UNIVERSITY OF AGDER

USING SOCIAL RESPONSIBILITY TO OBTAIN EMPLOYEES' COMMITMENT

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Abstract

I remember the past semester in class of Strategic Marketing Management, the topic of the day was "*Resource Dependent Theory*" and the professor started to lecture saying:

... *"A company is a collection of resource: physical resources, human resources and financial resources. The way how to organize them produce capabilities and the more capabilities in a company the more sustainable competitive advantage. If you need to choose just one resource, which one do you think is the crucial one?" Then after 2 minutes of discussion the whole class agreed on "HUMAN RESOURCES".*

Human Resource is the main resource in a company, because people and not machines will make the differences to face the competitors. Employees can create incredible synergies that can make a company distinguished from the others.

The present thesis is focused on Social Responsibility (SR) where the center of analysis will be employees.
A good implementation of social responsibility is important for the development of strategies that adds value to the company. This study investigates how social responsibility adds value to the company and generates employees' commitment.

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Chapter 1: Introduction

This study investigates how an effective internal marketing of social responsibility can create employees engagement.

The main analysis will be focused on how, when and why employees react to the initiatives of social responsibility programs. So, if a company manages to understand the employees' reactions to its social responsibility programs, this company will be able to focus the future planning of these programs together with the ideas and participation of its employees. Therefore, this team work where employees participate actively for a social cause may create an integration between the employee and its company and moreover the feeling of commitment with his company.

Thus, companies should market their social responsibility programs internally, it should not be a notification at the end of the year about what they have done regarding the social responsible programs; the objective is to refresh internally and constantly about it. So, employees are well informed about the work and effort that the company is doing. The employee must be treated like an internal costumer where they participate with their opinion and ideas regarding social responsibility activities. By doing this the company will obtain the desired connection between employee – company.

It is important to mention that the term Social Responsibility can be written with the abbreviation **SR.**

The first part of this study will concentrate in the social responsibility theory in order to understand the big importance of its implementation to improve employees' commitment.

The discussion about social responsibility will entail the concept, the application and the players, which are the company and its stakeholders. In this study, the main focus will be the stakeholder-employees.

Hence, the paper will explore the connection between the company and its employees linked by a good implementation of social responsibility.

The main motivation of this thesis comes from the article: "Using Corporate Social Responsibility to Win the War for Talent"

C.B Bhattacharya, Sankar Sen and Daniel Korschum, 2008.

The article describes a two part study where they examined employee reactions to social responsibility activities. The first phase used in-depth interviews and employee focus groups with participants from major consumer-goods companies. This was followed by a global employee survey with over 10,000 respondents. The second phase used interviews followed by two online surveys with 481 respondents from companies in manufacturing, retail and service.

The findings revealed that the more successful companies are those where managers co-create SR strategies with employees, inform employees about SR initiatives, satisfy their needs and encourage identification with the company.

The present thesis will investigate to different groups: first, employees working in private companies and living in two different countries, Peru and Norway, the second group are university students from Peru and Norway.

The data has been collected by means of a survey with a total of **151** respondents.

On the other hand, this study will evaluate the theory of sustainable competitive advantage, because it could be obtained by means of employees' commitment.

1.1 Research questions

This study aims to answer two questions:

1. **Could an effective implementation of social responsibility and a strong internal marketing of social responsibility create employees commitment?**
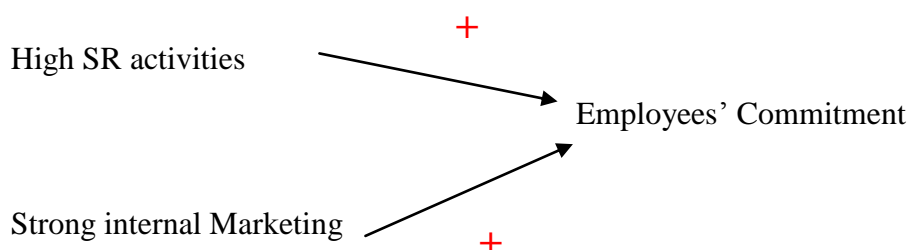
Hypothesis 1: High social responsibility activities together with a strong internal marketing have a positive effect on employees' commitment.

2. Could this employees' commitment creates competitive advantage in the company?

Hypothesis 2: If an effective implementation of Social Responsibility makes employees more committed with their company; then, this employees' commitment creates a sustainable competitive advantage in the company.

So in this context, this study will investigate 2 different groups in order to evaluate how positive the SR activities are in a company.

1. Employees working in the following industries:
   - In Peru: metals, mining, electricity, banking, consumer goods, management consulting, manufacturing, education, health care, insurance, telecommunication, transportation, retailing.
   - In Norway: oil and gas, raw materials, steel, education, electricity, financial services, information technology, management consulting, manufacturing, telecommunications, transportation.
2. University students
   - In Peru from the Pontifical Catholic University of Peru. (www.pucp.edu.pe)
   - In Norway from the University of Agder. (www.uia.no)

What is the importance of this study?
Companies are always working on strategies to improve their business. Social responsibility can be seen as a part of the strategy if they include the participation of their employees in the planning of the social responsibility programs.

The present study evaluates "EMPLOYEES" as the main actor of the business strategy because it is the most important assets in every business activity. Human Resources are the most important values in the company.

The following example illustrates this:

"U.S. industries lose nearly $300 billion a year ($7,500 per worker) in employee absenteeism, diminished productivity, employee turnover and direct medical, legal and insurance fees related to workplace stress, according to the American Institute of Stress.

Some organizations have responded to this and other business challenges, by creating workplaces that do more than just improve productivity; they aim to build a strong, vibrant organizational culture that supports the company itself. For instance, the Comporium Group, a South Carolina-based group of telecommunications companies, recently created a joint employee-management committee that evaluates ideas for new products and services in order to empower employees and reinforce their worth to the company" (Zac Stambor, 2006:28) [1].

Figure 1
Source: Human Resources
http://education.yahoo.net/careers/business/human_resources.htm

When a company cares about employees' initiatives, employees turn more engaged about their job and more motivated about what they are doing inside the company. That is very crucial for the development of values in the company.

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[1] Stambor, Zac. (March 2006) Monitor Staff - *Employees: a company's best asset*, Vol. 37 N3 pg 28.
Retrieved January 2011 from http://www.apa.org/monitor/mar06/employees.aspx

Chapter 2: Literature Review

This chapter gives an overview of the main theories that will be used in the Analysis Part: social responsibility, internal marketing and sustainable competitive Advantage.

2.1 Social Responsibility definition

Social Responsibility was conceptualized by Carroll (1979) as:

"The social responsibility of business encompasses the economic, ethical, and discretionary expectations that society has of organizations at a given point of time"[2].

In other words, business will have the responsibility to produce and sell goods following requirements of what is right, fair and what might be companies' duties in terms of supporting the local community.

Carroll (2006) says: "It appears that the corporate social responsibility concept has a bright future because at its core, it addresses and captures the most important concerns of the public regarding business and society relationships"[3].

Michael Hastings or his full name, Baron Michael John Hastings of Scarisbrick is the international director of Corporate Citizenship at the company KPMG, he was previously the head of Corporate Social Responsibility at BBC. Mr. Hasting defines SR as:

"Social responsibility is a tool where companies can engage with employees, and how to spot that is truly walking the walk, not just talking the talk. Social responsibility is an opportunity that every individual has working in an organization and it is a positive contributor to the needs of the community around them, the needs of the community in their nation and the needs of the community around the world. The person working in an organization feels at his participation cooperate in the initiative of social responsibility that his company is involved.

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[2] Carroll, A.B.(1979), A Three-dimensional Conceptual Model of Corporate Social Performance, Academy of Management Review, N 4.

[3] Carroll, A.B. (2006), *Corporate Social Responsibility: A Historical Perspective,* in M.J. Epstein and K.O Hanson (eds.), The Accountable Corporation, Praeger Publishers, Westport, CA.

So, companies have a role, individuals within a company have a role, and it is about what is the connection between the companies commitment, companies impact and the individuals. So, if you come to a work environment that connects you with the world where you want to see solutions delivered, you are going to feel this work environment is something that fits you as a whole person. Thus, work is transformed from "being the duty or function I must do" into "the opportunity to make a powerful difference in the world around me"[4].

This definition will be the foundation to build the concept of employees' commitment in this thesis.

2.1.1 The Debate about Social Responsibility between Friedman and Freeman.

Table 1

Milton Friedman (1970)	Freeman (1984)
-This has been called the shareholders perspective.	-This has been called the stakeholders perspective.
"The social responsibility of business is to increase profits" (Friedman 1970).	*"Stakeholder theory begins with the assumption that values are necessarily and explicitly a part of doing business. It asks managers to articulate the shared sense of the value they create, and what brings its core stakeholders together. It also pushes managers to be clear about how they want to do business, specifically what kinds of relationships they want and need to create with their stakeholders to deliver on their*
-According to this perspective, it is not a manager's role to be a socialist, and making companies become socially responsible is like imposing an extra tax.	
-Friedman supports the thought of Adam Smith that the firm will contribute to the	

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[4] Michael Hasting, KPMG International (2011). Retrieved January 2011 from
http://www.kpmg.com/Global/en/WhoWeAre/CorporateCitizenship/Pages/default.aspx

Michael Hasting interview, Here comes the boss (2008). *Everyone's talking Corporate Social Responsibility.* Retrieved January 2011 from http://www.youtube.com/watch?v=TNKn93VViUc

society by pursuing its self interest.	*purpose" (Freeman, Wicks, & Parmar, 2004:364).*
-A manager is an employee of the owners and the manager's job is to conduct the business in accordance to the owners' desire. When a manager uses the firm's resources on social activities, Friedman says that the manager uses someone else's money for a general social interest.	-SR is defined as meaning that corporations have a social responsibility to protect the interests of shareholders and stakeholders as well as of protecting human rights and the environment.
-So, customers, employees and shareholders will spend their own time and money on social issues if they wish so.	- Firms should go beyond the emphasis on satisfying owners and shareholders, and extend the view including stakeholders such as the community, the public or employees (Freeman 1984).

