility in order to collaborate with other partners towards implementing CSR programs (Dutch subsidiary), enhance the CSR reputation of the subsidiary (American subsidiary), engage with key stakeholders (American and Danish subsidiary) and motivate employees (American and Danish subsidiary). All the translators interviewed in these three subsidiaries agreed on the advantage of using the management system which would allow the recording of the CSR activities and generating key indicators which subsequently would be used by mangers to identify key areas of improvement. As an example, the employees in the American subsidiary underlined that the use of the management system enabled them to centralise and manage the volunteering activities of their employees across the 52 offices in the U.S., a task that before the introduction of the management system was too difficult to accomplish.

The analysis suggests that the differences of these two interpretations are not related to the translators' professional background nor to their department affiliation within the organisation but rather to their perceived level of autonomy within the organisation. Despite all the translators occupying the same hierarchical position (middle managers), differences emerged in how they viewed their autonomy. The American and Dutch translators described themselves as "autonomous" or even "substantially autonomous" like in the case of the

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Danish subsidiary. In contrast, the French and Brazilian translators recalled thoughts of being "closely monitored" by the corporate office which highlighted a sense of loss of organisational discretion. In the case of the Brazil translator, this perception seemed to have been originated in the disruptive post-merger integration process already outlined in previous sections of this thesis.

7.5 Strategic reframing

Chapter 4 analysed the level of fidelity (section 4.5.4) between the prototype transferred by the HQ and the practice implemented in the subsidiary, and identified two patterns: (1) practices that stayed faithful to the instrumental underpinnings and (2) practices that integrated some local relational drivers to the instrumental priority. The findings suggest that translators played a large role in defining the scope of the new practice and in infusing it with their own interpretation of the practice.

In translating CSRR into the subsidiary's strategy, the Danish translator overwhelmingly articulated the value of the practice around the notion of efficiency as highlighted in the following quotes:

> *"If you do this you will have better stories to sell, you can tell them to your customers, you can use some in sales presentations, you can use some of them when you hire new people, you can use them for reputation management and brand management"(P12)*

> *"I was telling people that had to report: we need to have this data because we need to know our costs, we need to know where can we save how we can save if we can get a greener profile that is a benefit but we need to know what are our cost percentages" (P12)*

When the financial crisis hit in 2008, the subsidiary was forced to adopt a cost-cutting plan. In order to gain the approval from the employees who would implement CSRR, the Danish translator reframed it relying on the principle of "cutting-costs" in three main areas: electricity, heating and CO_2 emissions. Given that employee's job security was precarious and at play at that time, the new practice soon gained approval by the immediate users and had resonance across the whole subsidiary.

Similar to the Danish case, the American translator also framed the new practice along the lines of a "solution-driven practice" (Sahlin-Andersson, 1996: 88). CSRR was seen as a solution to placate the increasing pressures from the strong consumer advocacy groups in the American market which raised subsidiary's risks.

Chapter 4 highlighted that the French management overemphasised its satisfaction with the practice as a way to demonstrate that the subsidiary was highly aligned to FINEST's requirements and conceal the problems faced by employees implementing CSRR. However, in the follow-up interviews, the French translator disclosed her personal beliefs and expressed that for her, CSRR "should" be geared towards raising employee morale and strengthening the "belongingness" to the company (relational motives) rather than pursuing the instrumental drivers as it was the expectation from the HQ. The findings are interesting in that despite her stance, she chose to frame the new practice in alignment to the instrumental drivers of the practice.

The second pattern of integrating a mix of relational and instrumental elements into the new practice, was informed by the translators in the Brazilian and Dutch subsidiary. The Brazilian case is interesting in that as part of his campaign of influence and bargain tactics outlined in Chapter 4, the translator defended the use of relational and instrumental drivers in the new practice so as to remain similar to the local motivations before FINEST' acquisition, outlined in section 5.5 in Chapter 5. The Dutch translator framed the new practice emphasising the opportunity to reach clients (by showing them the results of the CSR programs) and to foster social relationships with key stakeholders such as government and the community. For her it was important to integrate these two priorities since she considered that the origin of CSRR was underpinned in an "American culture" whose values and mechanisms to organise CSR differed strongly from the Dutch model.

> "I don't think CSR reporting is very much embedded in the Dutch society not as much as you would like. Netherlands is one of the countries where welfare is very well organised by the government point of view and by all kinds of sources and procedures that are in

place for them. CSR is a private initiative. It is growing in the Dutch society but it's not extensive as it maybe is in the US, because is better organised from the corporate" (P16).

Throughout the interviews, it was detected that most of the translators used the institutional context as a device to legitimise the chosen course of action. The Danish translator explicitly used the national policy and guidelines from international institutions to justify the harmonisation of the new practice with those frameworks as it is illustrated by the following quotes:

"You can say in Denmark there is a lot of focus on general on CSR, very much on the UN Global Compact and the Ruggie's framework and the UN guide principles on Human rights, the environment it's a big thing in Denmark green technology going green it's something that the Nordic and the Scandinavian countries are very good at something that we want to export to the world so these issues are very interesting, environmental issues, green issues as well" (P12)

"It absolutely does influence because in Denmark now there is a Law saying that the largest companies they have to report on how many women are on management positions, they have to report on environmental issues, they have to report on anti-corruption issues and they have to report on human rights. So these thousand largest companies in Denmark have to find in their statutory accounts that they have to report on these issues" (P12)

By highlighting the differences between the two contexts the Anglo-Saxon and the continental European, the Dutch translator justified why the practice required the integration of instrumental drivers (associated with the Anglo-Saxon context) and relational motives (associated to the Dutch system). Instead of drawing from elements from the national context, as it was the case in the Danish and Dutch subsidiaries, the American translator justified the adoption of CSRR as an alignment to FINEST leadership position in its industry not only in its business lines but also as a CSR industry champion.

The translator in Brazil was part of the original CR team before it was acquired by FINEST. During the interview, he provided an extensive account about the importance of CSRR in the context of Brazil already highlighted in Chapter 5. He suggested that making the case for the replacement of the old to the new CSRR practices was difficult, since the subsidiary was subject to strong pressures from the national context. In recent years, transparency had gained momentum, following recent corruption scandals in the financial services industry and some political parties had brought into public discussion the possibility to make CSRR mandatory.

Despite the recognition of these strong pressures, he could not justify that the new practice was addressing them and thus he dropped the use of national elements to legitimise the practice and used the discourse from the HQ to gain acceptance from employees.

The French translator did not use elements from the institutional environment to legitimise the new practice either but in comparison to the Brazilian case, the absence of these connections was related to the unfamiliarity of the translator with the institutional environment. The absence of cognitive structures regarding the existing coercive mechanisms in the French context and the increasing diffusion of CSSR meant that the translator lacked resources to re-contextualise the practice as her counterparts in the other subsidiaries.

7.6 Local grounding

Chapter 4 identified the integration of CSRR patterns where the Danish, American and Dutch subsidiaries achieved moderate to high levels of integration of the practice. Across these three cases, translators influenced the integration of the new practice to the operations of the subsidiary (see section 4.5.3 in Chapter 4). The Danish translator found convenient to integrate the data collected through the new management system with the "storytelling" and dialogues with stakeholders. In the American subsidiary, the translator's interests in PR and communications, resulted in the use of data (e.g., case-studies and KPIs) to enhance the media releases.

In the Dutch subsidiary where the values between the old and new practices had a high level of incompatibility, the translator in identified the works council as a sense-making vehicle to integrate the instrumentally driven CSRR with existing dialogues with employees. Discussions around the performance of the CSR programs and consultation on how the subsidiary could move forward, based on the results provided by the CSRR process, were integrated within those councils despite the fact that those topics were not stipulated to be included by law as illustrated in the following quote:

> "I mean the law in work councils shows on what subjects you have to discuss, that is mandatory but if we have some CSR interesting topics to share with the employees that

need to be discusses or they have question in that respect, they are always welcomed"
(P16)

An interesting finding in France is that despite CSRR was framed under an instrumental perspective, (to avoid complexity), the new practice was not necessarily grounded and remained rather decoupled from the subsidiary operations. The French translator faced many obstacles to ground the practice such as the incompatibility of the practice with existing processes (Chapter 5) and the lack of stocks of knowledge regarding CSRR (exposed in Chapter 6). Similar to the Dutch case, in an effort to persuade the grounding of the practice, the translator proposed to use the works council, but this was not well received from the employees participating in those councils which relied largely on relational motives such as negotiating and legitimising drivers which were at odds with the original drivers of CSRR. This incompatibility of CSR drivers incited organisational doubts in the subsidiary about the validity of the HQ expectations, particularly among the employees implementing the practice as reviewed in Chapter 4. So far, the new routines seemed incompletely grounded in existing organisational practices. In the case of the Brazilian subsidiary, most of the local practices were gradually replaced with the new policies and processes but the persistent bargain tactics of the translator meant that some old practices were kept such as the Code of Ethics and some local communications.

Table 27 Summary of findings of the chapter

Translating strategy				Replication	Hybridisation	Cherry-picking		Substitution
Translation process	Individual preferences		Background	HR	HR	Marketing and sales (Danish translator)	Financial education (American translator)	Third sector
			Level of involvement	Low	High	High		High
			Interpretation of the standard	Control by the HQ	Means to an end	Means to an end		Control by the HQ
			Translator's level of autonomy	Low	Moderate	High		Moderate
	Strategic framing		Integrated priorities	Instrumental	Instrumental and relational	Instrumental		Instrumental and relational
			Use of institutional context to legitimise the new practice	Absent	Present: Focus on institutional and cultural differences	Present: Focus on national agenda (Danish subsidiary) Focus on industry leadership (American subsidiary)		Absent: Ignoring institutional pressures
	Local grounding		Enactment of the new practices	Decoupled from works council	Integrated with works council	Integrated with storytelling and dialogues with government (Danish subsidiary)	Integrated with PR and external communications (American subsidiary)	Replacing existing practices
Illustrative case				French subsidiary	Dutch subsidiary	Danish and American subsidiary		Brazilian subsidiary

Table 28 Illustrative quotes of the translation strategies

	Illustrative quotes
Cherry-picking	**Danish subsidiary** *"It is more like the cost side of it, so you know we run the report and so on and we check the numbers if it's compared to the budget"* (P13) *"For travel for example, we or I do a travel report every month from another system which is sent to the management team both in Denmark and in Norway so we are keeping track of those numbers. We are looking at it from a different angle on a local perspective"* (P13) *" I think the Marketing manager has more eye on where we could cost-save and where we could benefit from you know turning off the lights and everything else"*(P13) *"There was a sense about it in terms of the financial situation form the Danish company"*(P12) **American subsidiary** *The American market it's a larger market, it's also a more mature market, US consumers are aware of and the credit report system because it is much more established here for a longer time, and so people tend to be... I don't know if they are more knowledgeable but they are more aware* (P24) *"CSR reporting it's about reputation management"*(P24) *"We are committing with helping people being more financially successful, and so it's from a consumer recognition and reputation management perspective, that is value of CSR reporting"* (P24)
Hybridisation	**Dutch subsidiary** *"We give information to the works council so once or twice per year on the subject, we also as I said, every quarter we have a webinar by our CEO in the Netherlands that we watch together with all colleagues. We combine that also with some information on the Dutch operations, so we have also some results for the town hall every quarter that can be communicated and related to CSR projects"*(P17) *"The recommendations from the HQ are being communicated and as far as possible they will be taken into account. But as I said it is primarily focused locally and it has to be organised in that respect If it's possible to take the recommendations into account then that is great but it not may be possible* (P17)
Replacement	**Brazilian subsidiary** *"The reporting process...we don't have it anymore, the local sustainability report, what we have now is only the global CR report from FINEST"* (P19) *"The data that we gather now is only for the global CSR report"* (P19) *"We are not using the data anymore to take local decisions"*(P19) *"I used to have a team of 30 people, but after that, the decision was to take this people and put them in different areas"*(P19) *"With this change of processes, the decision was to cut the sustainability report because without the information and without the management support, we didn't have a way to keep the level into these processes"* (P19) *"We didn't stop the whole process until last year because we were a signature of the Global Compact here in Brazil"*(P19) *"We decided to withdraw from the Global Compact, because FINEST as a global company does not want to be part of GC and it doesn't make sense just one operation of FINEST being something part of something that is global"* (P19)
Replication	**French subsidiary** *"CSRR is not a source of competitiveness"*(P8) *"We make sure CSRR is consistent with the HQ's requirements need. So for the reporting that is done globally, in fact, I receive the file; I fill in the file with the required information"*(P8)

7.7 Discussion

By bringing the focus to the micro-level of analysis, this chapter sheds light on the role of individuals in the translation of a transferred practice using Boxembaum's (2006) analytical framework based on three dimensions: individual preferences, strategic framing and local grounding. The study suggests that these boundary spanners transformed CSRR deploying four strategies: hybridisation, cherry-picking, replication and substitution. These are further explained below. Table 28 provides illustrative quotes for the four translating strategies.

Translating as hybridising: the Dutch translator

The Dutch case is an example of a hybridising translation in which the new translated practice integrated priorities from the HQ (instrumental) and the subsidiary (relational). Using this strategy, the translator chose the works council as a vehicle to incorporate new processes and routines related to the reporting. The moderate level of autonomy of the translator provided resources to accommodate a relational priority to the largely instrumentally-driven prototype. The translator interpreted the new practice as a "means to and end" whereby institutional and cultural differences between the HQ and the subsidiary could be reconciled.

Translating as cherry-picking: The Danish and American translators

The Danish and American translators applied a "cherry-picking" strategy of selected use of instrumental priorities (cost-saving in the Danish subsidiary and reputational in the American subsidiary) shaped by the subsidiary agendas and legitimised by elements of the national and organisational field. Similar to the Dutch case, the extensive autonomy of the Danish and American translators provided substantial resources to deliberately select the instrumental priority that was the most beneficial to the subsidiary and to the translators' interest.

Translating as replicating: The French translator

A replication translating strategy was adopted by the translator in the French subsidiary. Despite the translator strongly disputed the instrumental value of the original practice, she purposefully downplayed the relational priorities in the new frame as a way to reduce the

ambiguity for employees and increase the implementation of the new processes and practices. Thus, the durable relational priorities in the subsidiary were diluted along the way in view of the strong HQ control perceived by the translator. The translator's unawareness of the institutional pressures meant that she lacked cognitive resources to contextualise and re-embed the practice in the local context.

Translating as substituting: The Brazilian subsidiary

The Brazilian translator adopted a substitution strategy by which previous engagements and practices related to reporting were gradually replaced by the new practice. The translator evoked a lack of decision making but in a lesser degree than his French counterpart as his influence and bargaining tactics allowed to still infuse the new processes with the local values (a mix of relational and instrumental). Despite the strong interest of the translator to respond to the institutional pressures in Brazil, he was bounded by the HQ to ignore them. As a result, the new translated practice had a high degree of fidelity to the original diffused prototype and was moderately implemented but it did not contribute to promoting the subsidiary's CSR primary goals.

The study of these four translation strategies yields a number of insights regarding translation that require further consideration. First it is noticed that the Danish, Dutch and American translators interpreted the practice as a "means to an end" highlighting that the translators deemed the practice valuable and as a tool to achieve specific goals. Given this interpretation, translators built a consistent "plot of the story" with references to tangible outcomes such as improving the bottom-line through financial savings (Danish subsidiary), securing clients (Dutch subsidiary) and enhancing reputation (American subsidiary) and building the legitimacy of the subsidiary with other stakeholders (Dutch subsidiary).

The findings suggest that in the French case, the translator ignored the three editing rules suggested by Sahlin-Andersson (1996). By failing to dis-embed and re-contextualise the practice in the new setting, the translator overlooked the rule concerning context. The high

degree of coercion inhibited the translator to de-emphasise the practice from the instrumental priorities to make room from the relational priorities, thereby transgressing the rule of re-formulation. Finally, the translator overlooked the rule concerning logic when she failed to articulate a story in a logic of "causes and effects".

The findings show that autonomy is a key condition for translators to be able to integrate local priorities in the new frame and to embed it within other existing practices. Despite all translators being middle-managers, differences were identified in their perception of their autonomy vis a vis the HQ. The substantial autonomy of the Danish and American translators enhanced their agency to deliberately select the instrumental priorities of the prototype to be reproduced in the new practice. By selecting these elements which benefited the performance of the subsidiary, the translators portrayed themselves as the "heroes of the story" (Sahlin-Andersson, 1996: 87).

The case of the French translator generally captures the effects of a lack of different kinds of resources such as autonomy and essential knowledge about CSRR in the organisational field and broadly at the national level. This lack of resources limited the translator's power to deflect the practice from its original content (Ferner et al., 2005). Despite the Brazilian translator also perceived a strong control from the HQ, his bargaining tactics eroded marginally the original prototype which sheds light on the top-down and bottom-up tensions of the process of translation and the translator's paradoxical role as representative and negotiator for each side (Organ, 1971).

This chapter shows that the positioning and the roles of these managers in the process of translation were ill-defined by the HQ. By drawing from the arguments on the boundary spanning literature, the findings suggest that despite some translators did not have a "formal" nomination, they developed a strong appropriation of their role and displayed an active agency transforming the practice for their own purposes (Benders & Van Veen, 2001).

The findings in the French and Dutch subsidiary are interesting in that despite the fact that both countries have the works council as an institutionalised form of employee representation (see findings in Chapter 5), employees in the French subsidiary were more resistant to merge this practice with the standardised processes of reporting. Moreover, if we compare the Danish and the French subsidiary, where translators adopted an instrumental strategic priority, this formulation was only operationalised in the Danish subsidiary while in the French case, the choice of the instrumental priorities at the strategic level, conflicted its implementation at the "ground" level (Boxenbaum, 2006b). These findings resonate with Morris & Lancaster's (2006) study where editing rules were useful to interpret lean from the broad policy level but they did not fully explain the process of translation into different work methods and practices.

By building on the findings of the previous chapter, permanent structures and the resources available for the translators to make changes either to the practice or to the organisation influence the local grounding of the new practice. Section 6.7.1 showed that CSR structures varied across the five subsidiaries. Permanent teams were only found in the Brazilian and the American subsidiary while in all the European subsidiaries the structures were both temporary and voluntarily. The findings of this chapter suggest that even when the translator adopts the leadership role of the process of translation, he or she needs cooperation with employees as it was illustrated by the American case where permanent structures helped to ground the new practice by building up on experiences over time, accumulated in individuals, team processes, procedures and routines. Similarly, translators managed a budget where noticeably the American and Danish translators had extensive discretion to use it towards developing projects and tasks to integrate the practice (e.g., investing on training and buying a new management system).

Some trade-offs can be identified in the conditions that led to the development of translation strategies influencing the integration of CSRR. For instance, the autonomy over the budget in the American and Danish subsidiary was compensated by the well-devised strategy of the Dutch translator who was capable to recognise the differences between the implicit and

explicit approaches to social and environmental accountability and select elements that successfully "striked" a balance between novelty and familiarity (Boxenbaum, 2006a). Another example is that despite not having permanent positions, the Dutch and Danish translators managed to appropriate and ground the practice.

Linking influence of translating strategies on strategic responses and adaptation to CSRR

In isolation, the findings of this chapter suggest that the translators in the Brazilian and the French subsidiary faced strong constraints to tailor CSRR and make it suitable to the subsidiary operations, whereas in the Danish, American and Dutch subsidiaries, the translators developed translating strategies that helped to integrate the practice and increase its acceptance within the subsidiary. Overall, the findings suggest that the strategic responses and adaptation configurations of CSR identified in Chapter 4, have been influenced by the diversity of individual preferences, reframing strategies and local grounding work during the process of translation.

The translators' interpretations of the practice were echoed in the narratives regarding the adoption of CSRR outlined in section 4.4. Not surprisingly, the conformity and compromise strategies (Danish, Dutch, and American subsidiaries) correspond to those cases where the translator interpreted the practice as a "means to an end". In contrast, the most defiant and resistant responses (French and Brazilian subsidiary) correspond to the subsidiaries whose translator interpreted the practice as a device of control.

The "cherry-picking" strategy contributed to the proactive adaptation of CSRR (high levels of implementation, internalisation and integration) in the Danish and American subsidiaries. The "replication strategy" in the French subsidiary is consistent with the intentional decoupling pattern where the practice was not only poorly implemented but disarticulated from the existing organisational activities. While there is no evidence to suggest that the French translator was responsible for the lack of internalisation of the practice due to her disbelief in

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the practice, it is apparent that her role did not contribute to alleviate the incompatibility of practices caused by the national institutions and the organisational field pressures.