Source: Adapted from Friedman 1970 and Freeman 1984

The debate generated many new theories; in the following part Ferrell & Fraedrich (1994) define SR into four main parts[5]:

1. Economic responsibilities to produce goods and services that society needs and wants at a price that can keep the company going and satisfy obligations to investors.
2. Legal responsibilities lay down by legislation that the company must obey.
3. Ethical responsibilities defined as behaviours or activities that are expected of business by society but that are not codified by law. To do what is right, fair and just, be a fair and equitable employer.
4. Voluntary responsibilities, which are those things desired by society, such as giving to charitable organisations or providing support to volunteerism for a company.

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[5] Ferrell & Fraedrich (1994). *Business ethics* p. 6

2.2 Using Corporate Social Responsibility to win the war for talent

This article belongs to studies in Human Resource area and was written by professor Bhattacharya, Sankar Sen and Daniel Korshun in 2008.

The article demonstrates that a way to attract, motivate and retain top employees is by using corporate social responsibility. When a company employs people who are skilled, creative and driven to satisfy customers, these are essentials to differentiate a company from its competitors.

There is growing evidence that a company's social responsibility activities comprise a legitimate, compelling and increasingly important way to attract and retain good employees[6]. For example, Jim Copeland, Jr., former CEO of Deloitte Touche Tohmatsu, puts in this way: "The best professionals in the world want to work in organizations in which they can thrive, and they want to work for companies that exhibit good corporate citizenship"[7].

The authors view employees' engagement in SR as a "strategic imperative", because if companies have discovered how to obtain a big return of that SR engagement, they can build a solid competitive advantage above their competitors. Furthermore, the authors consider "Internal marketing" to be the most apt rubric under which social responsibility can be used to acquire employee's engagement.

Companies must see employees as internal customers and fulfill their needs in the same way they do with external customers. Companies must fulfill employees' need by compelling a "job-product" which includes: salary, benefits packages and job responsibilities. Designed

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[6] Bhattacharya, C.B., Sen, Sankar, & Korschun, Daniel. (2008). *Using Corporate Social Responsibility to Win the War for Talent*. MIT Sloan Management Review, 49(2): p37.

[7] World Economic Forum, Geneva - Switzerland (2003). *Responding to the leadership Challenge: Findings of a CEO Survey of Global Corporate Citizenship*, white paper.

properly, the job-product can contribute dramatically to job satisfaction, employee retention and productivity[8].

2.2.1 About The Research

This is a two-part study. The first part involved a series of in-depth interviews and eight focus groups with employees of a major consumer-goods company, followed by a global employee survey (10,000-plus responses) administered by the company itself. Each focus group comprised five to eight participants at various locations, including the company's U.S. headquarters, a manufacturing plant, a regional sales office and one none-U.S. location. The second part featured a series of interviews followed by two on-line surveys of employees (yielding 481 responses) from more than 10 companies in the manufacturing, retail and service sectors. These research studies provided valuable insights into the challenges and opportunities facing companies that want to deploy their SR efforts strategically in the war for talent.

The research indicates that social responsibility is an opportunity that works as an internal marketing lever. It is limited by four related issues:

I.   Employees' lack of awareness and involvement in SR
II.   Limited understanding of employee needs fulfilled by SR
III.   Poor understanding of employee returns to SR
IV.   Top-Down Approach to SR

I.   **Employees lack of awareness and involvement in SR**

Most employees are not close to their employers' social responsible efforts; while many have a vague notion that their employer is socially responsible, they know little to nothing about the specific activities the company engages in. Proximity is also program-specific: an employee can be highly engaged with one initiative yet completely unaware of the company's other SR activities. Moreover, while many

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[8] Bhattacharya, C.B., Sen, Sankar, & Korschun, Daniel. (2008). *Using Corporate Social Responsibility to Win the War for Talent*. MIT Sloan Management Review, 49(2): p38.

employees are eager to know more about such initiatives, they frequently find it difficult to discover more about them. Companies often miss prime opportunities to connect with employees by tucking away news about SR on remote pages of the intranet. The study finds that even companies that are spending millions of dollars to support compelling social initiatives fail to seize opportunities to inform employees fully about their good work[9].

For example:

There is maybe one announcement at the end of the year-'By the way, the company donated US$12 million last year to nonprofit educational organizations'- but it's a small blurb. I think you could increase the impact on associates if they were to publicize it more throughout the year. Just bring it to the attention of the associates more.

-Male, Headquarters Office of Specialty Retailer[10]

II. Limited understanding of employee needs fulfilled by SR

The study found four fundamental needs that employees seek to fulfill through their proximity to their employers SR activities[11]:

- o **Creating opportunities for self-enhancement:** some employees like to work for socially responsible companies because it gives them opportunities for personal growth.
- o **Improving work-personal life integration:** the study shows that SR can help employees to feel less stressed when they feel they are effectively balancing the needs of work and family. Integration between the two parts of employees' lives is enhanced when they interpret their employers' socially responsible behavior as an indication that the company places the same importance on personal values that they do themselves.

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[9] Bhattacharya, C.B., Sen, Sankar, & Korschun, Daniel. (2008). *Using Corporate Social Responsibility to Win the War for Talent*. MIT Sloan Management Review, 49(2): p39.

[10] Bhattacharya, C.B., Sen, Sankar, & Korschun, Daniel. (2008). *Using Corporate Social Responsibility to Win the War for Talent*. MIT Sloan Management Review, 49(2): p39.

[11] Bhattacharya, C.B., Sen, Sankar, & Korschun, Daniel. (2008). *Using Corporate Social Responsibility to Win the War for Talent*. MIT Sloan Management Review, 49(2): p39.

- o **Building a bridge to the company:** SR often provides a bridge to colleagues scattered across multiple locations, programs where employees work closely with others whom they may not have met or with whom they would not normally work. It also provides a benefit in an abstract level, where individuals feel that they are part of a collective effort to make a difference in the world.
- o **Creating a "reputation shield":** The study indicates that a company's SR activity helps employees combat the possible negative external images of the company by educating external audiences, and sometimes even themselves, about the company's core values and ethics. In this way, SR provides a "reputation shield" that deflects negative sentiment.

III. Poor understanding of employee returns to SR

When personal needs are fulfilled at work, employees are likely to identify with the company. Identification is a psychological concept that reflects the extent to which employees feel that their sense of self overlaps with their sense of their employer. Employees who identify strongly with the company view its successes as their own[12].

The study evidence the idea that employees identify with a company when they believe it is socially responsible. SR-based identification by employees can cause them to feel satisfaction in their job, a sense of pride and a feeling of well-being[13].

IV. Top-Down Approach to SR

It is very common that managers and senior management level are people who develop the policies and practices of the company's social responsibility programs. This is a top-down process where senior management decides what to support.

The message is that employees should participate with their initiatives, and they should be the co-creators of the SR values.

Finally, the study suggests that a successful social responsibility strategy must be based on a clearly articulated and contingent input-output perspective. Employers must satisfy employees' need, encourage employee identification and be co-created with employees. In

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[12] B.E. Ashforth and F. Mael (January 1989). *Social Identity Theory and the Organization*, Academy of Management Review 14, no.1:20-39.

[13] Bhattacharya, C.B., Sen, Sankar, & Korschun, Daniel. (2008*). Using Corporate Social Responsibility to Win the War for Talent.* MIT Sloan Management Review*, 49(2): p41.

particular, SR is most effective when employees are the actual enactors with the company acting as an enabler[14].

2.3 Internal Marketing

Internal marketing is an important tool that helps to flow a better communication between managers and employees. It informs, and involves all staff in new initiatives and strategies. Internal marketing obeys the same rules, and has a similar structure to, external marketing. The main differences are that customers are staff and colleagues inside the organization[15].

2.3.1 Managing the implementation of internal marketing

Make your Internal Customers Aware of your Marketing Plans[16]: An organization thrives on the abilities of its constituents, namely its employees and business partners as they define the company's ability in optimizing resources and competencies to convert opportunities into revenues. They are called the internal customers as they interact within the organization internally to generate long term value.

Like external customers, they too are impacted by the company's brand and its future plans. Information-armed, enthusiastic work force boosts productivity, minimizes turnover costs, it creates profitable customer relationships, deliver better customer care while strengthening the corporate brand in the market place. However if your internal customers are not sufficiently aware of your marketing plans, and do not participate effectively in the promises to external clients, the external brand equity is negatively affected.

It is very important that internal staffs' perception matches the external brand positioning for optimum results. There are various techniques and tools that help organizations implement

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[14] Bhattacharya, C.B., Sen, Sankar, & Korschun, Daniel. (2008). *Using Corporate Social Responsibility to Win the War for Talent*. MIT Sloan Management Review, 49(2): p44.

[15] Marketing Teacher Ltd (2000 – 2011) *Internal marketing.* Retrieved February 2011 from http://marketingteacher.com/lesson-store/lesson-internal-marketing.html

[16] ROI (2011) *Effective Internal Marketing for Improved External Marketing.* Retrieved February 2011 from http://www.roi.com.au/index.php/general_marketing/effective_internal_marketing_for_successful_external_marketing.html

effective internal brand building and marketing communications. These are intranets, extranets (partner communication on the web), newsletters, posters and pamphlets informing about new initiatives, better systems, company stores, company events, internal rules and procedures.

Follow an Effective Internal Marketing Approach[17]**:** In order to be effective, internal marketing needs to accurately segment internal customers. Like external customers, they too have their own 'buyer' behavior, i.e. identifying with the changes which organizations plan to implement. Broadly speaking there are three segments: supporters, neutral, and opposers. Each segment requires a different internal "marketing mix" to deliver on internal marketing goals. For example, if the company wants to relocate closer to new emerging markets; it could target 'supporters' with a customized video on relocation benefits like low cost of living and better amenities. The 'neutral' internal customers could be targeted with incentives like a pay raise; while the 'opposers' could be effectively coerced / forced to accept the re-location regardless of their objection (in the larger interests of the company).

Internal marketing is an ongoing process that needs constant top management support and the process innovations to make it as viable as external marketing. Internal marketing is a dedicated effort across the organization, whereby it aligns, motivates and empowers people at all management levels to consistently deliver a satisfying internal and external customer experience.

To ensure that a company delivers consistently, internal marketing it should:
  o Function as a continual internal 'up-skilling' process.
  o Align the organization's purpose with employee behavior.
  o Internalize core values of the organization by all employees.
  o Motivate, reframe and empower employees' attitude.
  o Facilitate an 'inside-out' management approach.
  o Retain a positive customer experience across all business objectives.
  o Provide role-specific and user-focused information, including best practices around.
     Various organizational policies and processes.

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[17] ROI (2011) *Effective Internal Marketing for Improved External Marketing.* Retrieved February 2011 from http://www.roi.com.au/index.php/general_marketing/effective_internal_marketing_for_successful_external_marketing.html

- Increase the peoples' connections with the external / internal customer service division's roadmap by articulating investments, tactics, and objectives.
- Be available in a self service / portable format that are accessible anytime, anywhere.

Internal Marketing Tools[18]: The web offers one of the best platforms for a consistent internal marketing experience across regional, national and international sections of an organization. The web's self service function and anytime / anywhere accessibility allows employees to leverage internal marketing programs without significantly impacting their primary job roles. Besides this, the web allows the employees to form communities based on their personal likings and unofficial designations / department affiliations. This allows effective employee bonding, branding and learning at both the formal as well as informal (cultural) organization levels.

Proven web tools include intranets or even an internal facing website that creates online events, e-learning programs, 'expertise communities', discussion forums and e-commerce exchanges. Intranets / websites also serve to keep employees consistently and accurately informed about the latest organizational initiatives and innovations so that they can leverage them when interacting with external customers. As the web enables the building of communities, within the organization, people can leverage them to work faster and better collaboratively.

For example a financial department can ask for a copywriter's (marketing department) skills to draft an attractive costing / budgeting document for customers. Online advertisements can also be an effective tool to increase internal marketing's reach. Informative advertisements about new customer wins, external initiatives, new process/technological innovations and external PR wins (press / analyst reportage) can be made to appear as employees connect to the Internet through the official network. The web is the most potent and customer friendly internal marketing tool that tracks usage too. So organizations know what is working and what is not, besides enhancing the ability to be internally adaptive to increase employees' satisfaction and the overall internal marketing program experience.

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[18] ROI (2011) *Effective Internal Marketing for Improved External Marketing.* Retrieved February 2011 from http://www.roi.com.au/index.php/general_marketing/effective_internal_marketing_for_successful_external_mar keting.html

2.3.2 Some practicalities of internal marketing[19]

Firstly, it is important to identify the internal customers. As with the external customers, they will have their own buyer behavior, or way of 'buying into'.

Secondly, inside the internal customers are different sub-groups so the next step is the segmentation. Each group requires a slightly different internal marketing mix in order that the internal marketing objectives can be achieved.
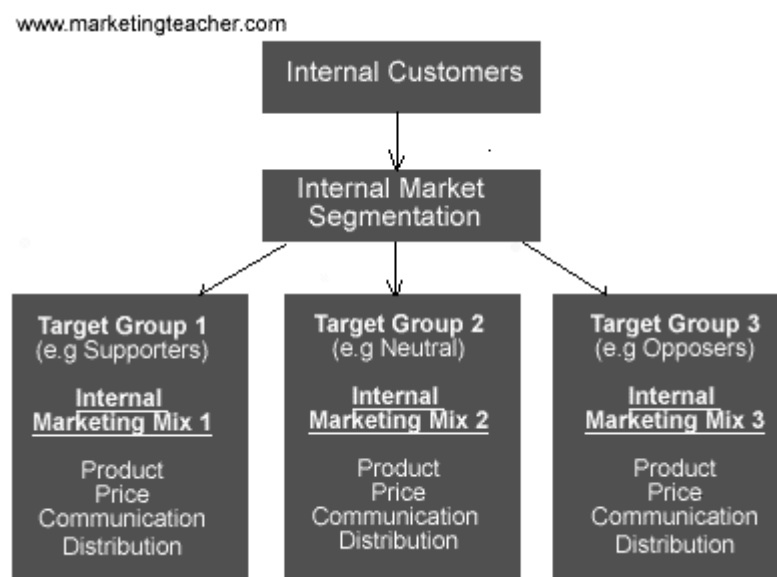
Figure 2
Source: internal market segmentation - http://marketingteacher.com/lesson-store/lesson-internal-marketing.html

2.4 Sustainable competitive advantage

The management's role is to recognize, understand, create, select, implement, and modify strategies. The objective is to maximize long-run profits through exploiting and developing firm resources[20].

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[19] Marketing Teacher Ltd (2000 – 2011) *Internal marketing.* Retrieved February 2011 from http://marketingteacher.com/lesson-store/lesson-internal-marketing.html

[20] Hunt, S.D. and Arnett, D.B. (2003). *Resource-Advantage Theory and Embeddedness: Explaining R-A Theory's Explanatory Success*. Journal of Marketing Theory and Practice (Winter), 1-17.

What create a sustainable competitive advantage? (An advantage that is long-lasting).

- **Resources:** A firm is a collection of resources, each of which is a bundle of potential productive services, Penrose (1959)[21]. Resources are inputs into the production process.

  "They are the basic units of analysis. The individual resources of the firm include items of capital, equipment, skills of individual employees, patents, brand names, finance and so on" Barney (1991)[22].

  Firm resources can be divided into three categories: physical resources, human resources, and organizational resources. Physical resources include the physical technology used in a firm, a firm's plant, its geographic location, access to raw materials, and financial capital. Human resources, include the training, experience, judgment, intelligence, relationships, and insight of individual managers and other employees in a firm. Organizational resource is an attribute of collections of individuals in the firm, and includes a firm's formal reporting structure.

- **Capability**: It is defined as the firm's capacity to perform an activity as a result of organizing and coordinating the productive services of a group of resources (cf. Tang, 2000)[23]

- **Competence:** If a firm possesses a certain capability which is better than those of its rivals, that capability becomes its competence. Such competences are the main source for a firm's competitive advantage.

- **Competitive Advantage:** When the firm perform better than its competitors we said, the firm possess a competitive advantage.

- **Sustainable competitive advantage:** It is the competitive advantage that is maintained. A long-lasting competitive advantage.

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[21] Penrose, E.T. (1959). *The Theory of Growth of the Firm*. London: Basil Blackwell.

[22] Barney, J. (1991). *Firm Resources and Sustained Competitive Advantage*. Journal of Management, 17 (1), 99-120.

[23] Tsang, E.W.K. (2000). *Transaction Cost and Resource-Based Explanations of Joint Ventures: A Comparison and Synthesis*. Organization Studies, 21 (1), 215-242.

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            S. C.
            Adv.

          Comp. Adv.

          Competence

          Capabilities

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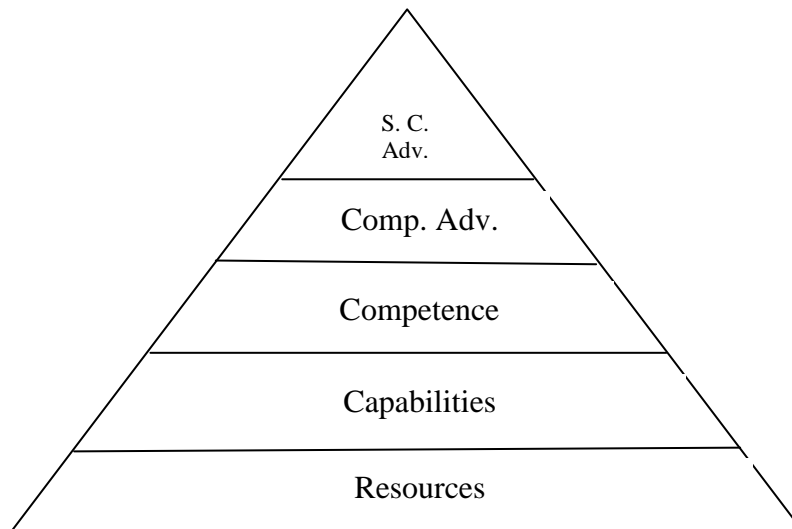
Figure 3
Source: Adapted from (1) Penrose, E.T. 1959. *The Theory of Growth of the Firm*. London: Basil Blackwell. (2) Tsang, E.W.K. 2000. *Transaction Cost and Resource-Based Explanations of Joint Ventures*: A Comparison and Synthesis. Organization Studies, 21 (1), 215-242.

2.4.1 What are the conditions for establishing a competitive advantage?

A VRIO Framework: It is a resource-based framework that suggests that only resources and capabilities that are Valuable (V), rare (R), Inimitable (I), and organizationally embedded (O) will generate sustainable competitive advantage.

Valuable?	Rare?	Difficult to Imitate?	Supported by Organization?	Competitive Implications	Performance
No	----	----		Competitive Disadvantage	**Below Normal**
Yes	No	----		Competitive Parity	**Normal**
Yes	Yes	No		Temporary Competitive Advantage	**Above Normal**
Yes	Yes	Yes	Yes	Sustained Competitive Advantage	**Above Normal**

Figure 4

Sources: Adapted from (1) J. Barney, (2002) *Gaining and Sustaining Competitive Advantage*, 2nd ed. p.173, Upper Saddle River, NJ: Prentice Hall; (2) R. Hoskisson, M. Hitt, & R,D. Ireland, (2004), *Competing for Advantage* p.118, Cincinnati: Cengage Learning South-Western.

- **Value[24]:** Firms resources must create value when engaging rivals. For example, the ability to attack in multiple markets. The ability to rapidly respond to challenges also adds value.¨

  Only value-adding resources can possibly lead to competitive advantage.

- **Rarity[25]:** Simply possessing valuable resources and capabilities may not be enough. It is also important to ask: How rare are valuable resources and capabilities? At best, valuable but common resources and capabilities will lead to competitive parity but not an advantage. Only valuable and rare resources and capabilities have the potential to provide some temporary competitive advantage.

- **Imitability[26]:** Valuable and rare resources and capabilities can be a source of competitive advantage only if competitor have a difficult time imitating them. While it is relatively easier to imitate a firm's tangible resources (such as plants), it is a lot more challenging and often impossible to imitate intangible capabilities (such as tacit knowledge, superior motivation, and managerial talents).

  Only valuable, rare, and hard to imitate resources and capabilities may potentially lead to sustained competitive advantage.