The "replacement" strategy confirms the *ceremonial adaptation* pattern observed in the Brazilian subsidiary where the new practice had a high degree of fidelity to the original diffused prototype and was moderately implemented but it did not contribute to promoting the subsidiary's CSR primary goals. The general sentiment of discretion loss seems to have informed the use of pacifying and bargaining tactics by the Brazilian translator identified in chapter 4.

The "hybridisation" strategy adopted by the Dutch translator contributed to overcome the weak pressures from the organisational field and the high level of incompatibility between the transferred and institutionalised implicit forms identified in Chapter 5. As learnt from the previous chapter, this manager not only enacted a translation role but was also the coordinator of CSRR for the region. With this responsibility, she dedicated many efforts in addressing some of the difficulties transferring CSRR particularly those related to its *tacit* nature which confirms the observed high levels of internalisation. According to Chapter 4, this subsidiary displayed moderate levels of implementation but surprisingly high levels of internalisation and early signs of integration, thus it can be presumed that the strategy of the Dutch translator was aimed to achieve the acceptance of the practice rather than instigating the employees' active involvement in the process of implementation.

7.8 Conclusions

In analysing the translation processes that took place across five foreign units of an MNC, the findings provide a consolidated overview of the micro-level conditions that lead to different configurations of adaptation. It contributes to the literature in practice variation and translation within MNCs in several ways.

The findings expand Boxenbaum's (2006b) overarching framework in the context of intra-organisational translation. Individual preferences are the most relevant component in the

translating process. The perceived low levels of autonomy explain that a practice may be interpreted as a control mechanism from the HQ which will simultaneously limit the translator's discretion to incorporate other local priorities to support the strategic framing. Translator's familiarity with the practice equips him/her with the capacity to read the pressures from the institutional context and thus make use of some elements to legitimise the new frame matching it with their own agendas. To legitimise the translated practice with the context, translators find elements to demonstrate that the new practice aligns with either the national or organisational field level or highlight how the transformed practice overcomes the cultural and institutional distance between the host and home country.

This chapter advances the theorisation of the intra-organisational translation strategies. By applying Boxenbaum's (2006b) three-dimensional overarching framework, the role of the boundary spanner may be unravelled into four distinct translating strategies: hybridisation, cherry-picking, replication and replacement. The findings highlight that "cherry-picking" and "hybridisation" lead to the integration of a practice in its new context under three conditions: the translator's substantive autonomy, their awareness of the institutional context and the consistent application of Sahlin-Andersson (1996) three rules of editing.

By unveiling these translation strategies, this chapter complements prior studies identifying the strategies that sustain glocalisation (e.g., Gond & Boxenbaum, 2013). The strategy labelled in this chapter as "hybridisation" is entirely consistent with the notion of "coupling work" where a widely accepted practice ties the imported practice to the new context. The "cherry-picking" strategy is similar to "filtering work" in that some features of the imported practice are downplayed but the rationale behind the two is different. In cherry-picking, some elements are eliminated not because they would be perceived as incongruent but because the translator selected purposefully those elements that seemed the more beneficial to him/her and the subsidiary.

Taking the perspective of boundary spanning allowed considering not only the top-down but also investigating the extent to which bottom-up dynamics of translation were enabled. The analysis uncovers that glocalisation was limited and instead the translation of CSRR only involved an act of transformation - either the displacement of the old practices and transposition of the new practice or the replication of a prototype given the absence of similar practices, thus evidencing that the translation process was ultimately governed by the HQ which tolerated heterogeneity up to a certain point. While in the Danish, Dutch and American subsidiaries the new practice was integrated with existing CSR-local related practices, in the Brazilian case, consenting too much variation was seen by the HQ as detrimental to the whole MNC. This finding highlights the absence of relays and transfers of command that are involved in processes of translation (Spence & Vallentin, 2015) and links back to Latour's (1986) claim that translation concerns the manipulation of different interests.

This chapter also advances the arguments about how practices vary as they diffuse (Ansari et al., 2010; Ansari et al., 2014) contributing to the nascent field adopting a micro-perspective shedding light that the way companies adopt and subsequently integrate practices is contingent on the critical role of individuals at the helm of the practice adaptation. Specifically, it was shown that practices diffuse within subsidiaries because translators interpret them as a "means to an end" to achieve specific organisational goals.

In contrast to previous studies in the MNC literature that have seen as simplistic the role of subsidiary employees in the transfer of practices, this study contributes to a more sophisticated understanding of the agency roles of boundary spanners within MNCs performing translation roles to purposefully modify a practice to fit in the new subsidiary.

The analysis of this chapter has shown that the role of translation performed by boundary spanners explains to a great extent the adaptation configurations identified in chapter 4. The next chapter connects the outcomes of the transfer (chapter 4) with the findings from the

predictors across the institutional, organisational, and individual levels of analysis (chapter 5 to 7) and draws the attention to the cross level interactions on the adaptation of CSRR.

8. A multi-level framework of transfer of practices within MNCs: a critical realist perspective

8.0 Chapter overview

The previous chapter focused on the individual level of analysis, specifically looking at the translation strategies devised by boundary spanners. Because so far, the thesis has studied the influence of the institutional, organisational and individual level on the outcomes of the transferred practice independently, this chapter brings together the findings from previous chapters to build a multi-level framework of transfer of practices within MNCs and addresses the overarching research question raised in the beginning of this thesis: *What explains the responses and adaptation of corporate-led CSR reporting by subsidiaries of an MNC?* The chapter mainly contributes by showing that adaptation of a transferred practice is better understood as an outcome embedded within different structures observed at the institutional, organisational and individual levels of analysis. The multi-level framework proposed in this chapter contributes to the transfer of practices literature by providing a powerful tool to study the complex network of mechanisms that explain different adaptation configurations and the contingent conditions under which they are expected to occur.

8.1 Introduction

The transfer of practices and policies by MNCs across their geographically dispersed units has been a central concern in the IB literature. Yet, current models of transfer of practices linking outcomes and determinants are not nuanced enough to reflect the interactions of interdependent structures across different levels of analysis influencing subsidiaries of an MNC. Although this literature has been able to demonstrate the potential barriers to the transfer of practices particularly at the institutional and organisational level (e.g., Kostova, 1999; Kostova & Roth, 2002), significant gaps remain in our understanding of the

mechanisms at play, leading to the heterogeneity of responses and adaptation of the transferred practice. This present chapter fills in this gap and provides a multi-level framework to understand the transfer of a practice within an MNC. By addressing the overarching research question raised in chapter 2: *What explains the responses and adaptation of corporate-led CSR reporting by subsidiaries of an MNC?* This chapter reveals the *"mechanisms"* at play and the *"contingent conditions"* that explain four adaptation configurations: *proactive adaptation, intentional decoupling, unintentional decoupling and ceremonial adaptation*. The aim of this chapter is three-fold:

- To assemble the four empirical chapters which have provided the building blocks of the multi-level model and reflect on the remaining gaps of a single-level analysis.

- To offer a consolidated model after fitting together the findings from the empirical chapters and revisit some insights that the multi-level framework brings to light.

- To explain the causal mechanisms that explain the four configurations observed and specify the contingent conditions that trigger them.

The consolidated multi-level model of the transfer of CSRR within an MNC discerning between mechanisms and contingent conditions makes important theoretical and methodological contributions to the transfer of practices literature and multi-level CSR literature. First, the study contributes to our understanding of the adaptation of CSRR by subsidiaries, following its transfer by the HQ. The chapter mainly contributes by showing that adaptation of a transferred practice is better understood as an outcome embedded within different structures observed at the institutional, organisational and individual levels of analysis. The multi-level framework shows that the configuration of the adaptation of CSRR is mostly explained by the level of development of the absorptive capacity and the type of translation strategy devised by the boundary-spanner. The study reveals that a well-developed absorptive capacity and the *hybridisation* translation strategy offsets the barriers of the institutional environment on the adaptation of the transferred practice. Conversely, if the

subsidiaries' absorptive capacity remains underdeveloped and the boundary spanners devise either a *replication* or *replacement* translation strategies, a favourable institutional environment is not sufficient to trigger an enhanced adaptation. By examining the multi-level determinants, the study empirically contributes by showing that *intentional decoupling, unintentional decoupling, ceremonial adaptation and proactive adaptation*, all different configurations of adaptation and outcomes of the transfer result from the level of development of the subsidiary absorptive capacity and the translation strategy performed by boundary spanners. In doing so, the study delineates the contingent conditions that activate those outcomes.

Second, the study advances the theorisation of the outcomes of the transfer in terms of the *adaptation* of the practice rather than on *adoption* and as a configuration of four dimensions - implementation, internalisation, integration and fidelity - represents an important shift in the assumption that practices transferred within MNCs are adopted "intact" to the idea that practices undergo transformation. It also contributes to overcoming the perception that subsidiaries are passive receptors of diffused practices.

Third, the multi-level framework brings to light multiple dynamics in the transfer of CSRR that single or double level studies fail to capture. It has exposed the multi-directional roles of boundary spanners in the adaptation of CSRR engaging in top-down and bottom-up and lateral dynamics. Similarly, ACAP was found to be influenced simultaneously by the host country business system, the organisational mechanisms deployed by the HQ underpinning the practice and current stocks of related knowledge.

Fourth, the model sets the grounds for further studies of the transfer of practices by providing a multi-level framework of relevant conditions which could be tested for a larger population of cases by using, qualitative comparative analysis (QCA).

The final contributions refer to the theoretical and methodological approaches used in this thesis. In a response to the fragmented state of the literature which has relied almost

exclusively on one of the three schools of institutionalism, offering only partial explanations of the phenomenon of transfer of practices, due to their focus on one domain of analysis (e.g., new institutionalism in the organisational field or comparative institutionalism in the national institutions), this research has adopted an eclectic theoretical approach drawing on the three schools of institutional theory with the intention to build complementary insights into the adaptation of CSRR. This study also fills in the philosophical and methodological gap in the literature by demonstrating the application and operation of an explanatory research underpinned by a critical realist research and advocates that this philosophical paradigm is a fruitful vehicle for conducting explanatory multi-level research.

The chapter is organised in the following way. Section 8.2 describes the analytical techniques used to arrive at this final stage of the research where the causal explanation of the phenomena in question is provided, along with the identification of the conditions triggering the causal mechanisms. Section 8.3 outlines the main findings of the empirical chapters (chapters 4 to 7), highlights the specific relationships studied, points out some remaining gaps from a single-level analysis and discusses the findings in relation to prior studies. This chapter systematically builds a consolidated version of the model. Section 8.4 discusses the consolidated multi-level model, revisiting some relationships between the constructs and exposing new insights. Section 8.5 identifies the causal mechanisms of the adaptation of CSRR and examines the contingencies that explain the four adaptation configurations. Section 8.6 revisits some of the findings of this chapter from a multi-level perspective and discusses their significance in relation to prior models in the transfer of practices literature and multi-level approaches in the CSR literature. This section advocates the use of critical realism as a powerful paradigm to conduct multi-level research since its philosophical tenets are compatible with the assumptions of multi-level perspectives. Finally section 8.7 outlines the theoretical, empirical and methodological contributions of the multi-level framework to the field.

8.2 Methodology

The methodology of this chapter is consistent with the embedded multiple case study design and the six-stage model of explanatory research proposed by Danermark et al., (2002). Prior empirical chapters have adopted a hybrid process of inductive and deductive thematic analysis. These chapters have systematically used specific conceptual frameworks and theories to understand the relationship between the outcomes of the transfer and one specific level of analysis. The current chapter refers to the three final analytical stages of the processual model of explanatory research: retroduction, comparison between different theories and abstractions and concretisation (see Figure 18) which are explained in detail below.

Figure 18 The three analytical stages of the chapter

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│            Stage 1: Retroduction:                     │
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┌─────────────────────────────────────────────────────┐
│       Stage 2: Concretisation and contextualisation   │
└─────────────────────────────────────────────────────┘
                         ▽
┌─────────────────────────────────────────────────────┐
│ Stage 3: Comparison between different theories and    │
│          abstractions                                 │
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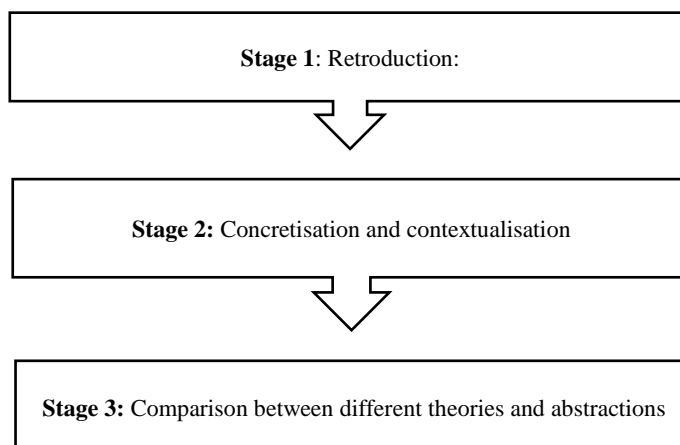
The first analytical stage of this chapter discusses the process of "retroduction". As outlined in chapter 2, this analytical tool is characteristic of a critical realist philosophy and refers to the description and analysis of concrete phenomena to reconstruct the basic conditions for these phenomena to be what they are (Danermark et al., 2002). It is about advancing from one thing (empirical observation of events) and arriving at something different (a conceptualisation of transfactual conditions). The fundamental questions that this mode of inference asks are: *What properties must exist to trigger the four configurations of adaptation of CSRR?* and; *What makes adaptation of the transferred practice possible?* In this first

stage, two strategies were used to guide the production of retroductive inferences: counterfactual thinking and examination of extreme cases as recommended by Danermark et al., (2002).

Counterfactual thinking has been considered fundamental in scientific practice and consists of understanding what something is in relation to what is not. In our understanding of the world, presence and absence are constitutive of one another. The constitutive properties or "necessary" properties) of something can only be discerned by relating these properties to what is not constitutive but rather an accidental circumstance. In order to proceed with this reasoning, the findings of chapters 4 to 7 were condensed in a case-order matrix to visualise the four observed outcomes with their determinants at the three levels of analysis respectively. The following task consisted of asking counterfactual questions by looking at the data in the cells across cases. For example, for the outcome of proactive adaptation, found in the Danish and the American subsidiaries, some of the questions that were asked were: *Could proactive adaptation be conceived without the compatibility of the institutional environment to the transferred practice? Could proactive adaptation be conceived without the developed subsidiary absorptive capabilities? Could proactive adaptation be conceived without existing knowledge? Could proactive adaptation be conceived without a hybridisation translation strategy?* The researcher applied the same task to the three other outcomes (i.e. intentional decoupling, unintentional decoupling, ceremonial adaptation and registered the answers which were subsequently compared.

The second strategy used was the study of extreme cases. Throughout chapters 4 to 7 it has been seen that the Danish and the American subsidiaries are cases where the preconditions for adaptation appear much more clearly than in others. The French subsidiary elucidates opposite contextual conditions and outcomes of the transfer in comparison to the Danish and American subsidiary. Finally, the Dutch and Brazilian subsidiaries represent extreme or deviant cases which appear to contradict theoretical predictions and challenge the mechanisms in their pure form. In both cases the outcome of the transfer was different from

what had been anticipated and thus, served to identify whether the causal mechanisms identified in the Danish and American subsidiaries worked in the same way. An in-depth study of the two extreme cases was undertaken followed by a case report using an identical template which condensed the findings from chapter 4 to 7, this report was developed in Nvivo in the form of a "memo". These documents supported the write-up of the findings in this chapter.

The second step of analysis in this chapter refers to what is called the "concretisation" and "contextualisation" stage in the processual model of explanatory research (Danermark et al., 2002) and consists of examining how the mechanisms identified manifest themselves across the four outcomes identified and how they interact with other mechanisms at different levels and under specific conditions. Particular attention here was given to the distinction between the more structural conditions and the accidental circumstances. In order to systematically analyse these relations, the researcher used the predictor-outcome matrix and studied the cases from a case-oriented perspective, studying the configurations of each of the four outcomes observed. This helped to discern between mechanisms and conditions. Once the mechanisms were identified, the researcher compared the cases to analyse the way in which the mechanisms manifested in the five contexts. The memos developed in the previous analytical stage of the Brazilian and French subsidiaries were key to identify the conditions that prevented the development of the absorptive capacity and the "cherry-picking" and "hybridisation" translation strategies. Section 8.5 of this chapter expands on those conditions that activate the development of the absorptive capacity and specific translation strategies. Given the heterogeneous nature of causation explained in chapter 2, this analysis also offers the possibility of identifying other contexts in which similar outcomes may occur. Chapter 9 provides a discussion of this in section 9.4.

Table 29 Case-order matrix condensing the findings from chapters 4 to 7

				French subsidiary	Danish subsidiary	Dutch subsidiary	American subsidiary	Brazilian subsidiary
OUTCOMES OF THE TRANSFER — Chapter 4: Strategic responses and adaptation configurations	Strategic responses	Managers		Acquiescence	Acquiescence	Compromise	Compromise, Acquiescence	Compromise, influence, challenge
		Employees		Avoidance, defiance				Acquiescence
	Dimensions of adaptation	Implementation		Minimal	Extensive	Moderate	Extensive	Extensive
		Internalisation	Managers	High	High	High-moderate	High	Low
			Employees	Low	High	High	High	Low
		Integration		Low	High	Moderate	High	Low
		Fidelity		High	Moderate	Low	Moderate	Moderate
	Adaptation Configurations			Intentional decoupling	Proactive adaptation	Unintentional decoupling	Proactive adaptation	Ceremonial adaptation
MULTI-LEVEL DETERMINANTS OF THE TRANSFER — Chapter 5: Institutional level	National business system	Explicit/Implicit forms		Implicit	Hybrid	Implicit	Explicit	Hybrid
		Subsidiary capabilities to cope with adaptation		Absent	Present	Present	Present	Absent
	Organisational field pressures			Weak	Moderate	Weak	Strong	Strong
	Compatibility between transferred and existing practices			Low	Moderate	Low	High	Moderate
Chapter 6 : Organisational level	Prior knowledge*			Very Low	Moderate	Low	High	Very High
	Control	Output	Specification of performance evaluation	Unknown	Known	Unknown	Known	Known
			Financial incentive systems	Absent	Absent	Absent	Absent	Absent
		Behaviour	CSRR budget control from HQ	High	Absent	Moderate	Absent	Absent
	Social mechanisms		Intensity of communications	Low	Moderate	High	High	High
			Corporate socialisation	Low	High	Moderate	High	High
			Visits from the HQ to the subsidiary	Present**	Present**	Present**	Present**	Present**
	Integration		Liaison mechanisms	Existent	Existent	Existent	Absent	Absent
			Structure of local teams	Temporary and voluntary	Temporary and voluntary	Temporary and voluntary	Permanent	Permanent
	ACAP		Capability to recognise new external knowledge	Low	High	Moderate	High	High
			Capability to assimilate valuable external knowledge	Low	High	High	Moderate	Low
			Capability to apply assimilated external knowledge	Low	High	Moderate	High	Low
Chapter 7: Individual level	Translation process	Individual preference	Background	HR	HR	Marketing and sales	Financial education	Third sector
			Level of involvement	Low	High	High	High	High
			Interpretation of the standard	Control by the HQ	Means to an end	Means to an end	Means to an end	Control by the HQ
			Translator's level of autonomy	Low	High	Moderate	High	Moderate
		Strategic framing	Integrated priorities	Instrumental	Instrumental	Instrumental and relational	Instrumental	Instrumental and relational
			Use of institutional context to legitimise the new practice	Absent	Present. Focus on national agenda	Present Focus on institutional and cultural differences	Present Focus on industry leadership	Absent: Ignoring institutional pressures
		Local grounding	Enactment of the new practices	Decoupled from works council	Integrated with storytelling and dialogues with government	Integrated with works council	Integrated with PR and external communication	Replacing existing practices
	Translation strategy			Replication	Cherry-picking	Hybridisation	Cherry-picking	Substitution

The final analytical step of this chapter consisted of assessing the explanatory power of each of the frameworks used and the significance of the findings compared to previous studies. Chapter 5 showed that the historical and new institutionalist perspectives were limited in explaining the adaptation configurations of the Brazilian and the Dutch subsidiaries and thus, other causal mechanisms seemed to be at play. Chapters 6 and 7 expanded the view of the conditions and mechanisms triggering adaptation, thus demonstrating their complementarity, as they focus on partly different but nevertheless necessary conditions. To systematically conduct this assessment, and following the recommendations by Miles & Huberman (2014), existing frameworks (in the form of tables condensing propositions, predictions and where appropriate hypothesis with findings) were juxtaposed with the case-ordered matrix (Table 29) developed in stage 1. The researcher noted consistent findings and contradictions. Where some findings were ambiguous, the researcher went back to the specific findings of each chapter. These observations served as the basis to the discussion offered within each chapter discussion through sections 8.3.2 to 8.3.4 and in section 8.5.