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[24] Mike W. Peng, (2009) *Global Strategic Management*, pp71

[25] Mike W. Peng, (2009) *Global Strategic Management*, pp72

[26] Mike W. Peng, (2009) *Global Strategic Management*, pp74

o **Organization:** In order to obtain a sustained competitive advantage, valuable, rare, and hard to imitate resources and capabilities must be properly organized.

2.4.2 Competitive Advantage through the effective management of people:

What distinguishes the most successful firms in our economy from all the others "is that for their sustained advantage, they rely not on technology, patents, or strategic position, but on how they manage the workforce" Jeffrey Pfeffer (1995).[27]

Suppose, ask Pfeffer, that in 1972 you had been asked to pick the five companies that would provide the greatest return to stockholder over the 20-year period ending in 1992. Most informed readers would have likely picked established companies in industries with strong barriers to entry, low supplier and buyer bargaining power, and little threat of product or service substitutability. Within these industries, the conventional wisdom also would have been to select firms with the largest market shares and the associated cost benefits of economies of scale. As Pfeffer points out, however, the top five firms for that 20-year period consistently failed to meet the test of conventional wisdom. They were, in reverse order of return to shareholders: Plenum Publishing, Circuit City, Tyson Foods, Wal-Mart, and Southwest Airlines. These companies were in industries characterized by competition and economic loss, few barriers to entry, little in the way of proprietary knowledge or technology, and a high potential for product and service substitutability. Also, in 1972, none of these firms enjoyed the status of market-share leader[28].

Pfeffer enumerates 13 management practices that seem to distinguish these and other high-achieving firms from their lower-performing counterparts, they support the idea that sound Human Resource Management practices can be central to firm performance.

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[27] J. Pfeffer, (1995) *Producing Sustainable Competitive Advantage through the Effective Management of People*, Academy of management Executive 9, pp 55-69.

[28] George F. Dreher & Thomas W. Dougherty. (2001) *Human Resource Strategy – A behavioral perspective for the general manager*, pp 5

The proper mix of Human Resource Management practices depends on how work processes are organized and on the unique environmental circumstances surrounding a given firm[29].

High performing companies engage in an explicit competition for the most capable employees, this competition goes beyond simply hiring the best people. Organizational capability relates to hiring and retaining competent employees[30].

As mentioned above, a firm can get sustained competitive advantage, holding four conditions. One of these conditions is that the resource should be inimitable. Because high-quality human resource systems work as a set of highly integrated practices, it is very difficult for competitors to copy them[31].

Organizing for Success

According to Robert Waterman, who wrote the book "In Search of Excellence", who said:

"What makes the best firms the best cannot be attributed to such things as technology, a bright idea, a masterly strategy, the use of a tool, etc." The best firms are better organized to meet the needs of their people, so that they attract better people than their competitors do and their people are more greatly motivated to do a superior job, whatever it is they do[32].

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[29] George F. Dreher & Thomas W. Dougherty. (2001) *Human Resource Strategy – A behavioral perspective for the general manager*, pp 5

[30] George F. Dreher & Thomas W. Dougherty. (2001) *Human Resource Strategy – A behavioral perspective for the general manager*, pp 4

[31] George F. Dreher & Thomas W. Dougherty. (2001) *Human Resource Strategy – A behavioral perspective for the general manager*, pp 5

[32] R.H Waterman, (1994) *What America Does Right: Learning from Companies That Put People First*, New York: W.W. Norton & Company, pp17

Chapter 3: Model with research Dimension

A model for determining how to obtain employees' commitment by means of social responsibility is presented in this chapter. The model has been taken from the study made by Mr. Bhattacharya and Mr. Korschun "Using Corporate Social Responsibility to win the war for talent" it has been described in detail in the theory part[33].

In the present thesis, the model has been adjusted in order to meet the variables that will be analyzed later on, but the principal foundation follows the original model of Mr. Bhattacharya and Mr. Korschun.

The model will be tested in the analysis part and the principal variables will show if the collected answers are following the parameters described by this model. The next graph shows the model.
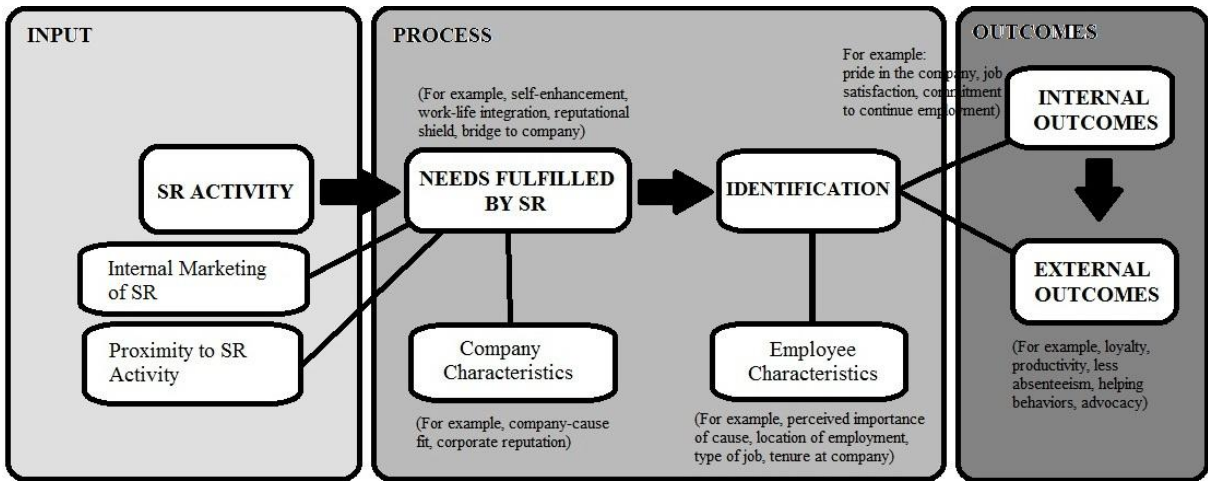
Figure 5
Source: Model – based on Bhattacharya & Korschun (2008)

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[33] See pg. 15 for introduction to this model.

3.1 Description of the model:

The model is divided in three parts (Input, Process and Outcomes)

Input: This part describes two main variables that will predict employees' commitment which are social responsibility and internal marketing of social responsibility. Furthermore, the model assumes that a company cares about stakeholders and promotes different social responsibility activities. These activities can be related to the social aspect, the ethical/transparency aspects and the environmental aspect.

On the other hand, the model will evaluate the internal marketing of social responsibility. So, if the company has a high internal marketing of social responsibility, it means that employees know about the SR programs of the company and there is a proximity to the SR activities.
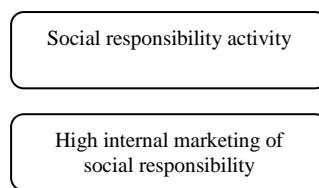
Process: This part describes how the inputs (social responsibility activities and internal marketing of SR) are positively linked to the employees' need (needs fulfilled by social responsibility for example: self enhancement, work-life integration, reputational shield, bridge to company).
The model shows:
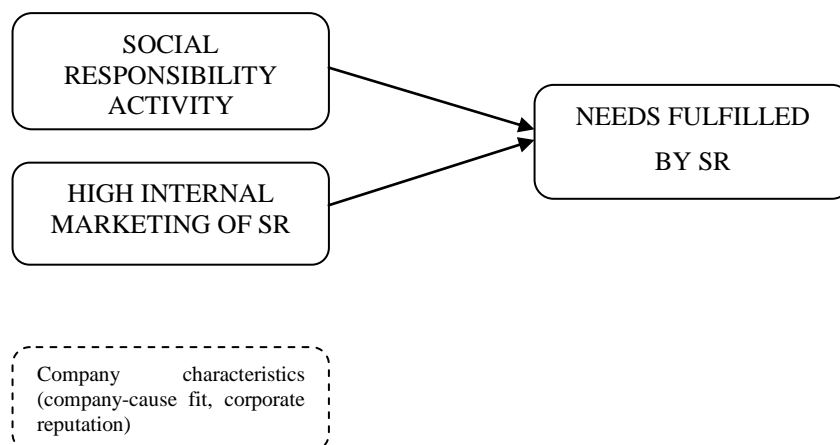
This part aims to recognize and understand what "the employees' needs" are (regarding social responsibility activities). Thereby, companies can go to the next step IDENTIFICATION.

Regarding to "company characteristics"

```
Company          characteristics
(company-cause fit, corporate
reputation)
```

This study is not taking into consideration this aspect because it is not possible to describe just one company, this study will evaluate many different companies. So, "company characteristics" will not be used in this study.

The next step is employees' identification, it can be reached by:

```
NEEDS FULFILLED              IDENTIFICATION
    BY SR
```

```
Employees' characteristics (perceived
importance of cause, location of
employment, type of job, tenure at
company)
```
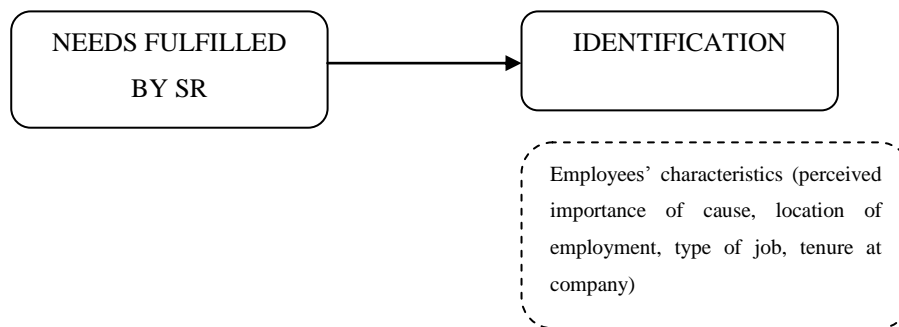
If "employees' needs" are fulfilled, it would create employees' identification to his company.

Regarding "employees' characteristics"

```
Employees'       characteristics       (perceived
importance of cause, location of employment,
type of job, tenure at company)
```

This study is not taking into consideration this aspect because it is not possible to describe a specific type of employee, this study will evaluate by means of surveys the point of view of different types of employees from different companies. So, "employee's characteristics" will not be used in this study.

Outcomes: This is the last part that describes the outputs after the process. There are two outcomes: internal outcomes and External outcome.