8.3 The blocks of the multi-level model

This section recapitulates and discusses each of the thesis empirical chapters. Each sub-section has a three-fold purpose: (1) to provide an account of the key insights of each chapter by taking apart the relationships studied, (2) to discuss the gaps remaining from a single level approach and the unanticipated findings and (3) to scrutinise the findings in relation to prior studies.

The first empirical chapter studied the outcomes of the transfer and was followed by three empirical chapters which have offered an account of the adaptation of CSRR at one specific level of analysis and relying on specific theoretical lenses. Chapter 5 studied the influence of the institutional environment by studying the mutual influences of the national and the organisational field. Chapter 6 focused on the influence of the HQ's mechanisms

underpinning the transfer and their interaction with the subsidiary absorptive capabilities at the organisational level. Finally chapter 7 has focused on the individual role of boundary-spanners translating CSRR.

8.3.1 Outcomes of the transfer: Adaptation of CSRR and associated strategic responses (Chapter 4)

Chapter 4 examines the outcomes of the transfer (see constructs in yellow in Figure 19) by asking: *How do subsidiaries respond to the adoption of CSRR?* and; *What are the configurations of subsidiary practice adaptation*? By drawing on the framework of strategic responses to institutional pressures formulated by Oliver (1991) and on recent contributions of the literature on diffusion and practice variation (Ansari, Fiss & Zajac, 2010; Canato, Ravasi & Phillips, 2013; Gondo & Amis, 2013; Reay et al., 2013), the chapter sheds light on the variety of strategic responses associated with the heterogeneous adaptation of CSRR.

In contrast to considerable empirical research on the diffusion of CSRR which has looked at the degree of adoption of a diffused practice as a proxy for the resulting level of homogeneity within an organisation (Fortanier, Kolk, & Pinkse, 2011; Larrinaga-Gonzalez, 2007), the findings in this chapter show that there is considerable variability in terms of the implementation, internalisation, integration and fidelity of the practice across the subsidiaries signalling the absence of a cross-national isomorphism between the HQ and the subsidiaries and highlighting the existence of new "glocal" forms of CSR.

Previous work has considered implementation and integration as either synonymous or strongly correlated (Christmann & Taylor, 2006) and that integration is achieved only when practices are extensively implemented and internalised (Kostova & Roth, 2002). One of the theoretical contributions of this chapter is that it challenges these assumptions by teasing the four dimensions of adaptation apart: implementation, internalisation, integration and fidelity and inductively builds on the distinctive characteristics of internalisation and integration, offering four refined typologies of adaptation. The French subsidiary displays *intentional*

decoupling which is characterised by low levels of implementation, internalisation and integration and a high level of fidelity. The Danish and American subsidiaries exhibit a *proactive adaptation* characterised by extensive implementation, high levels of internalisation and integration and a moderate level of fidelity as the new practice de-emphasises selected elements of the original version and prioritises key appealing features. The Dutch subsidiary displays *unintentional decoupling* characterised by a moderate level of implementation, high level of internalisation and integration and low levels of fidelity. Finally, the Brazilian subsidiary displays a *ceremonial adaptation* characterised by extensive levels of implementation, low levels of internalisation and integration and low levels of fidelity.

The analysis of these configurations highlights that moderate and extensive levels of implementation are only found across the *proactive adaptation*, the *unintentional decoupling* and the *ceremonial adaptation*. Evidence of integration is only found in the *proactive adaptation* and *unintentional decoupling*. Both configurations also display important levels of internalisation, however the former exhibits extensive implementation while the latter manifest difficulties with the implementation of processes and policies. This chapter shows that some degree of modification, internalisation, partial conformity and cohesive responses between managers and employees are essential to achieve the integration of the practice.

In terms of the strategic responses, subsidiaries adopt not only one strategy but use various tactics along a continuum of conformity and non-conformity. Conforming subsidiaries (e.g., Danish, American and Dutch subsidiaries) are the less likely to adhere fully to the original prototype while the more resistant subsidiaries, those which also display the lowest levels internalisation, modify the practice less. Table 30 summarises the key findings of chapter 4.

Table 30 Key findings of chapter 4

| Chapter 4. Outcomes of the transfer: *Adaptation of CSRR and subsidiary strategic responses*	Key findings
	• **Variability in terms of the implementation, internalisation, integration and fidelity** of the practice across the subsidiaries signalling the absence **of a cross-national isomorphism between the HQ and the subsidiaries.**
	• Emergence of new **"glocal" forms of CSRR**.
	• Four refined typologies of adaptation are identified: ***intentional decoupling, unintentional decoupling, ceremonial adaptation and proactive adaptation*** with different configurations of implementation, internalisation, integration and fidelity
	• **Moderate and extensive levels of implementation** are only found across the ***proactive adaptation, the unintentional decoupling and the ceremonial adaptation.***
	• Evidence of **integration is only found in the** *proactive adaptation and unintentional decoupling.*
	• Some **degree of modification, manifestations of internalisation, partial conformity and cohesive responses** between managers and employees are **essential to achieve the integration of the practice.**
	• Subsidiaries adopt not only one strategy but us **various tactics** along a continuum of conformity and non-conformity.
	• **Conformant subsidiaries display some level of modification of the original prototype** while the more resistant subsidiaries (those with the lowest levels internalisation) modify the practice less.

Figure 19 Constructs studied in chapter 4

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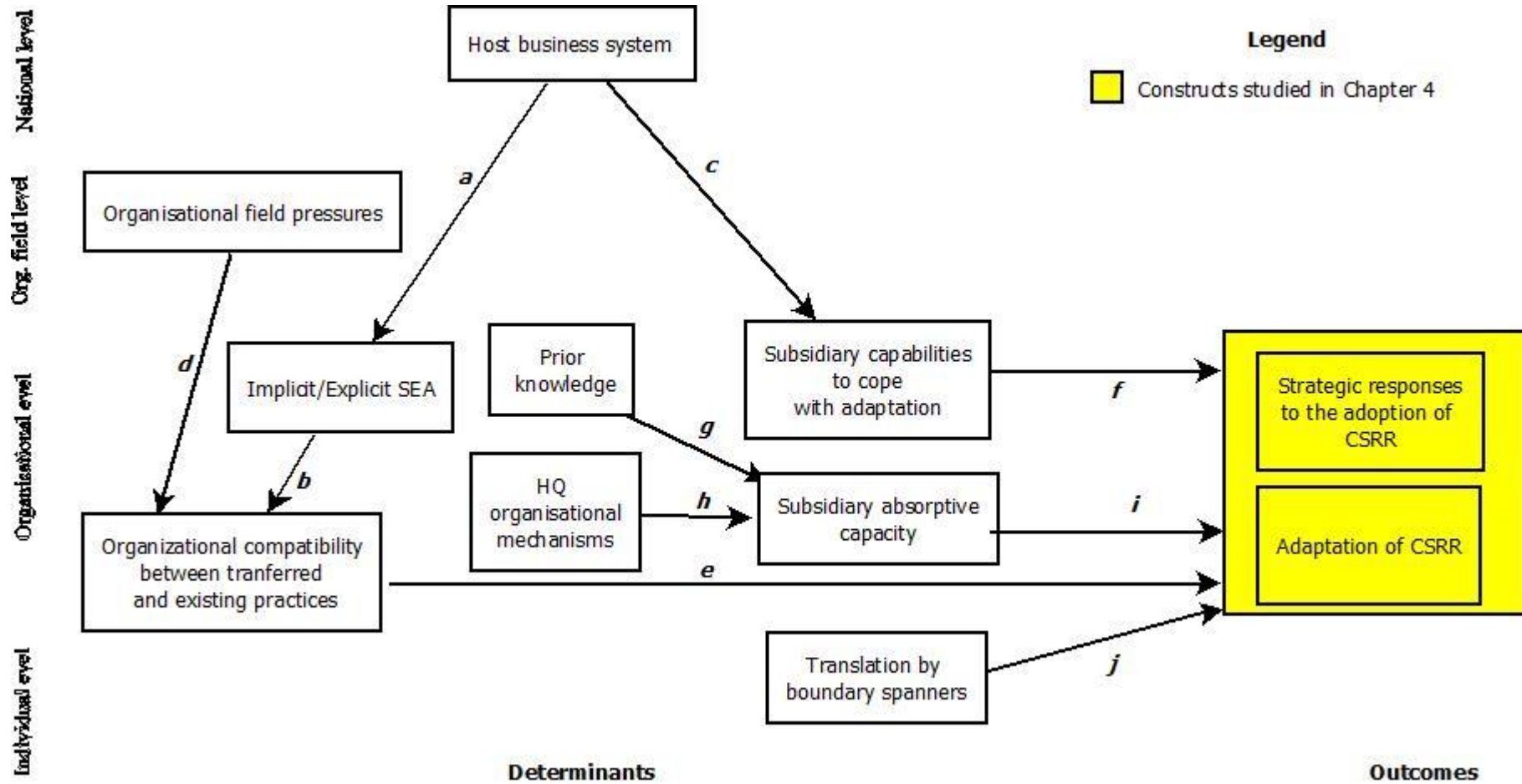
8.3.2 The influence of the national institutions and organisational field pressures (Chapter 5)

Chapter 5 examined the intertwined influence of the national institutions and organisational field pressures on the strategic responses and adaptation configurations revealed in chapter 4 (see blue constructs and relationships *a,b,c,d, e* and *f* in Figure 20). Capitalising on the arguments of comparative institutionalism, the host business system influences the organisational compatibility between transferred and existing practices through the development of implicit and explicit social and environmental accountability (SEA) forms (see relationships *a* and *b* in Figure 20).

The empirical investigation of this cross-level relationship suggests that the institutions of the state led market economy (SLME) and the continental European Economy (CEE) have reinforced the development of implicit social and environmental accountability (SEA) forms across the French and Dutch subsidiaries, which appear incompatible with the transferred CSRR practice from the HQ. In contrast, the institutional complementarities of the market based capitalism (MBC), the social democratic economy (SDE) and the hierarchical market economy (HME) have influenced the development of SEA forms in the American, Danish, Dutch and Brazilian subsidiaries which appear more similar (in terms of drivers and existing processes) and thus more compatible to the transferred practice.

The inductive approach undertaken in this chapter to identify the implicit/explicit SEA forms also suggested that some elements from the business system did not have a direct influence on the development of explicit/ implicit social and environmental accountability mechanisms but rather, they had an impact on the development of subsidiaries' capabilities to cope with the adaptation of a new practice. The extent of linkage between these adaptation capabilities and the outcomes observed in chapter 4, at least in the Danish, American, French and Brazilian subsidiaries, appears, according to the NBS and VoC literature, to be explained by the institutional complementarities (Crouch, 2010). The findings sustain that the Danish and

American business systems have generated institutional arrangements that have provided subsidiary actors with resources for actively shaping the transferred practice and responding to changing and differentiated demands which appear to be absent in the French and Brazilian subsidiaries. This corresponds to relationship *c* in Figure 20. Nonetheless, an unanticipated finding emerged in the Dutch case where the NBS and VOC literatures were limited in explaining that employees coped positively with the adoption of the new practice and overall displayed conformity responses.

Drawing on the premises of new institutionalism, CSRR in its explicit form is diffused through the coercive, normative and mimetic mechanisms and thus the organisational field co-influences the organisational compatibility between transferred and existing practices (see different level direct influence *d* in Figure 20). The empirical findings in this chapter suggest that despite belonging to the same organisational field, the intensity of the coercive, normative and mimetic pressures varies across the five subsidiaries. The American, Brazilian and Danish subsidiaries are susceptible to stronger organisational field isomorphic pressures while the French and the Dutch subsidiary are exposed to limited isomorphic pressures (partly explained by the lack of awareness of their employees).

This chapter thus theorised the co-influence of the that the business system and the organisational field pressures on the organisational compatibility between the transferred and existing practices and its subsequent influence on the outcomes of the transfer (i.e. the strategic responses to the transfer of the practice and the adaptation of CSRR - see relationship *e* in Figure 20). The empirical analysis of this relationship suggests that the adaptation to CSRR may face more barriers in the French and Dutch subsidiary (low level of compatibility between transferred and existing practices), lower constraints in the Danish and Brazilian subsidiaries (moderate level of compatibility between transferred and existing practices) and almost no barriers in the American subsidiary (high level of compatibility between transferred and existing practices).

However, the outcomes observed in Chapter 4 suggest that while for the American, French and Dutch subsidiaries, these predictions are consistent, the findings observed in the Dutch and Brazilian subsidiaries suggest that the strategic responses and adaptation configurations cannot sufficiently be explained by the national institutions and organisational field pressures, thus highlighting the limitations of a single level analysis, in this case the institutional level. The negative evidence of the Dutch and Brazilian subsidiaries sheds light on the existence of other mechanisms at play, influencing the responses and adaptation to CSRR. Table 31 summarises these findings and the remaining gaps that were not resolved within this chapter.

Table 31 Key findings and remaining gaps in chapter 5

	Key findings	Remaining gaps
5. Influence of the institutional environment: *Intertwined influence of the national business system and organisational field pressures*	• **SLME** and **CEE** have reinforced the **development of SEA forms** which appear **incompatible with the transferred CSRR** practice from the HQ across the French and Dutch subsidiaries, • **MBC** has influenced **implicit SEA** in the American subsidiary and **SDE and HME have influenced the development of hybrid forms of SEA** which appear more similar and thus, **more compatible to the diffused practice,** in the Danish and Brazilian subsidiaries. • **The Danish and American business systems** have provided subsidiary actors with **resources for actively shaping the transferred practice** that were found to be **absent in the French and the Brazilian subsidiaries.** • The **American, Brazilian and Danish subsidiaries are more susceptible to organisational field isomorphic pressures** while the **French and the Dutch subsidiaries** are exposed to **limited isomorphic pressures**. • **Adaptation of CSRR faces more barriers at the institutional level in the French and Dutch subsidiary**, lower constraints in the Danish and Brazilian subsidiaries and almost no barriers in the American subsidiary.	• The Dutch case displays organisational capabilities to respond to adaptation but the **comparative institutionalism is limited in explaining those findings**. • The unintentional decoupling and ceremonial **adaptation configurations** (in the Dutch and Brazilian subsidiary respectively) **cannot sufficiently be explained by the national institutions and organisational field pressures**.

Figure 20 Relationships and constructs studied in chapter 5
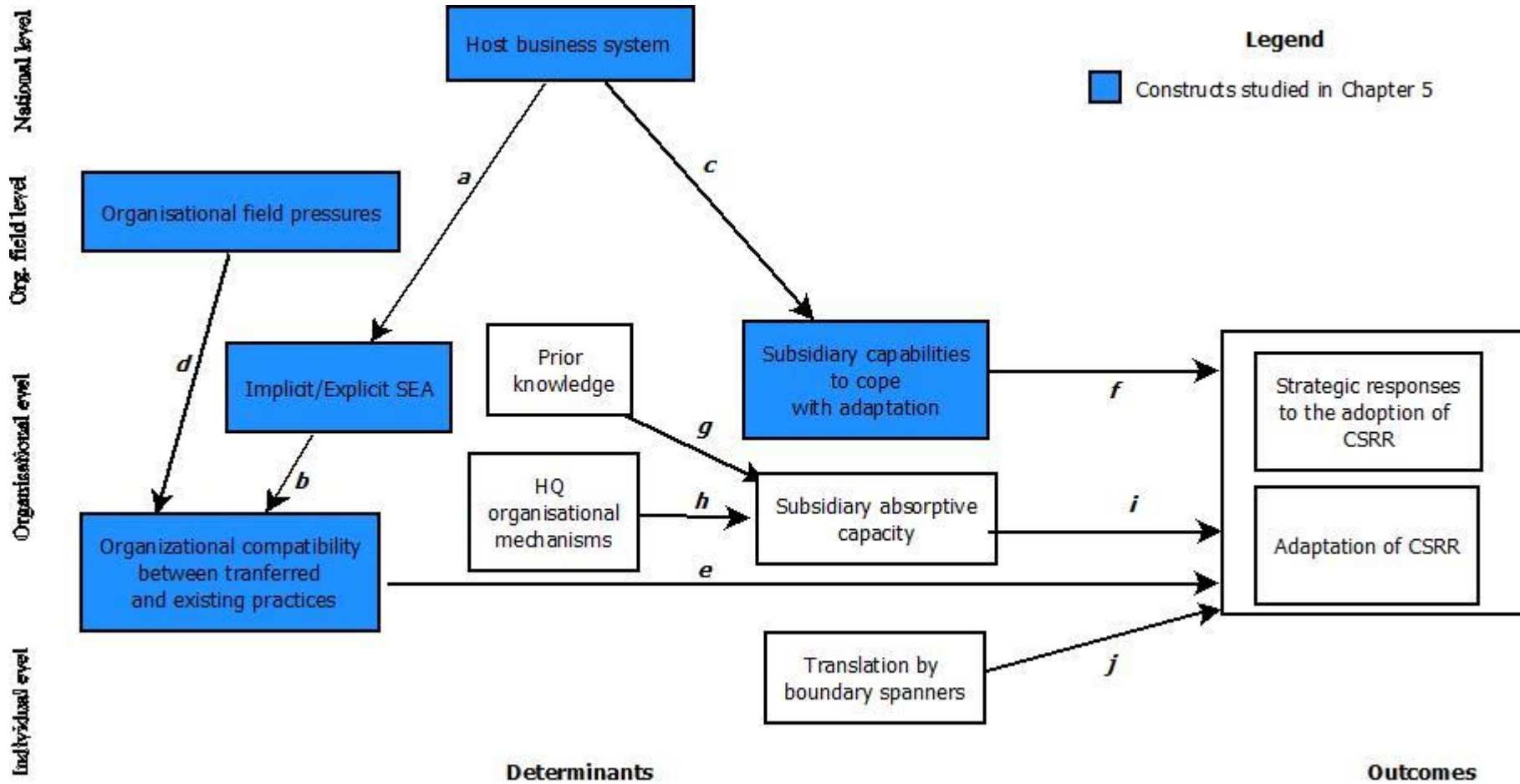
In their seminal paper, Kostova & Roth (2002) asserted that subsidiaries located in institutional environments in which individuals knew a great deal about the practice and where many companies in the field used the practice (measured as the cognitive profile) reported higher levels of implementation. The findings in this chapter support this finding. Extensive levels of implementation were identified in those subsidiaries with high levels of organisational compatibility between the transferred and existing practice, where strong mimetic pressures were manifested in the organisational field.

In contrast to the finding of Kostova & Roth (2002) that the regulatory system in the host country enforcing certain practices is counterproductive when it comes to internalisation since employees may see the adoption of the practice as an imposition, the findings of chapter 5 shed light on the positive influence of national coercive mechanisms on the adaptation of CSRR. Despite some national laws not regulating CSRR in subsidiaries, the employees that knew about this coercive mechanism ascribed value to the practice and trusted the government's decision to make it a national priority and this consequently influenced the internalisation of the practice.

The findings in this chapter also lend support to two of Oliver's (1991) predictions. First, that conformity is more likely when the practice in question is broadly diffused in the organisational field, however this chapter has further elaborated that this is contingent on employees being aware of these practices, in other words, employees activate the institutional mechanisms. These relationships will be further explained in section 8.5. Secondly, the findings are in accordance with the prediction that a lower degree of consistency between the goals from the new practice and the internal goals explains resistance to institutional pressures.

8.3.3 Influence of the MNC's organisational mechanisms (Chapter 6)

Chapter 6 expanded on the role of the parent MNC and focused on the interaction of initial stocks of CSRR knowledge and the organisational mechanisms deployed by the HQ on the development of subsidiaries' absorptive capacity and its subsequent influence on the outcomes of the transfer. The chapter specifically addressed two questions: H*ow do prior knowledge, control, social and integration mechanisms affect the subsidiaries' absorptive capacity* and; *How does absorptive capacity influence the adaptation of CSRR?* The relationships between these constructs (in red colour) correspond to same level of direct influences *g*, *h* and *i* in Figure 21. As argued in this chapter, because of the lack of understanding of the ways in which the HQ influence the adaptation of transferred practices, the theoretical underpinnings that guide this chapter draw from the literature on intra-organisational transfer of knowledge within MNCs and the growing field of absorptive capacity.

The key finding of this chapter is that prior knowledge is not a sufficient explanation to the development of the capability to recognise, assimilate and apply the knowledge (Cohen & Levinthal, 1990) transferred from the HQ regarding CSRR, but is also dependent on the organisational mechanisms deployed by the HQ that will trigger those three capabilities. The empirical findings show that among the Dutch and French subsidiaries, those with the lowest levels of prior knowledge, moderate levels of control and extensive social mechanisms helped the former to foster the three dimensions of ACAP. Intense control and weak social mechanisms exacerbated the effects of a lack of prior knowledge of the latter, leaving the three ACAP dimensions underdeveloped. The specification of performance evaluation criteria, absence of budget controls and intense social and integration mechanisms allowed the Danish and American subsidiaries to benefit from the incoming knowledge and develop their absorptive capacities particularly of exploitative nature. Despite its high level of expertise, the control and social mechanisms used by the HQ limited the absorptive capabilities of the Brazilian subsidiary.

When the HQ relied on social mechanisms such as intense communications, corporate socialisation and visits to the subsidiary, the recognition and assimilation of "know-how" or "tacit" knowledge (Lane & Lubatkin, 1998) is particularly enhanced. Formal teams (one of the integration mechanisms investigated) induce a structured approach toward the adoption of CSRR and have a positive impact on the development of the three dimensions. The findings were not conclusive about the impact of control (output) mechanisms but the absence of financial incentives and lack of specification of performance criteria was perceived by employees as a signal that CSRR was neither a "business priority" nor "strategic", contrary to the HQ's intention to make CSRR a competitive advantage. The HQ monitoring in the form of budget control was found to be detrimental to the application of CSRR knowledge (the third dimension of absorptive capacity). The analysis also exposed some trade-offs between integration mechanisms, inducing the same effects on the development of ACAP.

In investigating the relationship between absorptive capacity and the outcomes of the transfer (relationship *i* in Figure 21), the analysis suggests that subsidiaries that displayed proactive adaptation (American and Danish subsidiaries) denoted a well-developed ACAP with the particular unfolding of the exploitative capabilities which allowed them to achieve a high level of integration of the practice. The *unintentional decoupling* pattern observed in the Dutch subsidiary is explained by the development of the absorptive capabilities, particularly of the assimilation dimension which explains the high level of internalisation of the practice characterising this pattern. By contrast, those subsidiaries engaging in *ceremonial adaptation* (the Brazilian subsidiary) and *intentional decoupling* (the French subsidiary) evidenced limited absorptive capabilities.

The study of the influence of the absorptive capacity and how it is influenced by the HQ organisational mechanisms, on its own, provides a compelling explanation of the strategic responses and adaptation configurations identified in chapter 4 but the single level perspective represents only a partial picture of the complex multi-level relationships and is limited here in explaining the other conditions which triggered the absorptive capacity other than the

organisational mechanisms and the existing stocks of knowledge. The findings in this chapter suggest that the activation of the causal powers of the absorptive capacity only took place across the Danish, American and Dutch subsidiaries and remained inactivated in the Brazilian and French subsidiaries, thus largely explaining the adaptation configurations. Table 32 provides a summary of the key findings and the remaining gaps that were not resolved within this chapter.

Figure 21 Relationships and constructs studied in chapter 6
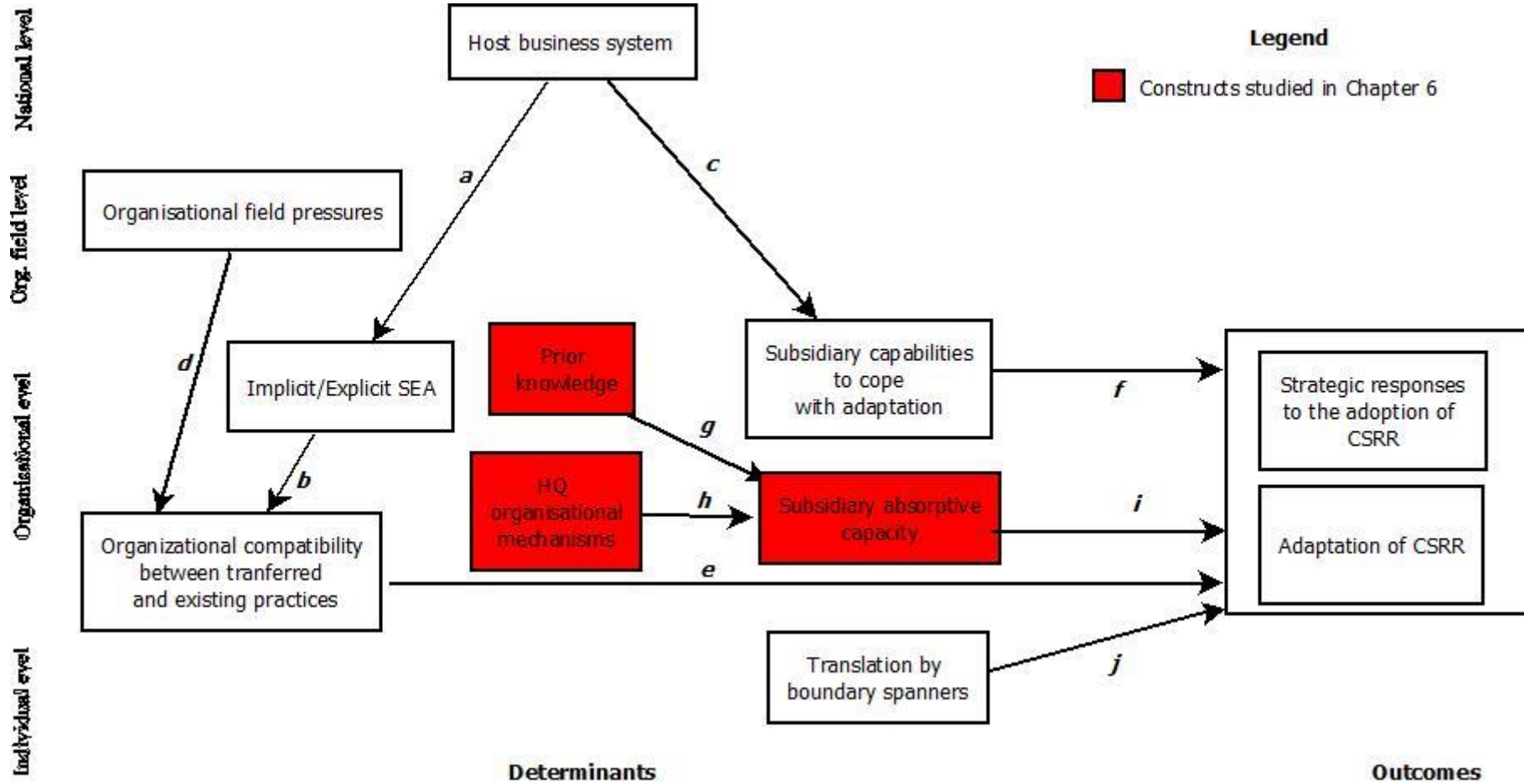
Table 32 Key findings and remaining gaps of chapter 6

	Key findings	Remaining gaps
6. Influence of the organisational level: *Initial stocks of CSRR knowledge and the organisational mechanisms deployed by the HQ on the development of subsidiaries' absorptive capacity*	• **Prior knowledge is not a sufficient explanation for the development of ACAP** but is also **dependent on the organisational mechanisms** that will trigger those capabilities. • **Moderate levels of control and extensive social mechanisms compensate for the absence of prior stocks of knowledge** in the Dutch subsidiary which fostered the three dimensions of ACAP. • **Intense control and weak social mechanisms exacerbated the effects of a lack of prior knowledge** in the French subsidiary leaving the three ACAP dimensions underdeveloped. • The **output mechanisms, absence of budget controls, intense social and integration mechanisms and existing levels of prior knowledge** allowed the Danish and American subsidiary to **benefit from the incoming knowledge and develop their absorptive capacities particularly of the exploitative capabilities.** • Despite **its high level of expertise, the control and social mechanisms** used by the HQ **limited the absorptive capabilities of the Brazilian subsidiary.**	• Absorptive capacity seems to overcome the barriers of the institutional context or conversely revert the favourability of the institutional environment. • The chapter is limited in explaining other triggers of absorptive capacity.

The findings from this chapter provide an explanation to some of Kostova & Roth's (2002) unexpected findings. Contrary to their expectations, they found that those units that perceived themselves to be more dependent on the HQ reported lower levels of practice implementation. As their study was focused on the degree of adoption rather than on the extent of the adaptation, it was limited in exploring the factors that constrained the processes of modification of the practice. By analysing the dynamics in which the HQ prompted the process of adaptation in chapter 6, this study shows that strong financial dependence, in the form of control behaviour mechanisms, damaged the subsidiary's capabilities to apply the transferred knowledge regarding CSRR, thus inhibiting the integration process. Substantial budget autonomy provided subsidiaries with more freedom and flexibility to leverage the

knowledge transferred and develop specific projects to invest in further training or equipment necessary to ground the practice.

The findings in this chapter also highlight that dependence on the parent organisation is more predominant than the dependence on the external context. Subsidiary dependence on an actor or organisation from the organisational field of national level was rarely evoked by the interviewees and highlights that when external pressure is almost non-existent, intra-organisational dependence is an inhibitor of adaptation. Autonomy is thus a source of empowerment for subsidiaries to be able to integrate the practice. Furthermore, as evidenced by the Brazilian case, the loss of autonomy can be particularly harmful in recently acquired subsidiaries where employees perceived themselves as marginalised from the decisions in the transfer of the practice.

This chapter has evidenced that, financially speaking, subsidiaries which were more dependent on their parent (e.g., French subsidiary) reported lower levels of implementation and internalisation, similar to the findings by Kostova & Roth (2002) but in contrast to the suggestion of Oliver (1991) that acquiesce is plausible when organisational dependence on the source of these pressures is high.

Oliver (1991) also referred to interconnectedness as the density of inter-organisational relations (DiMaggio & Powell, 1983; Pfeffer & Salanick, 1978). In the context of the MNC, intra-organisational transfer of practices, "interconnectedness" can be understood as the density of the relationship between the HQ and the subsidiary and the extent to which the subsidiary has access to values and requirements of the practice stipulated by the HQ. The findings provided in Chapter 6, contribute to the nascent field questioning the overemphasis in the literature on the occurrence of "flows" and the underlying assumption that the benefit created from these knowledge flows is a function of how much an organisational unit receives knowledge (e.g., Ambos, Nell, & Pedersen, 2013; Andersson, Gaur, Mudambi, & Persson, 2015). As illustrated by the Brazilian subsidiary, extensive access to the HQ's requirements

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and values of the practice through social, integration and control mechanisms were not necessarily conducive to conformity. The content rather than the flow of knowledge seems to be decisive in triggering conforming responses.

8.3.4 Influence of the individual level (Chapter 7)

Chapter 7 investigated the role of particular individuals within the subsidiaries performing translation roles and their influence on the strategic responses and adaptation of CSRR (see relationship *i* in Figure 22). This chapter theorised translators as boundary-spanners and capitalised on the Scandinavian institutionalism with particular attention to Boxenbaum's (2006b) dimensional framework of translation consisting of three dimensions: individual preferences, strategic framing and local grounding.

The findings expose four translating strategies used by boundary spanners: *hybridisation, cherry-picking, replication, and substitution*. Through *hybridisation* the Dutch translator integrated priorities from the HQ (instrumental) and the subsidiary (relational) and chose the works council, an institutionalised practice in the subsidiary, as a vehicle to incorporate new processes and routines related to the reporting. The Danish and American translators applied a *cherry-picking* strategy of selected use of instrumental priorities shaped by the subsidiary agendas and legitimised by elements of the national and organisational field. The French translator adopted a *replication* translating strategy by which the relational priorities informing SEA approaches prior to the transfer were diluted along the way in view of the view of the strong HQ control perceived by the translator purposefully downplayed as a way to reduce the ambiguity. The original prototype was "recreated" at the subsidiary level as a way to reduce ambiguity for the employees implementing the practice with no success. Finally, the Brazilian translator adopted a *substitution* strategy by which previous engagements and practices related to reporting were gradually replaced by the new practice.

The Danish, Dutch and American translators interpreted the practice as a "means to an end" by which the practice was seen as valuable and as a tool to achieve specific goals, whereas the

Brazilian and French translators considered it as a device of control from the HQ. The findings show that autonomy is a key condition for translators to be able to integrate local priorities in the new frame and embed it with other existing practices. Despite all translators being middle-managers, differences were identified in the perceptions of their autonomy vis à vis the HQ. Additionally, permanent structures and autonomy over the CSR budget were important resources for the translators to make changes either to the practice or to the organisation and support the local grounding of the new practice.

The lack of essential knowledge about CSRR limited the translator's power to re-contextualise the practice as evidenced in the French case. In contrast, translators in the Danish, Dutch and American subsidiaries enacted their institutional environment and relied on knowledge about the national priorities, industry, and the differences between the implicit and explicit approaches to social and environmental accountability to legitimise the new practice.

The analysis in this chapter shows that boundary spanners directly influence the adaptation of CSRR by devising translating strategies but they also influence indirectly these outcomes by enacting and mediating the institutional effects and acting as gatekeepers of the diffusion of the practice within the subsidiary. Translators in the Brazilian and the French subsidiary faced strong constraints to tailor CSRR and make it suitable to the subsidiary operations, whereas in the Danish, American and Dutch subsidiaries, the translators developed translating strategies that helped to integrate the practice and increase its internalisation within the subsidiary. The translators' interpretations of the practice were echoed in the employees' narratives regarding the adoption of CSRR. The conformity and comprise strategic responses correspond to those cases where the translator interpreted the practice as a "means to an end" (i.e. Danish, American and Dutch subsidiary). In contrast, the most defiant and resistant responses correspond to those subsidiaries whose translator interpreted the practice as a device of control (i.e. Brazilian and French subsidiaries).

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The *"cherry-picking"* strategy contributed to the proactive adaptation of CSRR in the Danish and American subsidiaries. The *"replication"* and *"substitution"* translating strategies in the French and Brazilian subsidiaries explain the *intentional decoupling* and *ceremonial adaptation* configurations observed. In the French subsidiary, the translation did not contribute to alleviating the incompatibility of practices caused by the national institutions and the organisational field pressures and thus the practice was not only poorly implemented but disarticulated from the existing organisational activities. The translating strategies of *"cherry-picking"* and *"hybridisation"* lead to the integration of a practice in its new context under three conditions: the translator's substantive autonomy, awareness of the institutional context and the consistent application of Sahlin-Andersson's (1996) three rules of editing: recontextualisation, reformulation and plotting of the story.

Similar to the previous chapter, the study of the translating strategies adopted by boundary spanners, in its own, provides a compelling explanation of the strategic responses and adaptation configurations identified in chapter 4. The individual level is in fact, the layer of analysis which congregates a number of cross-level relationships providing us with an understanding of the contextual conditions across different levels necessary to trigger the causal power of translation. A consolidated model should thus clarify those cross-level connections. Table 33 summarises these findings and the remaining gaps that were not resolved within this chapter.

Table 33 Key findings and remaining gaps of chapter 7

	Key findings	Remaining gaps
7. Influence of the individual level: *Translating roles of boundary-spanners.*	• The findings expose four translating strategies used by boundary spanners: *hybridisation, cherry-picking, replication, and substitution.* • The Danish, Dutch and American translators interpreted the practice as a **"means to an end"** whereas the Brazilian and French translators interpreted it as a **device of control** from the HQ. • **Translators" autonomy** is a key condition to be able to integrate local priorities in the new frame and embed it with other existing practices. • "**Cherry-picking**" and **"hybridisation"** lead to the **integration** of a practice in under three conditions: the **translators substantive autonomy, awareness of the institutional context and the consistent application of Sahlin-Andersson (1996) three rules of editing.** • The **role of translation** performed **by boundary spanners** explains to a great extent the subsidiary **strategic responses and the adaptation configurations.**	Other cross-level relationships emerged in this chapter which need to be revisited in the multi-level model in order to identify the contextual conditions triggering of translation.

The analysis of the individual level also yields insights on the impact of dependence on adaptation and contributes to clarifying the unexpected findings by Kostova & Roth (2002) that those units which perceived themselves to be more dependent on the HQ reported lower levels of implementation.

This chapter has shown that dependence inhibits the translation capabilities of boundary spanners and is a key condition for translators to be able to integrate local priorities (i.e. the Dutch subsidiary) or purposefully select attractive features of the original prototype (i.e. the American and Dutch subsidiaries). Less autonomous boundary spanners interpreted the practice as a device of control which influenced the employees' perceptions about the practice and limited the internalisation of the practice. In contrast to Kostova & Roth's (2002) assertion that coercive mechanisms damaged the internalisation of the practice, this chapter shows that knowledge regarding coercive mechanisms at the national level provided resources to the translator to legitimise the practice, thus positively influencing the levels of internalisation.

Figure 22 Relationships and constructs studied in chapter 7

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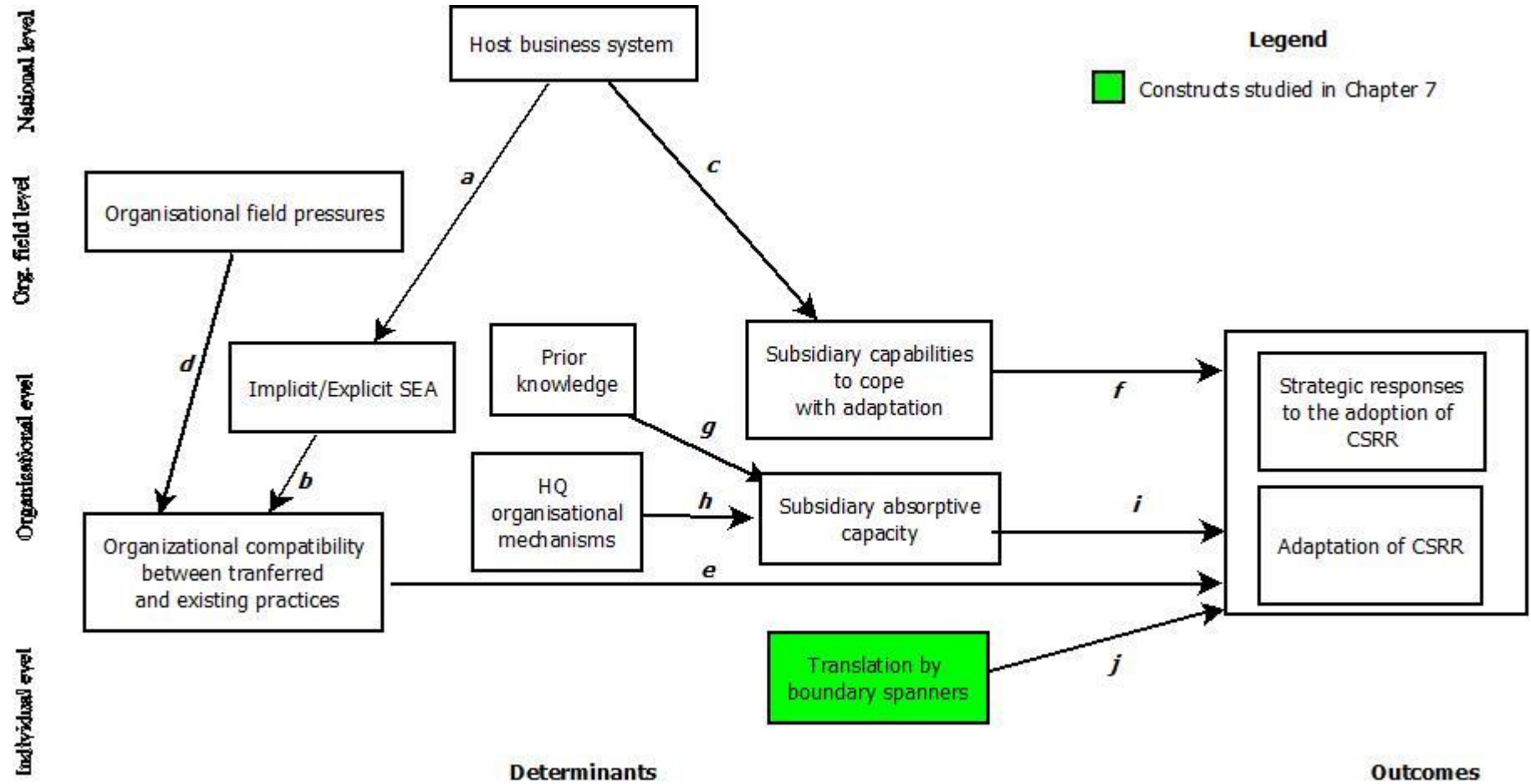
The findings in the Brazilian and French subsidiary suggest that despite the absence of explicit sanctions, the practice was interpreted as a device of control from the HQ and a mechanism to ensure that the subsidiary was behaving in accordance to the global strategy. This created disapproval and negative attitudes toward the practice, thus contradicting the prediction of Oliver (1991) that a higher degree of coercion is likely to lead to organisational conformity.