- o Internal Outcomes: for example, pride in the company, job satisfaction, commitment to continue employment, etc.

o External Outcomes: for example, loyalty, productivity, less absenteeism, helping behaviors, advocacy, etc.
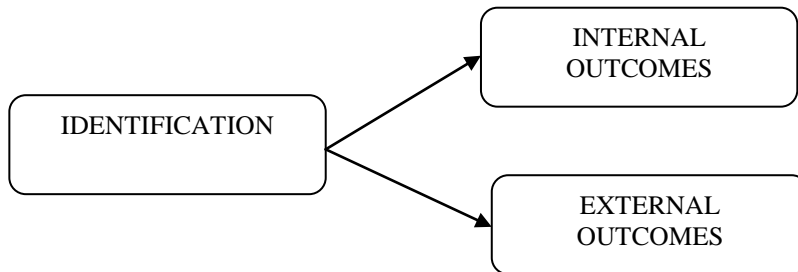
Therefore, a highly identified employee will conduct to positive internal and external outcomes that will be called EMPLOYEE'S COMMITMENT. An employee who is loyal to his company, an employee who is highly satisfied with his job and with the activities that his company holds, as well as the values and organizational culture of his company, an employee who feels proud of the company where he works.

The adjusted model that will be used in this study is presented as follows:
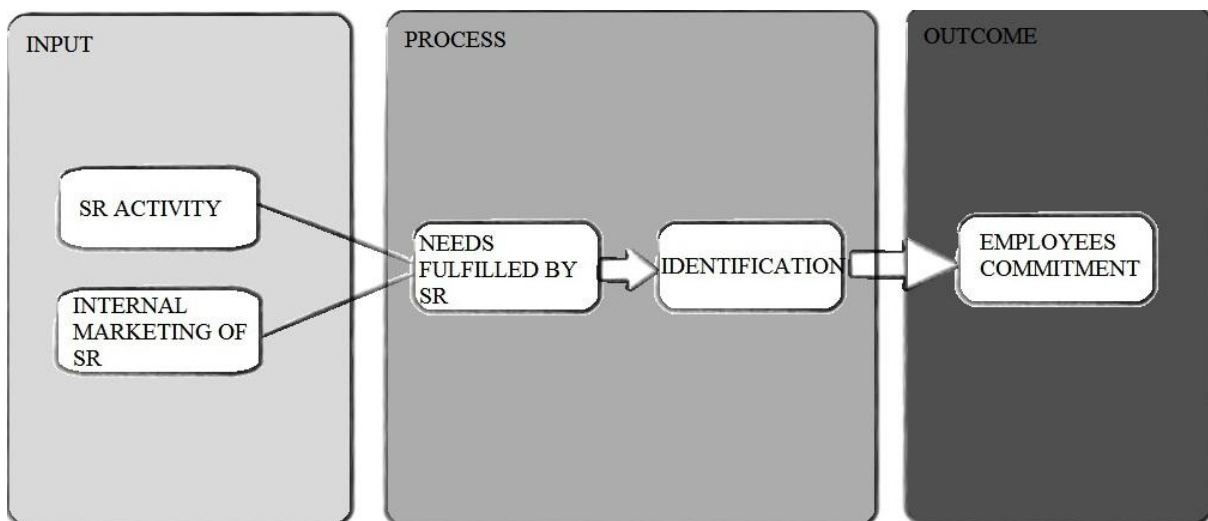
Figure 6
Source: Modified model – based on Bhattacharya & Korschun (2008)

This model is the extended version of the primary outline presented in the phenomenon box, see page 9.

High SR activities + → Employees' Commitment

Strong internal Marketing → +
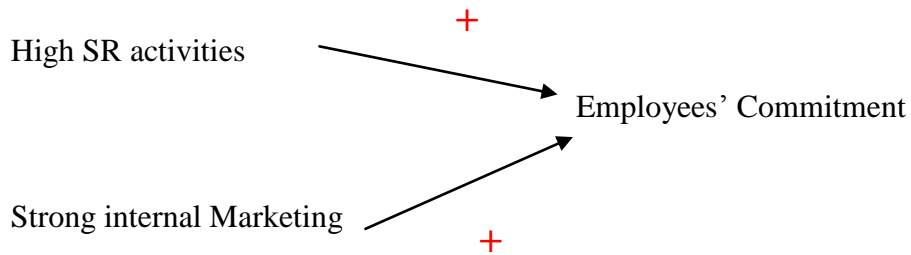
The research questions: this study aims to answer two questions:

1. **Could high social responsibility activities and an effective internal marketing of SR create employees commitment?**

The second question is linked to the first one. The question asks if the study demonstrates competitive advantage in the companies that holds strong SR activities.

2. **Could this employees' commitment creates competitive advantage in the company?**

In order to answer this question it is important to review the theory part "sustainable competitive advantage by a good manages of people", it was described in page 26-27.

Chapter 4: Methodology

Research (re-search) means "to search again". The term connotes patient study and scientific investigation wherein the researcher takes another, more careful look at the data to discover all that is known about the subject[34].

The research process is the planning of scientific activities in which scientists engage in order to produce knowledge. Generally, this process can be followed by a qualitative or quantitative research method.

4.1 Research design:

An overview of this concept can be found in Zikmund (2010), a research design is a master plan that specifies the methods and procedures for collecting and analyzing the needed information. A research design provides a framework or plan of action for the research. Objectives of the study determined during the early stages of research are included in the design to ensure that the information collected is appropriate for solving the problem. The researcher also must determine the sources of information, the design technique and the sampling methodology[35].
 Research design can be classified in: Exploratory, Descriptive or Causal.

- o Exploratory research provides new insides (the domain of discovery in philosophy of science terms) and often sets the groundwork for further investigation.
- o Descriptive research describes the characteristics of objects, people, or organizations.
- o Causal research is the only research that establishes cause and effect relationships.

This study is analyzed using exploratory research.

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[34] Zikmund, W.G., Babin, B.J., Carr, J.C., Griffin, M.(2010) *Business Research Methods*. Thomson, South-Western pp 5
[35] Zikmund, W.G., Babin, B.J., Carr, J.C., Griffin, M.(2010) *Business Research Methods*. Thomson, South-Western pp 66

4.1.1 Exploratory research:

Zikmund (2010) exploratory research is conducted to clarify ambiguous situations or discover potential business opportunities. As the same implies, exploratory research is not intended to provide conclusive evidence from which to determine a particular course of action. In this sense, exploratory research is not an end unto itself. Usually exploratory research is a first step, conducted with the expectation that additional research will be needed to provide more conclusive evidence. Exploratory research is often used to guide and refine these subsequent research efforts.

Exploratory research can be classified as qualitative research methods, and quantitative research methods.

To give a better understanding of the differences between quantitative and qualitative research methods, the following part will describe them in detail.

4.1.2 Contrasting Qualitative and Quantitative Methods:

Qualitative Research[36]:

This research addresses objectives through techniques that allow the research to provide elaborate interpretations of market phenomena without depending on numerical measurement. It focuses on discovering true inner meanings and new insights.

Qualitative research is less structured than most quantitative approaches. It does not rely on self-response questionnaires containing structured response formats. Instead, it is more researcher-dependent in that the researcher must extract meaning from unstructured responses, such as text from a recorded interview or a college representing the meaning and converts it to information.

Advantages:
- o   Often qualitative research is less expensive than quantitative research, because it is not necessary to recruit as many participants or use extensive methods

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[36] Zikmund, W.G., Babin, B.J., Carr, J.C., Griffin, M. (2010) *Business Research Methods*. Thomson, South-Western pp 133

- Explore topics in more depth and detail than quantitative research
- Often qualitative research is less expensive than quantitative research, because researchers do not need to recruit as many participants or use extensive methods
- It offers flexibility as far as locations and timing, as researchers do not need to interview a large number of people at once

Disadvantages:
- It Cannot quantify how many of your audience answer one way or another
- It Cannot generalize your findings to your broader audience or the public in general

Quantitative Research:

This research is based on traditional scientific methods, which generates numerical data and usually seeks to establish causal relationships between two or more variables, using statistical methods to test the strength and significance of the relationships[37].

This type of research is considered an experimentation where a hypothesis is tested empirically by applying tests and measures, rigorously and repeatedly under controlled situations until an aggregate of data is collected. This statistical knowledge can then be used to objectively state whether a hypothesis holds in a given situation or not.

In terms of research in the social sciences, when adopting this type of research methodology, the term "positivism" is used. This has been defined as: Giddens (1993)[38]

"A philosophical position according to which there are close ties between the social and natural sciences, which share a common logical framework".

As such, positivists have used such research methods as experimentation, both closed and open-ended questionnaires/surveys and structured interviews to provide statistical data on given social motivations and behaviors. Examples of quantitative data being used in a business context include consumer preference data (for example: surveys involving scaling and measurement of consumer attitude towards a product) and postal/e-mail household surveys on consumer purchasing behavior, which are filled in by the consumers themselves. The advantage of undertaking quantitative research is its ability to aggregate a large amount

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[37] HighBeam TM Research. Inc (2008) *"Quantitative Research". A Dictionary of nursing.* Retrieved March 2011 from http://www.encyclopedia.com/doc/1O62-quantitativeresearch.html

[38] Giddens, Anthony. (1993), *Sociology*, 2nd Edition, Polity Press, UK, pp 760.

of data quickly. It also allows for broad generalizations to be made about social patterns encountered.

Advantages:
- o When the survey involves a statistically valid random sample, the results from the sample can be generalized to the entire population if the response rate is high enough.
- o Surveys can be anonymous, which is useful for sensitive topics.
- o When the survey involves a convenience sample, data can be collected and analyzed fairly quickly.
- o Surveys can provide reliable (i.e., repeatable) direction for planning programs and messages.
- o Like qualitative research methods, surveys can include visual material and can be used to pretest prototypes.
- o Researchers can generalize the findings beyond the participant group.

Disadvantages:
- o The method have a limited ability to probe answers.
- o People who are willing to respond may share characteristics that do not apply to the audience as a whole, creating a potential bias in the study.
- o They can be very costly.