8.4 A consolidated multi-level model of the transfer of CSRR within an MNC

Assembling the constructs studied throughout chapters 4 to 7 in a multi-level model brings to light some cross-level relationships and clarification of some constructs that have conceptual overlap or remained disarticulated from each other given the boundaries of each chapter. The following section recasts the model and discusses some new insights of the consolidated model depicted in Figure 23.

Subsidiaries by virtue of their nature possess absorptive capacities. Boundary spanners, similarly, by virtue of their nature, possess the power to perform translation. Based on this, adaptation, the outcome of the transfer and conceptualised as the configuration of different degrees of implementation, internalisation, integration and fidelity of the practice, is explained by the subsidiary absorptive capacity and the translation strategies of boundary spanners. However, these need to be triggered by some contingent conditions emerging from the relational context HQ-subsidiary and the institutional context. A key refinement in the consolidated model thus concerns the distinction between *causal mechanisms* and c*ontingent conditions*. As can be seen in the model, absorptive capacity and translation strategies are represented as *mechanisms*. The rest of the constructs, represented in rectangles, correspond to the *contingent conditions* which will trigger the development of absorptive capacity and specific translation strategies.

With regard to the constructs studied, the first observation is that there is considerable conceptual overlap between the capabilities to cope with the adaptation of a new practice that were observed in chapter 5 and that were labelled as *"subsidiary capabilities to cope with adaptation"* and the construct of correspond absorptive capacity studied in chapter 6. When the analysis of the institutional environment was conducted, it was found that the Dutch subsidiary was equipped with these capabilities despite a lack of theoretical support from the literature in varieties of capitalism and NBS. Since these capabilities were not explained by the institutions in the Dutch business system, chapter 6 allowed the identification of the HQ as the source of these capabilities. The research is limited in explaining whether these are two different constructs but in order to build a parsimonious model, those two constructs were merged. As can be seen in the consolidated model, the construct of *"subsidiary capabilities to cope with adaptation"* has been merged with the *"absorptive capacity"*. The multi-level model highlights that ACAP is influenced by three sources: (1) the host country business system, (2) the organisational mechanisms deployed by the HQ underpinning the practice and (3) current stocks of related knowledge (relationships *c, h and g* in Figure 23). Based on the findings of chapter 5 and 6, the absorptive capacity in the Danish and American subsidiary was enhanced by those three influences while in the Dutch case, the enhancement of the absorptive capabilities was mainly induced by the HQ. In the French and Brazilian cases, absorptive capacity remained underdeveloped given the absence of institutional complementarities in both host country business system contexts and the unsuitable HQ's organisational mechanisms.

Figure 23 The consolidated multi-level framework of the transfer of CSRR within an MNC: a critical realist perspective
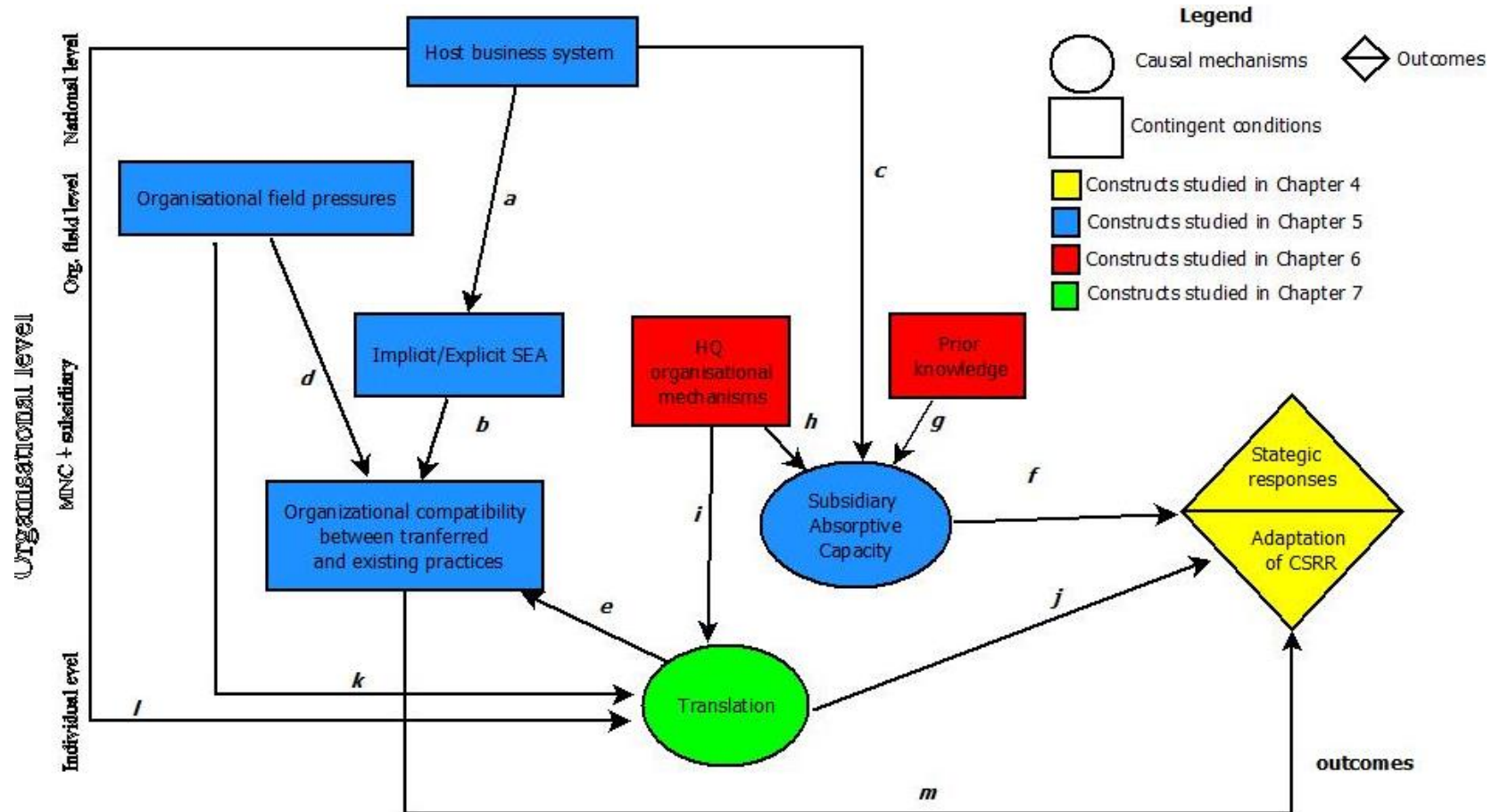
Rather than referring to "determinants" as in the previous versions of this model, the consolidated view makes a distinction between "causal mechanisms" and "contingent conditions"

The second alteration in the model concerns the individual level of analysis. While chapter 7 set out to investigate only the relationship between the translating strategies at the individual level and the outcomes of the transfer, the analysis revealed a number of cross-level relationships. The findings highlight that permanent structures and autonomy over the CSR budget were important resources for the translators for the local grounding of the practice, thus highlighting that the HQ has also an influence on the translating strategies devised by the boundary spanners through mechanisms of control and integration. This relationship is depicted in the consolidated multi-level model (see relationship i in Figure 23). Besides the influence of the HQ organisational mechanisms, the analysis also captures the effects of the organisational field and the national level on the translating strategies (see relationships **k** and **l** in Figure 22). Translators who possessed knowledge about CSRR at the national and organisational level were equipped with resources to legitimise the new practice.

An additional cross-relationship identified is the influence of the translation strategies on the organisational compatibility between the transferred and existing practices (see relationship e in Figure 23). Despite an unfavourable institutional context, the findings in the Dutch subsidiary highlight that the "hybridisation" strategy adopted by the translator aimed to reduce the existing organisational incompatibility and inspire the acceptance of the practice with the employees. However, this would not have been possible if the translator did not possess essential knowledge about the institutional environment (relationships **k** and l in Figure 23) nor possessed substantial autonomy (relationship i in Figure 23) to empower the modification of the practice.

8.5 Absorptive capacity and translation strategies as mechanisms of adaptation

Studying the phenomenon of the transfer of practices within an MNC through the lenses of critical realism has allowed the revealing of the *"deep structures"* or *"mechanisms"* at play that explain the four adaptation configurations observed. The

following section expands on the causal mechanisms and contingent conditions that explain the four configurations identified.

8.5.1 Intentional decoupling

The *intentional decoupling* pattern (low levels of implementation, internalisation, integration and high level of fidelity) accompanied by avoidance and defiance strategies observed in the French subsidiary is explained at first glance by a configuration of (1) the strong barriers in the institutional environment that intensified the organisational incompatibility between transferred and existing practices, (2) an underdeveloped subsidiary ACAP which was the result of intense control mechanisms, the absence of output mechanisms that signalled that the practice was not a business priority and the social isolation of the subsidiary (patchy communications with the HQ and lack of participation of employees in corporate socialisation practices organised by the HQ) which could not balance out the lack of CSRR knowledge and (3) a *replication* translation strategy adopted by a resource-less boundary spanner by which the practice was interpreted as a control mechanism from the HQ and the latent relational priorities were downplayed to reduce the ambiguity of the practice and increase the implementation of the new processes and practices.

8.5.2 Unintentional decoupling

The *unintentional decoupling* (moderate level of implementation, high level of internalisation and integration and low levels of fidelity) accompanied by compromise responses is a pattern observed in the Dutch subsidiary, explained by a combination of (1) strong barriers in the institutional environment that intensified the organisational incompatibility between the transferred and existing practice, (2) a developed subsidiary's absorptive capacity (particularly of the assimilation dimension), the result of the moderate levels of control and extensive social mechanisms deployed by the HQ which compensated for a lack of CSRR knowledge, and (3) a *hybridisation* translating strategy devised by the boundary spanner aimed at reducing the existing organisational incompatibility.

8.5.3 Proactive adaptation

The *proactive adaptation* (high levels of implementation, internalisation and integration and moderate levels of fidelity) along with acquiescence and compromise strategies observed in the Danish and American subsidiaries emerges from a configuration of (1) low institutional constraints that enhanced the organisational compatibility between transferred and existing practices, (2) developed absorptive capabilities, particularly those of exploitative nature (the result of specification of performance evaluation criteria, absence of budget controls and intense social and integration mechanisms which enhanced the moderate stocks of CSRR knowledge) and (3) a *cherry-picking* translating strategy adopted by boundary spanners, equipped with material and cognitive resources who deliberately selected specific instrumental priorities.

8.5.4 Ceremonial adaptation

The *ceremonial adaptation* pattern (extensive levels of implementation, low levels of internalisation and integration and moderate levels of fidelity) is accompanied by a variety of resistant responses including compromise, influence and challenge. This outcome is explained by (1) a moderate level of organisational compatibility between the transferred and the existing practices, (2) a damaged absorptive capacity, the result of social, integration and control mechanisms that could not match the level of experience with CSRR and (3) a *substitution* translating strategy adopted by the translator. Despite the similarities between the practices institutionalised in the Brazilian context and the diffused practice, the practice transferred required the Brazilian subsidiary to limit and reduce its prior SEAR practices. This was the turning point for subsidiary employees (mostly managers) who mobilised their resistance on the basis that this represented a step backwards in their CSR approach. The findings throw light on the gambits of resistance and negotiation used by subsidiary managers to manoeuvre the terms of the transfer of CSRR. However, these efforts were not enough to internalise and integrate the practice.

Applying the multi-level framework of subsidiary adaptation to the five embedded units of the case study to which the practice was transferred exposes some key insights on the adaptation configurations that subsidiaries exhibited. As depicted in Figure 23, the adaptation of CSRR is an outcome explained by different structures observed at different levels of analysis. From a critical realist perspective, adaptation is an outcome explained by the degree of development of the absorptive capacity and the translation strategies adopted by boundary spanners. The organisational compatibility between transferred and existing practices, co-influenced by the business system and the isomorphic pressures of the organisational field (see relationship *m* in Figure 23), is thus considered a contingent condition rather than a causal mechanism, that can ease or hinder the adaptation of a practice but it does not have absolute deterministic power on adaptation configurations. As discussed earlier and in detail in chapters 4 and 7, the ways in which the institutional environment will influence adaptation is by triggering the subsidiaries' ACAP, equipping boundary spanners with resources to translate the practice and activating the development of particular translating strategies.

In turn, the absorptive capacity and the *cherry-picking* and *hybridisation* translation strategies require some conditions to be triggered. As presented in Chapter 6, to be stimulated, absorptive capacity necessitates a mix of social, control and integration mechanisms deployed by the HQ, that compensate for the existing stocks of knowledge. Stocks of knowledge are a contingent but not necessary condition for the absorptive capabilities to be triggered. To be triggered, *cherry-picking* and *hybridisation* translation strategies require resources such as translators' autonomy and essential knowledge about CSRR in the organisational field and broadly at the national level to be able to re-contextualise and modify the original version of the practice.

The analysis suggests that the underdeveloped absorptive capacity and the *substitution* and *replication* translation led to the *ceremonial adaptation* and *intentional decoupling* respectively. Adaptation thus remained rather limited. In the former, despite the favourable institutional environment, the existing HQ's organisational mechanisms damaged the

subsidiary absorptive capabilities to adapt the practice and the *substitution* translating strategy simply consisted of gradually replacing previous engagements rather than modifying the practice in question to fit the subsidiary. This case highlights that when absorptive capacity remains underdeveloped, a supportive institutional environment is not itself sufficient to trigger adaptation. In the latter, the organisational mechanisms did not enhance the subsidiary capabilities to identify, assimilate and apply knowledge and the *replication* strategy was aimed at reproducing the practice with minor changes from the original prototype. In contrast, in the *proactive adaptation* and *unintentional adaptation* the translation strategies and absorptive capacity led to an enhanced adaptation. In the former, the ACAP and the *"cherry-picking"* translating strategy supported the favourability of the institutional environment while in the latter, the enhancement of ACAP by the HQ and the *hybridisation* translation offset the low level of compatibility between the transferred and existing practices.

In short, the findings expose that a developed ACAP and *cherry-picking* and *hybridisation* translation strategies act as a catalyst of adaptation, offsetting the existing barriers of the institutional environment. If ACAP remains underdeveloped in combination with replication and substitution translation strategies, the institutional environment is not sufficient to trigger enhanced adaptation. In other words, the favourability of the institutional environment is neutralised.

Based on the assumption of critical realism that causality is *conjunctural* and *multiple*, as outlined in Chapter 3, the analysis exposes that the adaptation configurations (outcomes) may be produced by different causal pathways and that one single variable may have a very different effect, depending on the configuration of variables with which it is combined in a case. For instance, subsidiaries can develop internalisation and integration of the practice in both favourable (i.e. Danish and American subsidiaries) and not so favourable institutional contexts (i.e. the Dutch subsidiary) and similarly, the existence of a favourable institutional context and expertise about the practice does not guarantee high levels of internalisation and integration (e.g., the Brazilian subsidiary). *Equifinality* is also evidenced by the Danish and

American subsidiaries displaying proactive adaptation (same outcome). Although in both cases, the three dimensions of absorptive capacity were developed and the boundary spanners adopted a "cherry-picking" translation strategy, some of the contextual characteristics are different. For example at the institutional level, the coercive mechanisms at the national level were strong in the Danish subsidiary but these were absent in the American subsidiary. The social and environmental accountability forms were almost in their pure "explicit" form in the American subsidiary, while in the Danish case, these were hybrid forms where "implicit" forms adopted "explicit" motivations. Finally within the MNC, the integration mechanisms were different: the Danish subsidiary had voluntary structures and the American subsidiary relied on permanent structures.

8.6 Discussion

This section revisits some of the findings of this chapter from a multi-level perspective and discusses their significance in relation to prior models in the transfer of practices literature and multi-level approaches in the CSR literature. By examining the four configurations of adaptation, this study responds to the plea of Kostova & Roth (2002) for more attention in some key areas which required further investigation. The *proactive adaptation* pattern identified in this study overlaps with the key features of the "active adoption" of Kostova & Roth (2002), displaying high levels of implementation and internalisation and characterised by a favourable institutional and relational context. This study additionally brings to light the moderate level of fidelity of the practice and the *"cherry-picking"* translation approach adopted by the boundary spanner. The minimal adoption group (Kostova & Roth, 2002) with low levels of implementation and internalisation is consistent with the *"intentional decoupling"* in that the subsidiary displayed an eminent disavowal of the practice. While the findings confirm that this pattern had the least favourable institutional environment, it differs with Kostova & Roth's (2002) study in relation to the characteristics defining the relationship between the HQ and the subsidiary. They found that subsidiaries in this group were the least dependent on the parent, however, the findings here suggests that the French subsidiary was

in fact the most the most dependent and controlled subsidiary by the HQ. Kostova & Roth (2002) could not find distinctive characteristics of the ceremonial group other than the favourability of the institutional context. The findings here highlight that the root of the ritualistic implementation of the transferred practice and the lack of internalisation and integration emerges from the MNC context and the tensions during the post-acquisition process in which the HQ tries to indoctrinate the subsidiary, ignoring the previous practices and experience in the acquired subsidiary.

Finally, Kostova & Roth (2002) could not find an explanation to the puzzle of why a high level of internalisation did not lead to a high level of implementation. The findings in this thesis provide a rich account of the causes explaining this outcome. Chapter 4 exposed that the Dutch subsidiary following the pattern of *unintentional decoupling* implemented the practice moderately but still encountered difficulty in complying with the CSRR requirements. In the study of the influence of the organisational mechanisms, chapter 6 showed that the social and integration mechanisms deployed by the HQ enhanced the subsidiaries' capabilities of assimilation, particularly of the tacit knowledge by which employees could recognise and identify the value of the practice and thus, internalise the practice. However, those mechanisms were limited in enhancing the assimilation of the articulated knowledge which relates to the technical knowledge underpinning the implementation of processes. In comparison to the other cases, in which some of the processes had achieved a "taken for granted" status, the Dutch subsidiary did not have experience in collecting and recording data, and many of the routine processes were introduced for the first time by the HQ. Chapter 7 also exposed that the *"hybridisation"* translation strategy adopted by the Dutch translator was aimed at achieving the acceptance of the practice rather than instigating the employees" active involvement in the process of implementation. Finally the view of integration as a transitory phenomenon outlined in chapter 6 exposes that the subsidiary efforts were focused on finding ways to integrate the practice in the operations rather than consistently implementing the processes.

As discussed in chapter 2, Oliver's framework sets out a number of predictors of strategic responses for organisations operating in a single environment. In the IB literature, her work has been used as an "off-the-shelf" framework. Sections 8.3.3 and 8.3.4 have already revisited some of the predictions anticipated by the framework of strategic responses to institutional pressures elaborated by Oliver (1991). However the multi-level perspective yields some interesting insights to their predictive power in the MNC-subsidiary context.

Oliver (1991) advocated that in the context of uncertainty, organisations are more likely to display responses of conformity, a prediction which appears to be dissonant with the findings of this study. The Brazilian and French subsidiaries faced high levels of uncertainty arising from different conditions. In the former it stemmed from the restructuring of the CSR function and a difficult post-merger process, in the latter, from the novelty of the practice. The evidence in chapter 4 suggests that for those subsidiaries displaying resistant responses, uncertainty opened up an opportunity to challenge and manipulate the adoption of the practice, particularly in the case of Brazil.

The case study highlights that the practice was implemented only symbolically in the Brazilian and French subsidiaries, which questioned the practice's efficiency. The perceived benefits of CSRR were at best ambiguous, particularly in the French context, where disseminating social and environmental information about the subsidiaries' operations was not seen as a source of competitive advantage. In the Brazilian case, the diffused practice was seen as harmful to the existing CSR processes. Such doubts over what Oliver calls "economic fitness" (p. 161) inhibited the processes of internalisation and integration. This is entirely consistent with the arguments of the diffusion literature that a practice may be adopted for symbolic reasons as opposed to immediate gains in performance or profit (Abrahamson, 1991, 1996; Kantola and Seeck, 201; Sturdy, 2004). In the rest of the cases, where the practice was internalised and integrated, the practice was interpreted as a "means to an end" enabling the achievement of economic and social subsidiary goals, thus highlighting the rational motives to adapt the practice. The findings thus provide empirical support to

Aguilera et al's (2007) assertion that for insider organisational actors to be strongly motivated to engage in effective CSR activities, they will first need to see the instrumental value of these initiatives.

8.6.1 Significance of the model in the multi-level CSR literature

The comparison between the isolated findings of chapters 5 to 7 and the integrated view of those findings in this chapter, has evidenced the limitations of single-level studies and the value of multi-level research in the study of transfer of practices within an MNC. The multi-level model has captured the multi-level complexity in the transfer of CSRR across subsidiaries within an MNC. The four configurations of adaptation are triggered by the absorptive capacity (organisational level) and translation strategies performed by boundary spanners (individual level). In order to be activated, these mechanisms require specific conditions emerging from the nested structures in the institutional, organisational and individual level. Examining the multi-level institutional framework compiled in Figure 23, it becomes possible to revisit its significance with the multi-level literature in CSR.