Differences between

Qualitative and Quantitative Research Methods[39]

Table 2

Qualitative Methods	Quantitative Methods
Methods include focus groups, in-depth interviews, and reviews.	Surveys
Primarily inductive process used to formulate theory.	Primarily deductive process used to test pre-specified concepts, constructs, and evaluate hypotheses.
More subjective: describes a problem or condition from the point of view of the sample.	More objective: provides observed effects (interpreted by researchers) on a program.
Text-based	Number-based
More in-depth information on a few cases	Less in-depth but more breadth of information across a large number of cases.
Unstructured or semi-structured response options	Fixed response options
No statistical tests	Statistical tests are used for analysis
It can be valid and reliable: largely depends on skill and rigor of the researcher.	It can be valid and reliable: It largely depends on the measurement device or instrument used.
Time expenditure is lighter on the planning and heavier during the analysis phase	Time expenditure is heavier on the planning phase and lighter on the analysis phase
Less generalized	More generalized

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[39] ORISE, *Differences between Qualitative and Quantitative Research Methods.* Retrieved March 2011 from http://www.orau.gov/cdcynergy/demo/Content/activeinformation/tools/toolscontent/SOC_qual_quant_chart.htm

After comparing both methods, and after evaluating the best way to answer the two research questions of this thesis, the chosen method is **Quantitative Research method**, because it is the method that enable the researcher to obtain a broader sample which entail employees and students from Peru and Norway. Moreover, by using a specific survey it is easier to evaluate the variables that will answer the main questions of this study.

Furthermore, quantitative research is structured and emphasizes facts and causal relationships, the model allows the testing of hypotheses, emphasizes the "results", the "output" and the analysis of it.

4.2 Sampling

The definition of this part has been taken from Zikmund (2010) [40], and the building of the sampling in this thesis follows the definition presented as follows:

Sampling involves any procedure that draws conclusions based on measurements of a portion of the population. In other words, a sample is a subset from a larger population. If certain statistical procedures are followed, a researcher does not need select every item in a population because the results of a good sample should have the same characteristics of the population as a whole. Of course when errors are made, samples do not give reliable estimates of the population.

The first sampling question to ask is "Who is to be sampled?" The answer to this primary question requires the identification of a *target population.* Who do we want the sample to reflect? Defining this population and determining the sampling units may not be so easy. If, for example: a savings and loan association surveys people who already have accounts for answers to image questions, the selected sampling units may represent current customers but will not represent potential customers. Specifying the target population is a crucial aspect of the sampling plan.

The next sampling issue concerns sample size. How big the sample should be?

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[40] Zikmund, W.G., Babin, B.J., Carr, J.C., Griffin, M.(2010) *Business Research Methods*. Thomson, South-Western, pp 68-69.

Larger samples are more precise than smaller ones; however, proper probability sampling can allow a small proportion of a total population to give a reliable measure of the whole.

The final sample decision is how to select the sampling units. Simple random sampling may be the best known type, in which every unit in the population has an equal and known chance of being selected.

However, this is only one type of sampling. For example, if members of the population are found in close geographical cluster sampling procedure (one that selects area clusters rather than individual units in the population) will reduce costs. Rather than selecting 1,000 individuals throughout the United States, it may be more economical to first select 25 counties and then sample within those counties. This will substantially reduce travel, hiring, and training costs. In determining the appropriate sampling plan, the researcher will have to select the most appropriate sampling procedure for meeting the established study objectives.

After describing in detail the concept of sampling, the next graph describes the target population in this thesis.

In this study there are two different target population divided by two different geographical areas. The next table explains it graphically.

	Peru	Norway
Employees		
Students with High Education		

Table 3
Source: Own Source, Sampling

About the sample:

- o Employees (Blue collars and white collars) working in the leading industries in Peru and Norway.

  The sample belongs to the main cities from Peru: Lima, Huancayo, Arequipa and Cusco. In Norway: Oslo, Bergen and Kristiansand.

o Students (Bachelors, Masters and PHDs) of the career "Business Administration and Economy". These students belong to the Peruvian University "**PONTIFICAL CATHOLIC UNIVERSITY"** **www.pucp.edu.pe** and the Norwegian University **"UNIVERSITY OF AGDER"** **www.uia.no.** It is important to mention that the students in this field are completely aware of the concept "social responsibility" and the survey applied on them simulate a future job that these students would be willing to take, more information about the survey will be explained later on.

How big should the sample be?

In coordination with the master advisor of this thesis, we agreed that a minimum of 100 respondents is required to give a reliable measure.

How to select the sampling units?

In this thesis a simple random sampling will be used.

4.3 Gathering Data

The definition of this part has been taken from Zikmund (2010)[41].

The data gathering stage begins once the sampling plan has been formalized. Data gathering is the process of gathering or collecting information. Data may be gathered by human observers or interviewers, or they may be recorded by machines as in the case of scanner data and Web-based surveys.

Obviously, the many research techniques involve many methods of gathering data. Surveys require direct participation by research respondents. This may involve filling out a questionnaire or interacting with an interviewer. In this sense, they are obtrusive. Unobtrusive methods of data gathering are those in which the subjects do not have to be disturbed for data to be collected. They may even be unaware that research is going on at all. For instance, a simple count of motorist driving past a proposed franchising location is one kind of data gathering method. However, when the data is collected, it is important to minimize errors in the process. For example, the data gathering should be consistent in all geographical areas. If

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[41] Zikmund, W.G., Babin, B.J., Carr, J.C., Griffin, M.(2010) *Business Research Methods*. Thomson, South-Western, pp 69.

an interviewer phrases questions incorrectly or records a respondent's statements inaccurately, major data collection errors will result.

4.3.1 Survey

A survey is a research technique in which a sample is interviewed in some form or the behavior of respondents is observed and described in some way. The term surveyor is most often reserved for civil engineers who describe some piece of property using a transit. Similarly, business research describe some group of interest (such as executives, employees, customers, or competitors) using a questionnaire.

The task of writing a list of questions and designing the format of the printed or written questionnaire is an essential aspect of the development of a survey research design.

Research investigators may choose to contact respondents by telephone or mail, on the internet, or in person.

After describing in detail the concepts, the next part describes the type of gathering data used in this thesis.

This study will collect data by means of questionnaires. Two questionnaires will be used, one questionnaire will be focused on employees' perspective of social responsibility and the survey will have to versions, one in Spanish for the Peruvian population and one in English for the Norwegian population.

On the other hand, the second survey will be focused on students' perspective of social responsibility and the survey will have also two versions in Spanish and English.

The questionnaires will be delivered by e-mail with a link connecting the respondent to an on-line questionnaire administered by Surveyxact: www.surveyxact.com, this is a survey system broadly used in Scandinavia.

An internet survey is a self-administered questionnaire posted on a web site where respondents provide answers. Like every other type of survey, internet survey has both advantages and disadvantages.

Advantages, from Zikmund (2010)[42]:

Questionnaires provide a quick, economical, and efficient means of assessing information about a population.

Internet surveys allow researchers to reach a large audience, personalize individual message, and secure confidential answer. These computer – to – computer self – administered questionnaires eliminate the cost of paper, postage, and data entry, as well as other administrative cost.

This surveys conducted on the internet can be interactive. The researcher can use more sophisticated lines of questioning based on the respondent's prior answers. Many of these interactive surveys utilize color, sound, and animation, which may increase respondents' cooperation and willingness to spend time answering the questionnaires.

The computer – to – computer nature of internet surveys means that each respondent's answers are entered directly into the researcher's computer as soon as the questionnaire is submitted. In addition, the questionnaire software may be programmed to reject improper data entry.

Real-time data capture allows for real-time data analysis. A researcher can review up-to-the-minute sample size counts and tabulation data from an internet survey in real time.

Using On-line surveys it is possible to contact respondents who have not completed the survey questionnaire. Computer software can simply automatically send an e-mail reminder to all panel members who did not visit the welcome page. Computer software can also identify the password of respondents who completed only a portion of the questionnaire and send those people customized messages.

Respondents are more likely to provide sensitive or embarrassing information when they can remain anonymous. The anonymity of the internet encourages respondents to provide honest answers to sensitive questions.

Disadvantages:

The possibility for respondent misunderstanding is high.

There is security concerns, respondents may worry whether personal information will remain private.

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[42] Zikmund, W.G., Babin, B.J., Carr, J.C., Griffin, M. (2010) *Business Research Methods*. Thomson, South-Western, pp 229.

In many cases the invitation to answer the survey is delivered via e-mail, the respondents may not recognize the sender address, and believe is an internet virus or a junk mail. So, the message subject line is critical. The subject line should refer to a topic likely to interest the audience.

4.4 Processing and Analyzing Data

4.4.1 Editing and Coding

The definition of this part has been taken from Zikmund (2010)[43]

After the fieldwork has been completed, the data must be converted into a format that will answer the questions of the thesis. Here, the information content will be mined from the raw data. Editing involves checking the data collection forms from omissions, legibility, and consistency in classification. The editing process corrects problems such as interviewer errors (an answer recorded on the wrong portion of a questionnaire, for example) before the data are transferred to the computer.

Before data can be tabulated, meaningful categories and character symbols must be established for groups of responses. The rules for interpreting, categorizing, recording, and transferring the data to the data storage media are called codes. This coding process facilitates computer or hand tabulation. If computer analysis is to be used, the data are entered into the computer and verified.

Computer assisted (on-line) interviewing is an example of the impact of technological change on the research process. The interviewer asks the questions and the types of the respondents' answers. Thus answer are collected and processed into the computer at the same time, eliminating intermediate steps that could introduce errors.

This study is conducted by means of an on-line survey delivered from www.surveyxact.com, this tool allows the respondents to click on the answers and the information is directly delivered to the data base. The data is codified automatically by the software and it is possible to import the information to programs like Excels or SPSS in order to analyze it.

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[43] Zikmund, W.G., Babin, B.J., Carr, J.C., Griffin, M. (2010) *Business Research Methods*. Thomson, South-Western, pp 70.

4.4.2 Data Analysis

In accordance with Zikmund (2010)[44] data analysis is the application of reasoning to understand the data that have been gathered. In its simplest form, analysis may involve determining consistent patterns and summarizing the relevant details revealed in the investigation. The appropriate analytical technique for data analysis will be determined by the researcher's information requirements, the characteristics of the research design, and the nature of the data gathered. Statistical analysis may range from portraying a simple frequency distribution to more complex multivariate analyses approaches, such as multiple regressions.