The first important distinction of this model from prior contributions is that it does not consider the organisational field as the primary the core unit of analysis nor the locus of interaction of macro and micro levels of analysis (e.g., Lee, 2011; Jamali & Neville, 2011). The model integrates the contributions of Jamali & Neville (2011) and Matten & Moon (2008), recognising the iterative influences of the NBS and the isomorphic pressures at the institutional level of analysis and the micro level institutional level of pressures and the existence of bottom-up processes such as interpretation. Nevertheless, it follows recent institutional perspectives (e.g., Friedland & Alford, 1991) asserting that no institutional domain should be accorded causal primacy and thus does not assign superiority to the organisational field. This choice is also believed to convey a new perspective in the transfer of practices literature, rejecting the determinism of the institutional context on the behaviour of MNC subsidiaries.

While most prior studies have focused on the CSR organisational practices of firms within an organisational field (e.g., Lee, 2011, Jamali & Neville, 2011), the model in this study focuses on the adaptation and strategic responses of subsidiaries of MNCs, which has unquestionably increased the complexity by adding another layer of analysis, the MNC context. In comparison to previous models exclusively focusing on the external layers of analysis, this model incorporates both the internal and external perspectives, providing a more dynamic picture not only of the contingent conditions across different levels of analysis (vertical axis) but also from an *inside-out perspective*, explaining the way in which the MNC will influence the capabilities of its subsidiaries in overcoming the institutional barriers, and an *outside-in perspective* elucidating how the institutional environment will equip subsidiaries and individuals to internally adapt the practice.

A second observation concerns the empirical contribution to the literature. Despite calls for multi-level research increasingly intensifying in the literature (Hitt, Beamish, Jackson, & Mathieu, 2007) and recent advancements regarding research design, measurement, and data analysis approaches (Aguinis & Glavas, 2012), multilevel considerations are more likely to be reflected in conceptual models (Aguilera, Rupp, Williams, & Ganapathi, 2007; Kostova, 1999; Lee, 2011) than in empirical research with some notable exceptions (e.g., Jamali & Neville, 2011). Lee (2011) theorised in his multi-level model that divergence of CSR strategies emerges from the variability in the configuration of external influences that consists of institutional and stakeholder pressures. He used secondary data to illustrate the configurations proposed but his contribution remains rather at the conceptual level. Aguilera et al.,'s (2007) multi-level model theorises why business organisations are increasingly engaging in CSR initiatives. The strength of the Aguilera et al., (2007) model is the suggestion that the three types of motives interact in different ways *within* different levels of analysis and interact *across* levels, which may serve to increase or decrease the pressure on organisations to engage in CSR. Similarly to Lee (2011), Aguilera et al., (2007) illustrate only three combinations in which there is conflict of motives across levels, but these illustrative

examples are limited in explaining how employees and organisations in practice resolve those contradicting pressures. One of the strengths of the model proposed in this chapter is its explanatory power emerges from the empirical evidence of an embedded multiple case study.

A final point is that the multi-level model proposed here addresses not only top-down and bottom-up processes at work like those evidenced in Jamali and Neville's work (2011), where organisational actors engaged in counter-processes including selective interpretation and sense making influence the context, but also highlights some cross-level interactions and conditions necessary to activate the causal mechanisms. The model departs from the idea that the HQ diffuses a practice following a top-down approach, and that bottom-up processes of translation are led by boundary spanners influencing the adaptation of the practice. Simultaneously, the model shows the cross-level relationships by which the ACAP and translation's causal power are triggered as specified in section 8.5 and seen in Figure 23.

8.6.2 Critical realism as vehicle for multi-level research

A key element that distinguishes this study from prior contributions in the IB and multilevel CSR literature is the strong philosophical underpinning guiding the empirical research in a way that is consistent with the assumptions of multi-level perspectives. As reviewed in chapter 2, the multi-level research continues some important assumptions such as the idea that organisational entities reside in nested arrangements and the outcomes of interest take their meaning from the whole and cannot be understood in isolation (House, Rousseau & Thomas-Hunt, 1995; Rousseau, 1985). However, despite the agreement on these assumptions, the transfer of practices and multi-level CSR literature seems to lack a philosophical paradigm guiding the research or in many cases the ontological and epistemological considerations of the study remain implicit. Often ambitious conceptual multi-level contributions lack a discussion of the methodological implications of empirically testing one of the models proposed and potential pitfalls of conducting research spanning levels of analysis. This research advocates that critical realism represents a rigorous paradigm to conduct explanatory multi-level research in the intersecting field of IB and CSR.

Critical realism has received increasing, albeit still modest, attention in business and management studies (Morais, 2011). However, it is a paradigm that has been applied, adapted and refined in various business-related fields, including geography, economics and organisations studies (e.g., Kwan & Tsang, 2001; Leca & Naccache, 2006). It is potentially applicable to a wide range of methods; this project focused on case study research, a well-suited research design for efforts to develop explicit causal explanations of complex social phenomena (Danermark et al., 2002). The case study as a "contextualised explanation" is a method which has recently emerged in the IB field (Morais, 2011; Welch, Piekkari, Plakoyiannaki, & Paavilainen-Mäntymäki, 2011), in contrast to its scant attention in the CSR literature.

This research advocates that critical realism provides a robust framework offering several opportunities for subsequent researchers undertaking multi-level research for two main reasons. The principal case for using this paradigm in a multi-level explanatory research is that it offers social scientists a distinctive methodological approach, which rejects both the expectation to uncover law-like regularities from empirical data and the denial of any possibility of generalising our understanding of idiosyncratic and heterogeneous phenomena such as CSR, subject to complex sources of influence emerging from the institutional, organisational and individual level of analysis.

Secondly, critical realism allows the study of the mechanisms that cause observable events and raises questions about the multi-level pre-conditions necessary for these mechanisms to be triggered. In the context of this study, a critical realist perspective allows the recognition that subsidiaries are social objects possessing structures and embedded within other arrangements that by virtue of their structure have causal powers. Adaptation is dependent on the causal powers of the absorptive capacity and translation which are triggered by multi-level contingent conditions. These mechanisms give rise to particular events such as the implementation, internalisation and integration ("events" in the critical realism lexis) of a CSR practice. Therefore critical realism is well placed to frame a multi-level investigation

into the multi-level conditions triggering heterogeneity in the adaptation of a practice transferred by the HQ. In the conceptual model by Lee (2011) stakeholders are identified as "buffers" or "amplifiers" of the institutional influences but he fails to specify the conditions under which these actors will display buffering or amplifying mechanisms.

8.7 Conclusion

The literature review at the beginning of this thesis stressed the need for an integrated framework in order to explain the adaptation of transferred practices by HQ to MNC subsidiaries since (1) prior studies have isolated the impact of one level of analysis and (2) the over-reliance on new institutionalism has carried the assumption that subsidiaries are determined by their external environment, leaving little leeway for actors' agency. By building upon multi-level approaches in the transfer of practices and multi-level CSR literature (e.g., Aguilera, Rupp, Williams, & Ganapathi, 2007; Jamali & Neville, 2011; Kostova, 1999; Kostova & Roth, 2002, Lee 2011) this study fills in this gap and makes important theoretical contributions to these literatures, as outlined below. It is important to highlight that the contributions to specific literature and to practice which emerged from the individual chapters will be discussed in Chapter 9.

The study contributes mainly to our understanding of the adaptation of CSRR by subsidiaries, following its transfer by the HQ by providing a multi-level framework which offers an explanation for the persistent divergence in the adaptation of CSRR. The framework shows that adaptation (understood as the configuration of implementation, internalisation, integration and fidelity) of transferred practices is an outcome explained by structures observed at the institutional, organisational (MNC and subsidiary) and individual levels of analysis. The study shows that the configuration of adaptation of CSRR is mostly explained by the level of development of the absorptive capacity and the type of translation strategy devised by the boundary-spanner. The study reveals that a well-developed absorptive capacity and the *hybridisation* translation strategy offsets the barriers of the institutional environment

on the adaptation of the transferred practice. Conversely if the subsidiaries' absorptive capacity remains underdeveloped and boundary spanners devise *replication* and *replacement* translation strategies, a favourable institutional environment is not sufficient to trigger enhanced adaptation, supporting the view that national institutions along with the organisational field pressures can constrain or enable the adaptation of CSRR, but they are not "absolute" (Edwards, Colling, & Ferner, 2007).

The consolidated model offered in this thesis has exposed the role of absorptive capacity and translation as catalysts of practice adaptation and the multi-level conditions that trigger them. Chapter 6 has shown the influential role played by the MNC in devising organisational mechanisms that can either damage or enhance the subsidiaries' absorptive capacities and support or limit the translation role of boundary spanners.

By examining the multi-level determinants, the study empirically contributes by showing that *intentional decoupling, unintentional decoupling, ceremonial adaptation and proactive adaptation*, all different configurations of adaptation and outcomes of the transfer, are the result of the level of development of the subsidiary absorptive capacity and the translation strategy performed by boundary spanners. In doing so, the study delineates the contingent conditions that activate those outcomes. The absorptive capacity is triggered by a mix of social (intense communications, corporate socialisation practices and control (e.g., budget autonomy) and integration mechanisms (e.g., permanent structures and liaison mechanisms) deployed by the HQ and that compensate for initial stocks of knowledge, whereas *cherry-picking* and *hybridisation* translation strategies require resources or "power capabilities" (Ferner et al., 2012) such as the autonomy of the translator and knowledge about the institutional environment in order to be able to recontextualise and modify the original version of the practice. The next chapter concludes the thesis by recapitulating the research's contributions to theory and practice, as well as identifying the study's limitations and providing future avenues for research.

9. Conclusions

9.0 Chapter overview

This chapter discusses the theoretical contributions of this thesis in relation to the MNC, CSR. CSRR, practice variation and glocalisation literatures. In addition, this chapter examines the practical implications of the thesis in the management of CSR across MNCs, policy makers and business-society relationships. Finally, this chapter reviews the limitations of the thesis and suggests future research avenues.

9.1 Introduction

Given the gaps in the literature regarding the transfer of practices within MNCs, this thesis proposes a multi-level framework that provides a holistic account of the mechanisms and contingent conditions at play in the transfer of a practice within an MNC. The framework assists in explaining heterogeneity of adaptation of practices, specifically four distinct configurations: *proactive adaptation, intentional decoupling, unintentional decoupling and ceremonial adaptation*. The thesis is split into four key areas organised as empirical chapters analysing first, the outcomes of the transfer: the adaptation of CSRR and the subsidiary responses and then studying the determinants across three main levels of analysis: the institutional (national institutions and the organisational field pressures), the organisational level (the MNC's mechanisms governing the transfer of CSRR and their interaction with the subsidiaries' absorptive capabilities) and the individual level (the translating strategies of boundary-spanners). The theoretical contributions of this thesis correspond mainly to the transfer of practices literature. However the multi-level and interdisciplinary nature of the project has allowed engaging with other research conversations within the CSRR, comparative and multilevel CSR literatures.

9.2 Contributions to theory

This section highlights the theoretical contributions of the research. Although these contributions have been delineated in their relevant empirical chapters, this section intends to list them together and cluster them across their corresponding literatures. The first section outlines the theoretical contributions to the MNC literature across five subfields: the transfer of practices, boundary spanning, subsidiary strategic responses and absorptive capacity literature. The second part addresses the contributions to the CSR literature with specific attention to the CSRR, comparative and multi-level CSR perspectives. The third section specifies the contributions to the glocalization literature since the thesis has integrated the translation perspective drawing from the Scandinavian institutionalism. Finally, the last section indicates the contributions broadly to the diffusion literature.

9.2.1 The MNC literature

9.2.1.a The transfer of practices within MNCs literature

The thesis contributes to the literature in transfer of practices within MNCs, by providing a multi-level framework which offers an explanation for the persistent divergence in the adaptation of CSRR. The framework shows that adaptation (understood as the configuration of implementation, internalisation, integration and fidelity) of transferred practices is an outcome explained by structures observed at the institutional, organisational (subsidiary and relational context with the MNC) and individual levels of analysis. The study shows that the configuration of the adaptation of transferred practices is mostly explained by the degree of development of the absorptive capacity and the type of translation strategy devised by the boundary-spanner. The study reveals that a well-developed absorptive capacity and the *hybridisation* translation strategy offsets the barriers of the institutional environment on the adaptation of the transferred practice. Conversely if the subsidiaries' absorptive capacity remains underdeveloped and boundary spanners devise *replication* and *replacement* translation strategies, a favourable institutional environment is not sufficient to trigger enhanced adaptation, supporting the view that national institutions along with the

organisational field pressures can constrain or enable the adaptation of CSRR, but they are not "absolute" (Edwards, Colling, & Ferner, 2007). Thus, the consolidated model offered in this thesis has exposed the role of absorptive capacity and translation as catalysts of practice adaptation and the multi-level conditions that trigger them. The thesis has shown the influential role played by the MNC in devising organisational mechanisms that can either damage or enhance the subsidiaries' absorptive capacities and support or limit the translation role of boundary spanners.

By examining the multi-level determinants, the study empirically contributes by showing that *intentional decoupling, unintentional decoupling, ceremonial adaptation and proactive adaptation*, all different configurations of adaptation and outcomes of the transfer, are the result of the level of development of the subsidiary absorptive capacity and the translation strategy performed by boundary spanners. In doing so, the study delineates the contingent conditions that activate those outcomes. The absorptive capacity is triggered by a mix of social (intense communications and corporate socialisation practices), control (e.g., budget autonomy) and integration mechanisms (e.g., permanent structures and liaison mechanisms) deployed by the HQ and that compensate for initial stocks of knowledge, whereas *cherry-picking* and *hybridisation* translation strategies require resources or "power capabilities" (Ferner et al., 2012) such as the autonomy of the translator and knowledge about the institutional environment in order to be able to recontextualise and modify the original version of the practice.

Chapter 2 outlined that the literature has largely focused on the determinants influencing the transfer of invariant practices across subsidiaries but has rarely reflected on the causes of variability of practice adaptation. Following the recent contributions in the diffusion and variation of practice literature (e.g. Ansari et al., 2010; Ansari et al., 2014; Canato et al., 2013; Gondo & Amis, 2013) this model advances the theorisation of the outcome of the transferred practice in terms of "adaptation" rather than "adoption" (Kostova & Roth, 2002),

which represents an important shift in the dominant assumption in the literature that practices are adopted "intact" to the idea that practices undergo transformation as part of adoption.

The thesis contributes to the literature by setting the ground for further studies in the transfer of practices literature by providing a multi-level framework of relevant conditions which could be tested for a larger population of subsidiaries. A set theoretic approach (Crilly et al., 2012; Fiss, 2007, 2011) such as qualitative comparative analysis (QCA) (Rihoux & Ragin, 2009) could be a promising method, since it offers a more holistic, combinatorial view of the examined inter-relationships and assumes a configurational approach based on the idea of equifinality. This approach assumes that the presence or absence of certain factors makes certain variable meaningful (Fiss, 2007). Fuzzy-set analysis can also incorporate the degree of such constructs (Fiss, 2011), making it well-suited for empirical testing of the model developed by this thesis where the level of implementation, internalisation, integration and fidelity is assessed.

The thesis contributes to the literature by specifying the three sources influencing ACAP: (1) the host country business system, (2) the organisational mechanisms deployed by the HQ underpinning the practice and (3) current stocks of related knowledge. While the second and latter sources have been acknowledged in the literature and were be investigated in detail in chapter 6, the consolidated model brings to light the former relationship which has received almost no attention in the literature of transfer of practices within MNCS with some notable exceptions (e.g., Edwards & Ferner, 2004) in the context of the reverse diffusion of practices.

The theoretical eclecticism adopted in this thesis is itself a contribution to the literature. The integrative approach drawing from the three schools of institutional theory provides important complementary insights into the adaptation of CSRR. Chapter 2 outlined that existing models of practice transfer in the IB literature rely on just one of the two main schools of institutional theory (either new or comparative/historical institutionalism) thus focusing on one domain of analysis either the organisational field or the national level and as a consequence have failed

to acknowledge the individual agency of employees in shaping the transfer of practices. Rather than relying on a single theoretical perspective which may only offer partial explanations on its own, this research joins a small group of academics recognising the need to revisit the Kostovian new institutionalist approach to practice transfer in MNCs through the incorporation of both macro and micro institutional approaches (e.g., Ferner et al., 2012; Edwards et al., 2007). At the institutional level, the integrated approach using two schools of institutionalism in the study of the determinants of subsidiary adaptation of practices (Tempel & Walgenbach, 2007), reconciles the fragmented convergence/divergence dichotomy caused by the tensions between the global isomorphism and national institutional configurations. While neo-institutionalist reasoning acknowledges the degree of dissemination of CSRR across organisational fields (Fortanier et al., 2011; Kolk, 2010; Levy & Rothenburg, 2002), the comparative perspective brings political and economic national landscapes under which CSR practices originate to light. At the micro-level, the incorporation of the Scandinavian institutionalism introduces a sense of agency in the process of the transfer of practices and highlights how practices are reinterpreted and modified after a HQ's enforced adoption of the practice.

By integrating the comparative/institutionalist approach into the study of transfer of practices within MNCs, the thesis contributes by providing an account of how national institutions continue to influence the orientations of social and environmental accountability. These institutional configurations may be supportive or complicate the transfer of CSRR through two mechanisms. First through the development of other "implicit" and "explicit" (Matten & Moon, 2008) forms of responsibility developed in the subsidiaries' host country business systems that continue to inform the subsidiaries' social and environmental accountability. Second, institutional complementarities equip subsidiaries with capabilities to adapt the transferred practices for example such as the capability to recognise, assimilate, and apply the transferred knowledge, also known as *absorptive capacity* (Cohen & Levinthal, 1990) and provision of resources for shaping practice transfer (Ferner et al., 2012) such as knowledge

from the institutional field useful to legitimise the practice. The configuration of implicit/explicit SEA informed by national institutions and its interaction with the organisational field pressures influences the degree of compatibility between the transferred and the existing institutionalised practices.

The model provided in this chapter also makes a methodological contribution. In order to provide an explanatory account of the multi-level mechanisms and contingent conditions at play in the transfer of CSRR within an MNC, the research adopted a critical realism paradigm and followed the six-stage model of explanatory research proposed by Danermark et al., (2002). As argued in chapter 2 and 8, critical realism is a viable philosophical paradigm for conducting explanatory multi-level research since it is offers the possibility to investigate social phenomena in a holistic manner, rejects the determinism and reductionism that are inherent to the regularity model, and is consistent with the theorisation in multi-level research of the environment as a nested milieu where social objects by virtue of their structure have causal powers. Despite the calls for more multi-level research, multi-level considerations remain rather conceptual with few qualitative empirical examples and researchers are challenged to find tangible recommendations in the literature on how to conduct this type of research. This study fills in the gap between the philosophical and the methodological application and brings attention to the critical realism paradigm by demonstrating the application of the methodological stages proposed by Danermark et al., (2002), thus offering an example of how to implement processes such as "abduction" and "retroduction."

9.2.1.b Boundary-spanning literature

In contrast to previous studies in the MNC literature that have traditionally considered simple the employee role of transferring practices, this study contributes to the boundary spanning literature by providing a more detailed understanding of the agency roles of boundary spanners within MNCs performing translation roles to purposefully modify a practice to fit in the new subsidiary. Prior studies in the MNC literature have focused on the role of individuals spanning the intra-organisational boundaries within the MNC by linking internal and external

boundaries (e.g., Zaheer et al., 1998; Ancona & Caldwell, 1992) and top management with rest of the community (e.g., Mantere, 2008), playing a central role in the formation of social capital between the HQ and the subsidiaries (e.g., Kostova & Roth, 2003) and building networks enabling them to alter their context of operation (e.g., Balogun et al., 2005). The multi-level framework highlights the intricate multi-directional roles of boundary spanners in the adaptation of CSRR by enacting institutional mechanisms (top-down mechanisms), translating and interpreting the practice (bottom-up mechanisms) and acting as gatekeepers and disseminators of the practice by ascribing new meanings to the practice (lateral mechanisms within the subsidiary).

This thesis advances the theorisation of the intra-organisational translation strategies adopted by boundary-spanners. By applying Boxenbaum's (2006b) three-dimensional overarching framework, the role of boundary spanner may be unravelled into four distinct translating strategies: *hybridization, cherry-picking, replication and replacement.* The findings highlight that *'cherry-picking'* and *'hybridisation'* lead to the integration of a practice in its new context under three conditions: the translator's substantive autonomy, awareness of the institutional context and the consistent application of Sahlin-Andersson (1996) three rules of editing: re-contextualisation, re-labelling and framing the plot of the story.

9.2.1.c Strategic responses by subsidiaries literature

The thesis further contributes to the literature in strategic responses by addressing the dominant assumption in the MNC literature that subsidiaries are passive receptors of diffused practices (Michailova & Mustaffa, 2012). It throws light on the gambits of resistance and negotiation and the interplay of power and interests at the subsidiary level that play a role in practice adaptation and that have not been considered by the MNC literature relying on neo-institutionalist arguments (e.g. Eden et al., 2001; Ferner & Quintanilla, 1998; Gooderham et al., 1999; Kogut, 1991; Kostova, 1999; Kostova & Roth, 2002).

The thesis advances a framework of subsidiary strategic responses to the adaptation of transferred practices. Chapter 2 discussed that Oliver's (1991) framework sets out a number

of predictors of strategic responses for organisations operating in a single environment. However, the IB literature has used it as an "off-the shelf" framework, disregarding the distinctive nature of MNCs operating across multiple and complex environments. The multi-level perspective has yielded interesting insights and contributes in two ways. First, it clarifies the predictors that did not lead to the subsidiary responses anticipated by Oliver (1991). It specifically shows that the predictions concerning *context*, *constituent*s and *control* do not hold in the case of an intra-organisational transfer. Second, it refines some of the predictors by zooming in onto the intra-organisational dynamics. For example, "interconnectedness" and "dependence" need to be understood within the HQ-subsidiary relationship rather than with the external context.

9.2.1.d Absorptive capacity literature

The main contribution to the absorptive capacity literature lies in considering the interaction between heterogeneous levels of prior knowledge and organisational mechanisms fostering ACAP as the theoretical understanding of how incoming knowledge is linked to existing knowledge stocks is, to date, scarce (Ambos et al., 2013; Michailova & Mustaffa, 2012). The findings demonstrate that prior knowledge is not a sufficient explanation to the development of the capability to recognise, assimilate and apply external knowledge (Cohen & Levinthal, 1990) but is also dependent on organisational mechanisms that will trigger those capabilities. Depending on the nature and degree of organisational mechanisms, the effects of previous stocks of knowledge on the development of ACAP may vary from positive to negative. In other words, prior levels of knowledge can be an asset or an obstacle for subsidiaries to trigger the absorptive capabilities. The findings suggest that HQs aiming at increasing the capability to adapt transferred practices need to manage their foreign subsidiaries so as to stimulate the development of capabilities of recognition, assimilation and application through a mix of control, social and integration mechanisms that develops their repository stocks of knowledge. Thus, the findings echo the argument by agency theorists that a variety of mechanisms is necessary to control and coordinate their foreign subsidiaries since the

different mechanisms are predominantly complementary rather than substitutes of one another (Tosi et al., 1997).

Following the calls in the field to address the reification of the construct of ACAP (Lane et al., 2006), this work contributes by building from the original conceptualisation of ACAP, originally proposed by Cohen & Levinthal (1990) and previous metrics that capture each of the three dimensions of the absorptive capacity in a manner appropriate for the SEAR context. The study has shown the advantages in disaggregating ACAP as a three component construct and highlights the value of empirically studying absorptive capacity using a qualitative study, thus contributing to clarify how the construct operates in a non R&D context. It thus addresses recent critics in the literature pointing out that the lack of development of the ACAP results from the dominant use of research methods which are more appropriate for testing rather than developing theory (e.g., Easterby-Smith, Lyles, & Tsang, 2008; Jones & Craven, 2001).

The research further contributes to the transfer of knowledge literature by providing evidence breaking the dominant misconception in the literature that the benefit created from the knowledge flows is a function of how much knowledge an organisational unit receives. It thus engages with recent work in the literature questioning the overemphasis on the occurrence of "flows" and the underlying assumption that they are always positive (e.g. Ambos et al., 2013; Andersson et al., 2015).The findings in the Brazilian case reveal that the transfer disrupted and ultimately damaged the learning capabilities of the subsidiary, shedding light on a "darker side" of knowledge transfers (Reus et al., 2015).

The thesis contributes to the ACAP literature by showing that concerning social, environmental and accountability knowledge, factors that are expected to influence the transfer of intra-organisational knowledge, do not play a relevant role (e.g., larger organisational units have more diverse knowledge resources that enable absorption of new knowledge, older subsidiaries have more time to develop knowledge stock (Cohen &

Levinthal, 1990)) through enhancing absorptive capacity. The Danish case (a small subsidiary acquired in 2003) managed to develop the three dimensions of its absorptive capacity comparable to larger size and older subsidiaries such as in the American case. The findings in the Brazilian case support the argument that different types of mechanisms need to be deployed in subsidiaries with high levels of experience in CSRR knowledge to avoid damaging their absorptive capacity capabilities and instead, ensure that these capabilities are of potential use and diffused in the wider MNC context (Yang et al., 2008). As suggested by Andersson (2003): "an important mission for the MNC management is to see that competent subsidiaries do not become isolated from other parts of their own corporation, and to ensure that capabilities created in one subsidiary and that are of potential use in the wider MNC context, are diffused within the corporation" (p.426). Chapter 6 particularly highlights the need for agency theory to consider more than the usual control mechanisms and combine them with other types such as social and integration mechanisms.

9.2.2 CSRR literature

Unlike previous studies in the CSRR literature which focus ultimately on one of the explicit forms of social and environmental accountability, the CSR reports, this thesis challenges this focus and contributes to the comparative analysis of CSRR distinguishing between the implicit (largely ignored by the literature) and explicit forms and shifting the attention to the subsidiary level practices. The inclusion of other capitalist typologies such as the social democratic economy (SDE), state-led market economies (SLME) and continental European economies (CEE), distinct to the overemphasised dichotomy between liberal market economies (LME) and coordinated market economies (CME), has provided a fine-grained view of other implicit forms such as storytelling, works councils and institutionalised dialogues which are complementary to the broader institutional landscape and that influence the configurations of adaptation of the explicit forms. Chapter 5 thus contributes by offering a broader conceptualisation of social and environmental accountability, which goes beyond the

voluntary, to recognise that it assumes different forms and serves different functions in different contexts (Kang & Moon, 2012).

By bringing to light the existing institutionalised forms of social and environmental accountability prior to the diffusion of CSRR, this thesis expands the nascent field addressing the interactions of national institutions and organisational pressures on CSRR (Chen & Bouvain, 2009; Young & Marais, 2012) and shows that varying degrees of organisational field pressures may buffer or enhance the differences between the implicit and explicit social and environmental forms. The findings provide support to some of the arguments of these studies in that national differences remain strong in industries characterised by low levels of risk and that CSRR is more likely to be adopted in European countries with high levels of institutionalised regulation. This thesis expands those findings by suggesting that those coercive mechanisms devised by the state pressures in low risk industries will influence less onerous adaptations of CSRR but this is contingent on employee's awareness of those mechanisms.

9.2.3 Comparative CSR literature

The thesis contributes to the increasingly growing area interested in understanding cross-national variations of CSR practices by applying the comparative institutionalist framework (Aguilera et al., 2007; Brown & Knudsen, 2013; Campbell, 2007; Gjølberg, 2009, 2010; Jackson & Apostolakou, 2010; Kang & Moon, 2012; Kinderman, 2012; Knudsen et al., 2015; Koos, 2012; Matten & Moon, 2008; Midttun et al., 2006). It moves away from the question of whether more coordinative or liberal types of national political-economic configurations advance extensive CSR practices and instead, shows how distinct institutional configurations may influence more or less onerous adaptations of CSRR. The empirical findings show that the institutions of SLME and CEE have reinforced the development of implicit social and environmental accountability SEA forms across the French and Dutch subsidiaries which appear incompatible with the transferred CSRR practice from the HQ. In contrast, the institutional complementarities of MBC, SDE, and HME have influenced the development of

SEA forms in the American, Danish and Brazilian subsidiaries which appear more similar (in terms of drivers and existing processes) and thus more compatible with the transferred practice. Notwithstanding the degree of compatibility, the influence of the business systems on the adaptation of CSRR will be relative to the absorptive capacity and translation strategies.

The thesis contributes to the emerging field within the comparative CSR literature empirically using the distinction of implicit/explicit (e.g. Hiss, 2009; Jamali & Neville, 2011; Witt & Redding, 2012) and contributing to the theoretical refinement of the concept (e.g. Blindheim, 2015). The findings in chapter 5 demonstrate that implicit social, environmental accountability forms still take place that the explicit forms (e.g., CSRR) do not take over existing practices, and that in some contexts, explicit and implicit forms of responsibility are not necessarily dichotomous, but can be inter-active. Similar to the findings by Witt and Redding (2012) who found variants of each form, this thesis illustrates hybrid types combining implicit forms and explicit motives (Danish subsidiary) or the explicit forms with a mix of implicit and explicit motivations (Brazilian subsidiary).

9.2.4 Multi-level CSR literature

The model proposed in this thesis builds on and complements previous models in the multi-level CSR research developed by Aguilera et al., (2007), Jamali & Neville (2011) and Lee (2011). It departs from previous studies in the multi-level CSR field on four key points. First, no predominance is given to any of the levels of analysis, a choice consistent with the rejection of the determinism of the institutional context on the behaviour of firms. Second, it depicts the institutional environment as an interdependent milieu of the national business system and the isomorphic processes similar to Jamali and Neville (2011) and Matten and Moon (2008). Third, it brings to light *top-down*, *bottom up*, *inside out* and *outside in* dynamics in the transfer of CSRR within an MNC. In contrast to prior conceptual studies, the explanatory power of the multi-level framework emerges from its empirical basis on a qualitative case study.

9.2.5 Practice variation literature

The thesis contributes to the arguments about how practices vary as they diffuse (Ansari et al., 2010; Ansari et al., 2014). Expanding on the argument that adaptability promotes practice diffusion (Ansari et al., 2014), the findings suggest that integration, present in the *proactive adaptation* and *unintentional decoupling* (Gondo & Amis, 2013), has a direct influence on diffusion. It is only during integration that new links with other departments are created and the practice is diffused to the wider organisation. Conversely, in *intentional decoupling* (Gondo & Amis, 2013), the absence of integration limits the trajectory of a practice's diffusion as the practice remains contained in some employees. This research provides important insights into previous arguments of the diffusion and adoption of CSRR by showing that adoption is not necessarily equivalent to isomorphism. Considerable empirical research on the diffusion of CSRR has regarded the degree of adoption of a diffused practice as a proxy for the resulting level of homogeneity within an organisation (Fortanier et al., 2011; Larrinaga-Gonzalez, 2007). However, the empirical findings here show that differences in the way in which subsidiaries adapt a practice leads to its subsequent diffusion within the organisation. Within the diffusion literature, the thesis contributes to the growing field adopting a micro-perspective, shedding light that the way organisations adopt and subsequently integrate practices is contingent on the critical role of individuals at the helm of the practice adaptation. Specifically, Chapter 7 has shown that practices diffuse within subsidiaries because translators interpret them as a "means to an end" to achieve specific organisational goals.

The thesis builds upon insights from previous research and theoretically driven dimensions on the heterogeneity of diffusing practices (Ansari et al., 2010; Canato et al., 2013; Fiss et al., 2012; Gondo & Amis, 2013; Westphal et al., 1997). Although previous work has considered implementation and integration as either synonymous or strongly correlated, this assumption is challenged by teasing the concepts of internalisation and integration apart, inductively building on their distinctive characteristics and offering four refined typologies of adaptation

configurations. Chapter 4 expands and provides empirical grounding for the *unintentional* and *intentional decoupling* typologies proposed by Gondo & Amis (2013) by including the integration and fidelity dimensions. This study exposes two configurations that lead to integration. The first one displays a combination of high levels of implementation and internalisation and the second combines high levels of internalisation and low levels of implementation. Additionally, mild forms of compromise and negotiation and cohesive responses between managers and employees are shown to be essential to achieve the integration of the practice.

9.2.6 Glocalisation literature

By unveiling the translation strategies, the thesis complements prior studies identifying the strategies that sustain "glocalisation" (e.g., Gond & Boxenbaum, 2013). The strategy labelled in this chapter as *"hybridisation"* is entirely consistent with the notion of "coupling work", where a widely accepted practice ties the imported practice to the new context. The "*cherry-picking strategy"* is similar to "filtering work" in that some features of the imported practice are downplayed but the rationale behind the two is different. In cherry-picking, some elements are eliminated not because they would be perceived as incongruent but because the translator selected purposefully those elements that seemed the more beneficial to him/her and the subsidiary. Taking the perspective of boundary-spanning allowed considering not only the top-down but also investigating the extent to which bottom-up dynamics of translation were enabled. The analysis uncovers that "glocalisation" was limited and instead the translation of CSRR only involved an act of transformation either the displacement of the old practices and transposition of the new practice, or the replication of a prototype given the absence of similar practices. This thus evidences that the translation process was ultimately governed by the HQ which tolerated heterogeneity up to a certain point. While in the Danish, Dutch and American subsidiaries, the new practice was integrated with existing CSR related practices, in the Brazilian case, consenting too much variation was seen by the HQ as detrimental to the whole MNC. This finding highlights the absence of relays and transfers of

command that are involved in processes of translation (Spence & Vallentin, 2015) and links back to Latour's (1987) claim that translation concerns the manipulation of different interests.

The thesis contributes by expanding Boxenbaum's (2006b) overarching framework in the context of intra-organisational translation. Individual preferences are the most relevant component in the translating process. The perceived low levels of autonomy explain that a practice may be interpreted as a control mechanism from the HQ which will limit the translator's discretion to incorporate other local priorities to support the strategic framing. A translator's familiarity with the practice equips him/her with the capacity to read the pressures from the institutional context and thus to make use of some elements to legitimise the new *frame* matching it with their own agenda. To legitimise the translated practice with the context, translators find elements to demonstrate that the new practice aligns with either the national or organisational field level or highlight how the transformed practice overcomes the cultural and institutional distance between the host and home countries.

9.3 Implications for managers

The research findings of this study not only have implications for the company featured in the case study, FINEST, but also enhance our understanding of the different aspects of CSR management in MNCs generally, with implications at different levels, at the firm and policy-makers. This thesis offers interesting insights for CSR practitioners working in MNCs. The findings were fed back to FINEST throughout the research project. As mentioned in chapter 3, the researcher provided FINEST a report with the research findings and recommendations to improve the management of CSRR across their subsidiaries and further transfer of CSR-related practices and knowledge. General key actionable recommendations for managers can be derived from these findings which can be also be helpful for other MNCs intending to transfer CSR practices or encountering challenges during the transfer across their foreign subsidiaries.

Introduction of financial incentives

Introduction of financial incentives to those employees contributing to the CSR reporting could be considered. The use of rewards sends a signal to organizational members about the kinds of activities and habits that are valued by the organization.

Tailoring training according to level of prior knowledge of CSR reporting

Local managers should be able to identify whether the challenges of implementation in the office are due to a lack of technical knowledge or a lack of awareness of the relevance of CSR reporting for the MNC. A diagnostic of the existing CSR knowledge across the subsidiaries could help the HQ to map this diversity. Based on this initial diagnosis of the levels of reporting, the HQ could design the content of training based on the specific needs of those subsidiaries.

Support to CSR leadership

HQ support should be granted to the liaison mechanisms that support the transfer of CSR reporting. These individuals need to be empowered as they are the key elements who could transform the one direction transfer into an interactive two-way cooperation. Financial incentives to these individuals could be considered as well as access to specific training and knowledge resources.

Strengthen the corporate socialisation mechanisms

Mechanisms such as liaison personnel, visits from the HQ and permanent teams can trigger the assimilation and exploitation of the transferred knowledge. This thesis has shown the benefits of liaison mechanisms, which less costly than permanent positions, can act as substitutes of direct communication with the HQ in small size subsidiaries and have the advantage to enhance the subsidiaries' acceptance to the practice. Visits to the country are as important in the acquisition and post-integration process and may reduce the tensions in the adoption of new processes and policies. Some of these mechanisms could be strengthened otherwise used for further expansions for instance in emerging markets. HR employee

programs are also a way through which employees could learn about the value and importance of CSRR.

Integration of evaluation criteria regarding the involvement of CSR reporting

Evaluation performance criteria provide employees with feedback on their performance and provide direction for enhancing their competencies to meet the needs of the firms. The criteria used by the HQ to evaluate office performance are likely to influence what office managers pay attention to and focus on in their operations. Making clear for some employees whether participating in the reporting and related CSR activities is part of the performance specification criteria would reinforce the message that CSR reporting is strategic and relevant for the MNC.

Enhance the integration of other local forms

The HQ could stress that local forms of engagement (e.g. local stakeholder dialogues and collaborations with government and other stakeholders) do not conflict with previous reporting practice but rather, both can be integrated and work in synergy feeding each other. Learning and understanding how regulation and expectations shaped practices in a particular country will help managers to develop malleable and flexible frameworks that allow the integration of contextual specificities and that can fulfil both the local office and the HQ's agendas.

Additionally, much more discretion could be granted to subsidiaries to address the contents of some of their communications and address topics that from a global perspective would not be included in the global report but that are important to highlight and communicate on a national level.

Leveraging knowledge of subsidiaries

Towards the end of the data collection, it was learnt that the sustainability manager from the Brazilian subsidiary was having input in the HQ through the sustainability executive committee which was the top body of the governance of these processes and makes decisions

on which projects and how to form multi-groups with multi-disciplinary areas. Since then, this strategy has proven effective outcomes in leveraging the local CSR knowledge which can help to develop competences for the whole MNC, which could potentially become a competitive advantage. This strategy could be replicated with other individuals, sometimes in shorter collaborations through international assignments aiming to facilitate the knowledge diffusion across subsidiaries.

Additionally, some programmes and best practices which have been successful in different subsidiaries should be disseminated across subsidiaries without necessarily using the HQ as a central disseminator through the development of networks of subsidiaries. Regional coordinators of CSR and reporting are excellent diffusors of this knowledge.

Expanding the communication through social media

The website is one of the few channels through which a company can tell its corporate story and should be seen as an opportunity to engage and influence their diverse stakeholder communities, to deepen their understanding of the business and to build trust and confidence in their brand. Expanding the communications to social media (e.g. twitter, Facebook, blogs) could be used to engage stakeholders. For example, some subsidiaries could integrate 'google hangouts' open to develop engagements with customers and advocacy groups as evidenced by the American case. The website should still be the main communication platform linking these other social medial interactions. These communications forms have the advantage to be more dynamic in comparison to the lengthy process of reporting. Stakeholder interactions could be welcomed for instance through the use of twitter.

Engaging influencers and stakeholders

The CSR report can be the topic of discussion through a combination of webinars, online forums and face-to-face events with influencers and stakeholders. In the European subsidiaries, the reports can be used as the basis of town halls where collaborations could be developed. These stakeholder dialogues could be used to deliver materiality assessments to shape the CSR reporting strategy.

9.4 Policy implications

Understanding the embeddedness of CSRR within structures across different levels of analysis may help policy makers, particularly in the case of European countries, to assess the scope of CSRR across different contexts and the influence of government roles triggering the adaptation of explicit forms of social and environmental accountability increasingly adopted not only by MNC subsidiaries but by domestic companies. The findings have shown that institutions in the SDE make it easier for subsidiaries embedded in such business systems to accommodate explicit forms originated in a market based capitalism. Consistent with the findings of recent studies (e.g. Knudsen et al., 2015), the review of the host country institutional context highlighted that a "mandating" government role is a key CSRR policy instrument in the SDE, SLME and CEE. The three institutional contexts employ coercive mechanisms towards the disclosure of social and environmental information. However, in the case of SDE, in addition to the "mandating" role, the government has also used other roles such as "partnering" and "facilitating" (Albareda et al., 2007; Fox et al., 2002) which were evident in this study. The findings in this study provide evidence to suggest that CSRR was more broadly diffused in the institutional context of the Danish subsidiary, possibly due to these complementary government roles and the strong organisational field pressures. Notwithstanding that these coercive mechanisms did not regulate the behaviour of subsidiaries, employees' awareness of these mechanisms was remarkably different in the Danish case in comparison to the Dutch and French cases in which the national laws remained a distant mechanism ignored by subsidiaries' employees. These findings highlight that the existence of national coercive mechanisms does not automatically translate to behavioural changes of the subsidiaries and that these coercive mechanisms may need to be complemented by other government roles. The study has thus implications for business-society relations. The adaptation of explicit CSRR by subsidiaries is not only the result of a subsidiary's strategic decision but an outcome based on the intertwined role of institutions and actors including the key part of the parent MNC and national governments.