This study will use the program SPSS, the data will be imported directly from the data base storage in the software of SurveyXact.

On the other hand, the data analysis will be conducted by the method "Multiple Regression Analysis".

Multiple Regression Analysis

This method allows a dependent variable to be predicted by multiple independent variables.

$Y = b_0 + b_1X_1 + b_2X_2$

In this case, dependent variable Y (employees' commitment) will be predicted by independent variable X1 (Social Responsibility activities) and by second independent variable X2 (Internal Marketing of Social Responsibility). This method will be explained in detail in the Chapter called Analysis.

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[44] Zikmund, W.G., Babin, B.J., Carr, J.C., Griffin, M. (2010) *Business Research Methods*. Thomson, South-Western, pp 70.

4.5 Drawing Conclusions and preparing a report

In accordance with Zikmund (2010)[45], the research result is one of the most important jobs that a researcher performs. This is the final step of the research project, but it is far from the least important. The conclusions and report preparation stage consist of interpreting the research results, describing the implications and drawing the appropriate conclusions for managerial decisions. These conclusions should fulfill the deliverables promises in the research proposals. In addition, it is important that the researcher consider the varying abilities of people to understand the research results.

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[45] Zikmund, W.G., Babin, B.J., Carr, J.C., Griffin, M. (2010) *Business Research Methods*. Thomson, South-Western, pp 70

Chapter 5: A parallel analysis of Peru and Norway regarding social responsibility

Before the "Analysis Chapter", it is relevant to describe the scenarios where the survey has been evaluated, because the country where the respondent is located creates a context with differences of culture, political systems, laws, values, etc. That context may generate a way of thinking of the respondents from Peru which may be different from the respondents from Norway. Therefore in this chapter a broad description about Peru and Norway will be presented and how is the social responsibility in each country?.

5.1 Peru

This part will describe more about the country in order to answer this question:

How is the development of social responsibility in Peru?

Therefore, some introductory information about the country is necessary to understand the culture, politics and historical background of Peru.

Figure 7
Source: Map of Peru, [46]

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[46] Academia de ciencias Luventicus. (2011).Retrieved March 2011 from
http://www.luventicus.org/mapas/americadelsur/peru.html

5.1.1 General Information[47]:

Peru is a country in western South America, it is bordered in the north by Ecuador and Colombia, on the east by Brazil, on the south east by Bolivia, on the south by Chile and on the west by the Pacific Ocean. It is a country of contrast, from beaches lining the cost in the west, the Andes Mountains through the center of the country and Amazonian rain forest in the east. Peru is rich in natural resources, including silver, gold, copper, zinc, lead, iron, tin, manganese, oil, natural gas, fishmeal, cotton, asparagus, paprika, artichokes, café, etc.

Peru is rich in Culture:

At the beginning of the third millennium B.C., arises in Caral area, the oldest civilization of the continent. Caral[48] is contemporary with the civilizations of China, Egypt, India and Mesopotamia; respect of an area which may be regarded as the cradle of civilization in the world for its age (5,000 years approx.). Subsequently, the following cultures arose[49]:

- ○ Cupisnique, (1500 BC – 1000 BC)
- ○ Chavin de Huantar, (800 BC – 200 BC)
- ○ Moche, (100 BC – 800 AD)
- ○ Nazca, (100 AD – 800 AD)
- ○ Tiwanaku, (300 AD – 1000 AD)
- ○ Wuari, (500 AD – 1000 AD)
- ○ Lambayeque, (750 AD – 1375 AD)
- ○ Chimu (900 AD – 1470 AD)
- ○ Chincha. (800 AD – 1476 AD)

From all these cultures highlights **The Incas**, which by the fifteenth century annexed all Andean peoples between the rivers Maule and Ancasmayo, reaching an area of around 3 million km², now located in the territories of southern Colombia, western Ecuador, Peru, Bolivia, northern Chile and northwestern Argentina, forming what is known as the Inca

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[47] Peru (2011) *General Information about Peru.* Retrieved March 2011 from http://www.peru.info/

[48] Unidad Ejecutora 003 – Zona Arqueologica Caral (2009) *Caral la Civilizacion mas Antigua de America.* Retrieved March 2011 from http://www.caralperu.gob.pe/

[49] Peru (2011) *General Information about Peru.* Retrieved March 2011 from http://www.peru.info/

Empire. Its capital was Cuzco, located in the southern highlands of Peru. Besides its military power, highlighted in architecture, building magnificent structures such as the citadel of Machu Picchu, voted one of the new wonders of the world[50].

The country has a population of 29.885.340[51], of which 54.6% of Peruvians live on the coast, 32.0% in the Andean mountains, and 13.4% in the Amazon rain forest[52].

Peruvian society is multicultural and consists of indigenous peoples as well as ethnic groups from Spain, Italy, Germany, Japan, China and Africa. Furthermore, according to the 2007 census, 81.3% of the population are considered Catholic, 12.5% Evangelical, 3.3% belong to other religions and 2.9% did not specify any religious affiliation[53].

Spanish is the primary language of the country 83.92%. It coexists with several indigenous languages, of which the most important is Quechua, spoken by 13.21% (2007). That same year another native and foreign languages were spoken by 0.91% and 0.09%% of Peruvians, respectively[54].

5.1.2 Government

Peru is a democratic republic. The president and members of Congress are elected every five years by universal suffrage. The current constitutional president of Peru is Alan Garcia Pérez (2006-2011).

Under the current constitution, the President is the head of state and government; he or she is elected for five years and cannot seek immediate re-election, he or she must stand down for at least one full constitutional term before reelection. The President designates the Prime Minister and, with his advice, the rest of the Council of Ministers. There is a unicameral

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[50] Portal inca, *Los Incas de Peru.* Retrieved March 2011 from http://www.portalinca.com/

[51] Fondo de Poblacion de las Naciones Unidas (2009). Retrieved March 2011 from http://www.unfpa.org.pe/infosd/poblacion/poblacion_05.htm

[52] Instituto Nacional de Estadística e Informática, Censos Nacionales 2007: XI de Población y VI de Vivienda, Primeros Resultados, p. 13.

[53] National Institute of Statistics and Informatics, Socio-demographic profile of Peru

[54] National Institute of Statistics and Informatics, Socio-demographic profile of Peru. 15th May, 2007

Congress with 120 members elected for a five-year term. Bills may be proposed by either the executive or the legislative branch; they become law after being passed by Congress and promulgated by the President. The judiciary is nominally independent through political intervention into judicial matters has been common throughout history and arguably continues today[55].
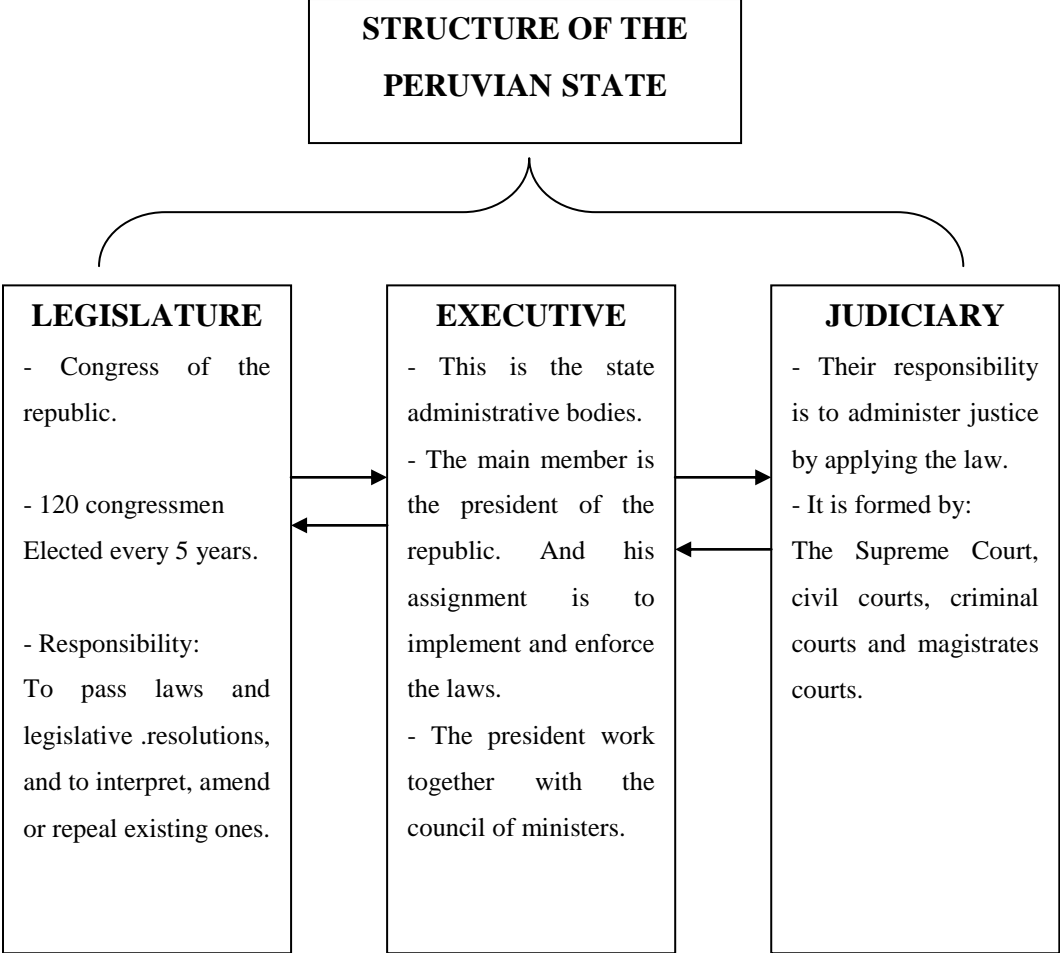
STRUCTURE OF THE PERUVIAN STATE

LEGISLATURE	EXECUTIVE	JUDICIARY
- Congress of the republic. - 120 congressmen Elected every 5 years. - Responsibility: To pass laws and legislative .resolutions, and to interpret, amend or repeal existing ones.	- This is the state administrative bodies. - The main member is the president of the republic. And his assignment is to implement and enforce the laws. - The president work together with the council of ministers.	- Their responsibility is to administer justice by applying the law. - It is formed by: The Supreme Court, civil courts, criminal courts and magistrates courts.