The research question has also exposed the role of the explicit forms of social and environmental accountability and the extent to which these standardised processes trigger organisational change towards improved sustainability performance. CSRR necessarily needs to undergo transformation in order to be integrated to the subsidiaries' operations and to drive changes such as the development of CSR strategies and the continuous readjustment of practices. Currently, international guidelines such as the Global Reporting Initiative (GRI) provide limited guidance on how corporations reporting data from multiple units can manage the tension between allowing adaptation of some of the stipulated indicators while retaining control over the global reporting and dealing with the misfit to these standards across some subunits.

9.5 Limitations and future research

The findings of this research are based on an embedded multiple case-study in one sector and have some limitations in terms of generalisation to MNCs operating in other sectors. Nevertheless, the conceptual framework developed in this research has generated "contingent generalisations" (Welch et al., 2011) which should assist in further comparisons. For instance, the findings are relevant in other settings such as the transfer of other business-types of practices and policies (non R&D) transferred internationally within MNCs that are intimately embedded within their domestic environments (e.g., diversity policies or quality management) and where the acquired subsidiaries possess heterogeneous stocks of knowledge. In this study, social and environmental accountability knowledge was diffused arbitrarily by the HQ to subsidiaries. In this sense, the findings of this study only hold for one direction of the transfer although in fact, subsidiaries also engage in knowledge flows in other directions. The determinants of conventional knowledge transfers from MNC parents to subsidiaries and of "reverse diffusion" (Edwards, 1998) from subsidiaries to MNC parents are based on different logics (Yang et al., 2008). Echoing the recent call for more research into the subsidiaries' differentiated roles, particularly those located in emerging markets (Kostova et al., 2016), future work could consider the processes of reverse diffusion of CSR knowledge from

subsidiaries with higher levels of ACAP that contributes to build the HQ's knowledge base and strategy. Similarly, while the thesis has highlighted some of the resistance strategies, particularly in the case of the Brazilian subsidiary, further empirical studies may focus on the micro-politics between the subsidiaries and actors in the local context and in the HQ, and investigate how actors in the subsidiaries make use of power resources in order to resist CSRR policies required by the head office.

The findings in chapter 5 showed that those subsidiaries that displayed some degree of integration of the practice, modified the practice to some extent. In contrast, those subsidiaries where the prototype remained almost intact, did not display signs of integration. These findings highlight the "trade-offs" (Ansari et al., 2014) across these dimensions. The HQ may in some cases make the limits of the adaptation explicit. For instance, Canato et al., (2013) showed in their study of six Sigma at 3M that tolerance for mistakes were key for the encouragement to practice implementation. Similarly, Ansari et al., (2014) found that the MNC made a clear distinction between mandatory "core" aspects of a practice and discretionary "peripheral" aspects of a practice in order to preserve fidelity and prevent undesirable deviation. For example, subsidiaries had the autonomy to adapt the standard's logo in early stages of the adoption of the practice but later on, the HQ mandated a corporate logo. While in these two examples, the boundaries were defined, in some other cases, these may be ill-defined and only become evident once the HQ recognises there is too much variation as in the Brazilian context of this thesis. Future search could zoom on the dynamics and "trade-offs" not only between the fidelity-implementation relationship but also between the internalisation-integration relationship.

The literature has suggested that a usual procedure for testing the quality of an interview protocol and for identifying potential researcher biases is the pilot study in which investigators try out their proposed methods to see if the planned procedures perform as envisioned by the researcher (Chenail, 2011). A pilot was not practical in the context of this research project as there was a limited number of research participants and their time and

information was too valuable for a pilot study database not used in the actual study. This meant the researcher had to reflect on the outcomes of the interviews, particularly those conducted at the beginning of the project and interview protocols had to be reassessed continuously.

In chapter 6, the measure of "prior knowledge" was obtained through the aggregation of "lower-data" (Hitt et al., 2007) at the individual level. There was the difficulty to find an appropriate measure of "knowledge stocks" since the literature in absorptive capacity, largely focused on R&D contexts has relied on proxies such as R&D expenditure. Consistent with the literature in knowledge transfer, a qualitative measure of prior knowledge was developed based on the assessment of the subsidiaries' familiarity with the incoming knowledge (Cohen & Levinthal, 1990; Gupta & Govindarajan, 2000; Kim, 1998).The measure in this project only accounted for those individuals interviewed and is limited in accounting for other knowledge repositories within the subsidiary (other employees not dealing directly with the implementation of CSR). For example an employee in a finance department that has some knowledge about environmental and social accounting may also possess and share useful knowledge.

The qualitative measures of the dimensions of adaptation: implementation, internalisation and integration were built from the perceptions of employees due to the absence of an existing instrument in the MNC which assessed the implementation of the reporting processes and standards. Self-reported presentations of employees and issues of key informant bias may emerge. Nevertheless, in order to ensure the validity of the measures, multiple informants were considered in the subsidiaries along with the opinions from managers and corporate managers in the HQ. To remedy this limitation, future studies could integrate a mixed-methods approach and design a survey developed in collaboration with the HQ to quantitatively assess the multi-dimensional constructs of adaptation.

With regards to the construct of absorptive capacity, one of its assumptions is that it is path dependent (Cohen & Levinthal, 1990). The subsidiaries' absorptive capacity has been considered from a static point of view and is limited to accounting for the existence of feedback loops (Song, 2014). For example, budget autonomy strongly enhanced the application of the transferred knowledge through the development of training in the American subsidiary which would subsequently influence the recognition and assimilation processes. Interaction of the determinants is not a one-off event but a continuous process. Other feedback loops are expected to emerge between different constructs as presented in chapter 8. The translating strategy used by the Dutch boundary-spanner aimed at reducing the incompatibility between the transferred and the existing practices, increased the stocks of knowledge and subsequently the subsidiary's absorptive capacity. Future work could examine these phenomena through the lens of system dynamics so as to uncover the complexity of the capabilities and the time-dependent contingencies involved.

The multi-level and cross-national nature of this research project has the implication that the central analytical dimensions are the vertical and horizontal axes of analysis with limited attention to the temporal dimension that characterises "glocalisation" phenomena (Drori, Höllerer, & Walgenbach, 2014b) such as the transfer of practices within MNCs. By the very nature of being a process, "glocalisation" is affected by the passing of time (Drori, Höllerer, & Walgenbach, 2014c) and thus, the mechanisms of adaptation and translation may be sequenced in time as well. To address this weakness in this study, further research could trace chronologically the adaptation of the transferred practices across the different subsidiaries. The use of "temporal bracketing" (Langley, 1999) may assist identifying key stages in the adaptation of the practices. Based on these findings, cross-case comparisons could be conducted.

The challenges of conducting multi-level research are substantial (Hitt et al., 2007) and the methodological considerations that researchers need to consider are also many (Aguinis & Glavas, 2012; Hitt et al., 2007). One of the challenges of conducting multi-level explanatory

research underpinned by a critical realist approach is the difficulty in specifying causal mechanisms and contingent conditions. While the relationship of causal mechanisms to their effects is contingent and external. The relationship between an entity and its causal power is necessarily and internally related. Causal explanations are developed not by collecting observations, but rather by investigating beyond the realm of the observable to understand the necessity inherent in objects. As noted in Chapter 2, critical realism offers a distinctive ontology and epistemology, however it does not align itself to a specific research methodology thus, exhibiting less consistency and uniformity in the analytical techniques (Welch et al., 2011). As suggested by Morais (2011:74), "a strong bridge between the philosophical and the applied is yet to be forged and there are very few examples of critical realist studies to be found. More specifically, there seems to be a lack of methodological guidance on how to conduct distinctive critical realist processes such as "retroduction" and "abduction". This thesis has consistently followed the Danermark et al., (2002) six-stage model of explanatory research as it appears to be one of the most robust frameworks to guide the explanatory endeavour. It has adopted analytical techniques associated to the retroduction method such as counterfactual thinking and the examination of extreme cases. Further opportunities emerge in future studies adopting this perspective to assessing the strengths of these techniques and/or specifying more suitable means to apply retroduction.

The thesis has shown the advantages in disaggregating CSR as recommended by some scholars (e.g., Fransen, 2012). Thus, future work could explore the same research question in the context of other CSR practices and other types of capitalism such as emerging markets and other industries with stronger environmental or social risks. Other types of knowledge could be explored such as the transfer of green technologies in which the challenges are different. The same research question could also be explored in the context of a different entry mode such as green field subsidiaries. In this case study, there was no evidence that financial incentive systems influenced the way knowledge is assimilated, thus further research

could empirically explore the impact of these mechanisms in the diffusion of CSR related knowledge.

Although there has been some research on the role of absorptive capacity at the firm level, the relationship between the host country business system and the absorptive capacity of subsidiaries has received almost no attention in the literature of the transfer of practices within MNCS, with the exception of Edwards and Ferner (2004) in the context of the reverse diffusion of practices. Future research could particularly build on the insights from the literature in national innovation systems influencing the "national absorptive capacity" (Dahlman & Brimble, 1990).

One of the key assumptions in the analysis of the national institutions in chapter 4 is the assumption that social and environmental accountability forms are complementary to the wider institutional landscape of national regimes through a logic of synergy which represents an important step in conciliating the debate of whether CSR may be considered as a mirror or substitute of the institutional environment (e.g., Brammer, Jackson, & Matten, 2012). However, while this view seems conceptually coherent, there is still a lack of empirical research providing evidence of the synergy mechanisms where CSR can be both a mirror and a substitute (Koos, 2012). Further studies drawing from the comparative institutionalist approach could provide evidence of the synergy dynamic.

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11. Appendices

11.1 Appendix A: Semi-structured interview questions

Introductory statement

I am a PhD student in the International Centre for Corporate Social Responsibility in the University of Nottingham. The title of my project is: ***"The transfer of corporate social responsibility within a multi-national corporation".*** The aim of the research is to study how corporate social responsibility reporting as a practice was diffused by the corporate office and adopted by subsidiaries across different countries.

I would like to talk to you for approximatively 45-60 minutes. This will be an informal interview about FINEST and corporate social responsibility reporting. The interview will be recorded and I will provide you a transcript to verify the accuracy of the interview. The questions are mainly related to your role in the implementation of those processes and your perception on key enablers and obstacles to the implementation of those processes.

The interview is completely confidential. The data generated by the research (e.g., transcripts of research interviews and recordings) will be kept in a safe and secure location and will be used purely for the purposes of the research project (including dissemination of findings). No-one other than supervisors or examiners will have access to any of the data collected. All necessary steps will be taken to protect your privacy and ensure the anonymity and non-traceability. If you do not want to answer a question, please feel free to say no.

Do I have your permission to proceed?

Do you give your consent that quotes from your interview can be used in the outputs of this research?

Section A Background and job description
To start, I have a few questions on your role here

- What is your job title?
- When did you join FINEST? For how long have you been working in FINEST?
- What are your main roles? (e.g., as data provider, data approver, regional environmental leader)
- Where does your job fit within the company structure?
- Can you tell me about your career? What other roles related to CSR did you have before joining FINEST?

Section B The CSR reporting
- Could you please describe the process of CSR reporting?
- Origin: How did the reporting originate?
- What are the characteristics of the process of corporate social responsibility reporting?
- Standards: What are the standards and guidelines that you follow to report? What do you think of those guidelines? How helpful/ efficient are those guidelines?
- Drivers: What are the main drivers of corporate social reporting? What are the benefits anticipated/derived from publishing annually a CR report? What is the relevance of producing annually a CR report? How if at all does it add value to the

	company?
	▪ <u>Objectives:</u> What is the purpose of engaging in the reporting?

Section C Responses to the adoption of the practice
- ▪ How did it go when you adopt CSRR?
- ▪ How did the employees respond?

Section D Adaptation of the practice

How was the practice adapted?

<u>Implementation</u>
- ▪ How would you assess the level of implementation of the CSR reporting process at your location, i.e. has the CSR reporting actually been put in practice? For the following items:
  - o Use of management system
  - o Calculation of indicators (KPIs)
  - o Recording relevant data
  - o Providing relevant supporting documents
  - o Submitting according the time frames the data

<u>Internalisation</u>
- ▪ How is the CSR reporting used locally? How does it support management? How is it useful for local management? (e.g., monitoring, assessing the CSR strategies)
- ▪ What is the impact of CSR reporting in your department? In the subsidiary?
- ▪ How aware are employees in FINEST about the CSR reporting? How could this be improved?

<u>Integration</u>
- ▪ How has it evolved since then?
- ▪ What changes did it entail?

Section E Implicit/Explicit Local social and environmental accountability forms
- ▪ To what extent does your subsidiary engage in social and environmental accountability mechanisms reflecting wider or broader informal/informal norms or institutions? Please provide concrete example/explanations
- ▪ To what extent is the subsidiary engaged in social and environmental accountability forms that are the reflection of an implied societal consensus. Please provide concrete example/explanations
- ▪ Since when has the subsidiary been involved in social and environmental initiatives? What was the origin of such engagements?
- ▪ Before the introduction of the global reporting did the subsidiary have established processes and policies for measure, analyse and communicate the social and environmental impact of a corporation's operations? If so, can you trace their origin?
- ▪ Which stakeholders are involved in such mechanisms?

Section F The national context
- ▪ What are the CSR priorities in X country?
- ▪ Who are the main stakeholders for FINEST?
- ▪ Who reads the global CSR report?
- ▪ How do stakeholders perceive FINEST approach to CSR? What is their level of interest in learning about FINEST CSR efforts?
- ▪ What is the role of the government driving transparency in your country?
- ▪ What is the level of appetite to have a local CSR report in X?
- ▪ How important is the CSR reporting for clients/customers/government/community?
- ▪ What sort of regulation of CSR reporting do you identify in your country?
- ▪ What are the pressures for CSR reporting in your country?

Section G Organisational field pressures

- Who are the local competitors to your subsidiary?
- What is the influence of global standards such as the Global Reporting Initiative (GRI), the UN Global Compact, the OECD Guidelines for Multi-national corporations, the European Directive on disclosure of non-financial and diversity information?
- What are the pressures for CSR reporting in your industry?
- How do they engage in issues of transparency and accountability in X?
- What would you say are the main priorities in terms of CSR in X within the industry in which FINEST operates?
- How do you think FINEST approach to CSR reporting compares to its competitors?

Section H Barriers and Enablers of implementing corporate social responsibility reporting
- What are the barriers (internally and externally) in the reporting process? What are the challenges in producing a global report?
- What are the enablers (internally and externally) implementing the policies and processes of CSR reporting?
- (For HQ) What are the differences in the implementation of CSRR across the French, Danish, Dutch, American and Brazilian subsidiaries?

Section I Organisational Mechanisms and absorptive capabilities
In the first round of interviews:
- What are the forms of engagement that the HQ generally uses in promoting and diffusing corporate social responsibility reporting knowledge?
- What are the challenges that you perceive in these mechanisms?
- What are the resources (knowledge, capabilities) that your subsidiary possess to respond to the transfer of knowledge?
- What mechanisms are in place for you to share your CSR activities with other subsidiaries?

Examples of questions asked in the second round, depending on missing data or areas that required further clarification.

Integration mechanisms
- How big is the team involved in CSRR? How many voluntary and permanent positions are in the team? How many are ambassadors and how many are data providers?
- What are the advantages of having a permanent team compared to voluntary roles?

Control mechanisms
- How much discretion does the subsidiary have to take decisions regarding CSRR?
- How is CSR budget allocated in the subsidiary?
- How does the HQ evaluate your engagement in the CSRR processes?
- Have you ever received any financial reward for your engagement in CSRR?

Social mechanisms

- What is the frequency of communication with the HQ? And other subsidiaries?
- What means of communication do you use? (e.g., E-mails, videoconferences, visits)
- How do you learn about CSR initiatives and CSRR progress in other subsidiaries?

Section J Individuals and translation
- Who was/is the person in charge of facilitating, supporting and organising the adoption of corporate social responsibility reporting?

- What is the value of CSRR in your subsidiary?
- What is your specific role as part of the transfer of CSRR?
- How did you introduce the new processes and policies from the HQ with the existing practices?
- Which resources did you use to introduce the practice?
- Have you experience any resistance from your colleagues in implementing these processes?
- What personally motivates you to be involved in CSR and the reporting?

11.1 Appendix B: Information for Research Participants

Nottingham University **Business School**

Thank you for agreeing to participate in the research project. Your participation in this research is voluntary, and you may change your mind about being involved in the research at any time, and without giving a reason.

This information sheet is designed to give you full details of the research project, its goals, the research team, the research funder, and what you will be asked to do as part of the research. If you have any questions that are not answered by this information sheet, please ask.

What is the research project called?

"The adaptation of corporate social responsibility within a multi-national corporation"

Who is carrying out the research?

The researcher is a doctoral student in corporate social Responsibility (CSR) at the University of Nottingham. This research project is funded by a scholarship from the International Centre for Corporate Social Responsibility (ICCSR).

What is the research about?

The aim of the research is to evaluate the effects of the institutional environment in the CSR reporting practices of subsidiaries of multi-national corporations located across different countries and how do these CSR reporting practices relate to the international strategy issued from the headquarters.

What groups of people have been asked to take part, and why?

Individuals participating directly or indirectly in the process of CSR reporting in your organisation have been asked to take part because they can provide an account of the implementation of the practice and its relationship to other strategies in the company. For the employees located outside the UK, the aim is to understand their perception of local pressures towards CSR reporting and their responsibilities towards the head office in the UK.

What will research participants be asked to do?

Participants are asked to participate in a semi-structured interview of about 45-55 minutes which will be recorded. The questions are open in relation to their role in the process of CSR reporting and its relationship to the strategy. The questions are mainly related to the implementation of CSR reporting, their role in the process of reporting.
A transcript of the interview will be provided to verify the accuracy of the interview.

What will happen to the information I provide?

Data generated by the research (e.g., transcripts of research interviews and recordings) will be kept in a safe and secure location and will be used purely for the purposes of the research project (including dissemination of findings). No-one other than supervisors or examiners will have access to any of the data collected. Data will be retained intact for a period of at least seven years from the date of any publication which is based upon them.

All necessary steps will be taken to protect the privacy and ensure the anonymity and non-traceability of participants.

Extent of the anonymity:

Participants will be referred with their role in the organisation e.g., CSR *manager in UK company.*

Organisations will be referred with their country of operation and industry e.g., subsidiary *of oil company in Spain.*

Quotes will be only used with the consent of the participant

What will be the outputs of the research?

The outputs of this research include journal papers, conference papers, and PhD thesis. They will be available if the participants would like to consult them.

Contact details

Researcher:

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- Dr Wendy Chapple Wendy.Chapple@nottingham.ac.uk +44(0) 115 951 5278

  International Centre for Corporate Social Responsibility The University of Nottingham Jubilee Campus Wollaton Road NG8 1BB
- Professor Christian Herzig Christian.Herzig@ntu.ac.uk +44(0) 115 848 2168

  Nottingham Business School Nottingham Trent University Burton Street Nottingham NG1 4BU

Complaint procedure

If you wish to complain about the way in which the research is being conducted or have any concerns about the research then in the first instance please contact any of my supervisors.

Or contact the School's Research Ethics Officer:

Adam Golberg

Nottingham University Business School

Jubilee Campus

Nottingham NG8 1BB

Phone: 0115 846 6604

Email: adam.golberg@nottingham.ac.uk

11.2 Appendix C: Participant consent form

Project title Comparative study of the CSR reporting of multi-national corporation's subsidiaries across different countries: the effect of the institutional distance and the global business strategy.

Researcher's name Gabriela Gutierrez Huerter O

Supervisor's name Professor Jeremy Moon (ICCSR), Dr Wendy Chapple (ICCSR), Professor Christian Herzig (Nottingham Trent University)

- I have read the Participant Information Sheet and the nature and purpose of the research project has been explained to me. I understand and agree to take part.

- I understand the purpose of the research project and my involvement in it.

- I understand that I may withdraw from the research project at any stage and that this will not affect my status now or in the future.

- I understand that while information gained during the study may be published, I will not be identified and my personal results will remain confidential. I will be referred with my role in the organisation e.g., CSR *manager in UK company*. The organisation will be referred with the country of operation and industry e.g., subsidiary *of an oil company in Spain.*

- I understand that I will be audiotaped during the interview

- I understand that data will be stored in accordance with the requirements of the University's Code of Research Conduct

- I understand that I may contact the researcher or supervisor if I require further information about the research, and that I may contact the Research Ethics Coordinator of the Business School, University of Nottingham, if I wish to make a complaint relating to my involvement in the research.

- I give my consent that quotes from my interview can be used (please tick as appropriate)   Yes   No

Signed …………………………………………………… (research participant)

Print name …………………………………………**Date** ………………………………

Contact details

Researcher: Gabriela Gutierrez Huerter O

Supervisor: Professor Jeremy Moon (ICCSR), Professor Christian Herzig (Nottingham Trent University) Dr Wendy Chapple (ICCSR)
Ethics Coordinator: adam.golberg@nottingham.ac.uk