Table 4
Adaptation of the Structure of the Peruvian state[56]

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[55] Constitución Política del Perú, Article N° 112, 122, 90,107,108,146.

[56] Presidencia del Consejo de Ministros – PCM, *Structure of the Peruvian state.* Retrieved March 2011 from http://www.peru.gob.pe/

5.1.3 Economy

GDP[57] (PPP) 2008 estimate

- Total $246.283 billion
- Per Capita $8, 594

GDP[58] (nominal) 2008 estimate

- Total: $127.462 billion
- Per capita $4,448

Peru is a country with a high Human Development Index, with a score of 0.723. In 2010 Peru ranked No. 63[59]. However 30% of its population still lives in poverty which causes a high level of inequality.

Despite this, according to the American Economy and the International Monetary Fund, Peru is set in the year 2008 with the second lowest inflation rate in the world after France and therefore one of the strongest economies in the region[60].

According to the Swiss business school IMD, Peru in 2008 is set No. 35 world ranking of competitiveness[61].

Since 2008, the Peruvian economy is considered a remarkable growth rate compared to economies like China. In 2008, the country grew by 9.84 % compared with 2007[62]. Peru has been growing in the last 10 years, according to the National Institute of Statistics and Information of this country, INEI[63].

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[57] International Monetary Fund. Retrieved March 2011 from http://www.imf.org/external/

[58] International Monetary Fund. Retrieved March 2011 from http://www.imf.org/external/

[59] United Nations Development Programme //
http://www.undp.org/publications/hdr2010/en/HDR_2010_EN_Table1.pdf

[60]América Economía: http://beta.americaeconomia.com/finanzas/peru-la-segunda-inflacion-mas-baja-del-mundo-5.html

[61] Empresa editora El Comercio (2008) Ubican al Peru en el puesto 35 de competitividad. Retrieved March 2011 from http://elcomercio.pe/edicionimpresa/html/2008-05-15/ubican-al-peru-puesto-35-competitividad.html

[62] INEI, Retrieved March 2011 from
http://www1.inei.gob.pe/web/NuestrasActividadesFlotantePrincipal.asp?file=8047.jpg

[63] INEI, Retrieved March 2011 from http://www.inei.gob.pe/

In April 2008, the GDP increased to 13.25 %, the highest since 1995. Similarly, the poverty rate fell from 49 % in 2006 to 39.3 %[64]

5.2 Social Responsibility in Peru

This part is a description of Social Responsibility in Peru; taking into consideration the study of Sandro Monteblanco called "Responsabilidad social Empresarial en el Peru"[65]

The concept of Corporate Social Responsibility in Peru has been a matter of governments. While acknowledging that the government is responsible for defining and implementing public policies, it is also assumed the difficulty to resolve the magnitude and complexity of the social problems in the country, especially in the areas with fewer resources, which have been left out of the benefits of modernity.

On the other hand, it is true that the country's business sector is generating a more positive change and growth in the Peruvian society, so it is logical that Peruvian companies should assume responsibility. In this context, the concept of Social Responsibility is more associated with a movement in process, or a concept in search of definition in the Peruvian social transformation.

The social and economic differences in the Peruvian population have created dangerous social tensions and inequalities that threaten the existence of modern civilization in the country and therefore companies must be the agents of change. The only way that companies could cooperate in the development of the country is by adding the social problems, such as poverty, precarious education, etc, to its social responsibility programs.

Some companies believe that it is necessary to incorporate SR to their organization because they want to enter into foreign markets and they see SR as a requirements and not as a main goal, other typical reason is for ethics or because it improves the management and

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[64] Jaime Cordero, Ediciones El Pais, S.L (2008) *El alumno aventajado viene de los Andes*. Retrieved March 2011 http://www.elpais.com/articulo/internacional/alumno/aventajado/viene/Andes/elpepuint/20080717elpepuint_20/ Tes
[65] Sandro Monteblanco, DocStoc (2010) *Responsabilidad social Empresarial en el Peru.* Retrieved March 2011 http://www.docstoc.com/docs/44588690/Responsabilidad-Social-Empresarial-en-el-Peru

profitability. Maybe those are not the principal reasons for a company to be social responsible in Peru, but the point is that companies are quickly realizing that SR is a new challenge in this globalized world.

On the other hand, the relation business-community is one of the least developed in Peru. To strengthen it, it is necessary to join efforts from different actors involved. The idea of how to deal with the relation corporate-community must be considered in the company's mission. In this way, it will be possible to move from the traditional welfares to build communities within the framework of sustainable development.

Peruvians have learned throughout their history not to trust or not to expect too much from the political representatives. Few government representatives do something for the companies, employees or social responsibility in general. Moreover, many of the Small and Medium business companies called "Pymes" look at the public administration as an enemy entity. The level of corruption that exists today is a "cancer" that limits the development and makes it difficult to achieve an overall benefit without first discussing personal benefit.

Therefore, building a socially responsible society will not be easy in Peru. To do this it will be imperative to create an open path to a free market system that encourages innovation and wealth creation allowing greater vertical mobility in society. Corporate Social Responsibility develops greater stability, harmony and equality in the social structure. Also, SR helps to incorporate modernity to thousands of Peruvians who do not have access to technology and modern production methods.

So, if companies want to establish a formal and structured SR, they will have to develop a better understanding of social responsibility. This involves three major areas:

Environment:
Issues such as: waste reduction, pollution prevention, efficiency in the use of renewable energy, etc.

Work Environment:

Keeping workplaces healthy and safe by promoting the welfare of employees is the most neglected aspect of SR in Peru. Management should focus on areas such as training, compensation, working conditions and work-family balance.

Community:

It is very common that when a company is involved in social causes it is seen as its commitment to SR. This is important, but this is only one way to be socially responsible.

5.2.1 Geert Hofstede Cultural Dimensions in Peru[66]:

Peruvian cultural values that would indicate the sense of social responsibility:

Prof. Geert Hofstede conducted a comprehensive study of how values in a country are influenced by culture.

See appendix 1 for a further explanation of Hofstede dimensions.

Peru is very close to the average of all other Latin American countries on each of the country's Hofstede Dimensions.

Peru's highest Hofstede Dimension is Uncertainty Avoidance (ranking 87), indicating the society's low level of tolerance for uncertainty. In an effort to minimize or reduce this level of uncertainty, strict rules, laws, policies, and regulations are adopted and implemented. The ultimate goal of this population is to control everything in order to eliminate or avoid the unexpected. As a result of this high Uncertainty Avoidance characteristic, the society does not readily accept change and is very risk adverse.

Peru has a low Individualism (ranking 11), as do all other Latin countries (average 21). The score on this Dimension indicates the society is Collectivist as compared to Individualist. This is manifest in a close long-term commitment to the member 'group', be that a family, extended family, or extended relationships. Loyalty in a collectivist culture is paramount, and over-

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[66] Geert Hofstede (2009), *Cultural dimensions.* Retrieved May 2011 from
 http://www.geert-hofstede.com/hofstede_peru.shtml

rides most other societal rules and regulations. The society fosters strong relationships where everyone takes responsibility for fellow members of their group.

Nowadays, Peru is experiencing an economic and cultural growth. Peru has managed to insert its economy in a macro level and start promoting the country as a brand.

Figure 8
Source: Brand - PERU http://muchoperuparatodos.peru.info/

An example of this cultural growth is the Peruvian cuisine that is growing in the market rapidly. In this context, Peruvian society care more about their cultural patrimony and that make them feel more responsible with that brand they want to promote all over the world. For instance, recently the government tried to approve a law that would import transgenic products in the agriculture, but the population started protesting against this decision because they feel responsibility in the flourishing cuisine and they aim to offer organic products[67].

Figure 9
Source: defense on the agricultural biodiversity- http://www.livinginperu.com/news/14842

Another example of this Peruvian collectivism is the indigenous community, they are people who are used to speak up and protest when they feel the natural environment or the Peruvian cultural patrimony is in risk. It was the case of the peasants in Cajamarca protesting against a multinational mine company that was contaminating the region. The population from Cajamarca traveled to the court in Colorado USA and they could stop future projects from the

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[67] Peru allows GM food imports, and protests grow (2011). Retrieved May 2011 from http://www.livinginperu.com/news/14842

company because this company did not follow the standard rules that must care about the natural environment[68].
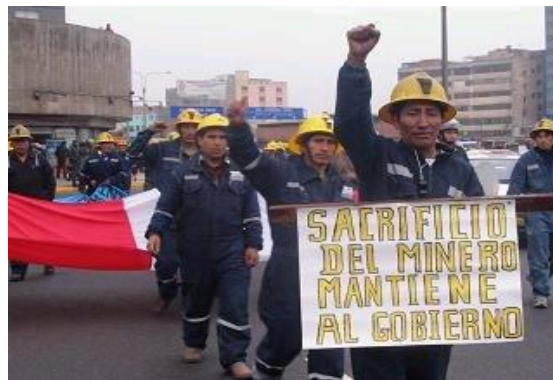
Figure 10
Source: miners protesting against a multinational mine company, http://blog.pucp.edu.pe/blog/mineriaperu

Therefore, the sense of social responsibility is growing in the Peruvian population. They start claiming their rights when their cultural patrimony inherited from the Incas times and the rich natural biodiversity is in danger.

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[68] Paola Vittor & Lucie Valuchova (2009), University of Agder. *Gold Mining Problems by Yancocha mine in Cajamarca Peru - An ethical analysis of the case*.

5.3 Norway

How is the development of social responsibility in Norway?

This part will describe more about the country in order to answer this question:

Some introductory information about the country is necessary in order to understand the culture, politics and historical background of Norway.

Figure 11
Source: Map of Norway[69]

5.3.1 General Information

Norway occupies the western part of the Scandinavian Peninsula in northern Europe, with almost one-third of the country situated north of the Arctic Circle. It has an area of 324,220 sq. km. Extending 1,752 km NNE-SSW, Norway has the greatest length of any European country; its width is 430 km ESE-WNW. Bounded on the north by the Arctic Ocean, on the north east by Finland and Russia, on the east by Sweden, on the south by the Skagerrak, on the south west by the North Sea, and on the west by the Norwegian Sea of the Atlantic Ocean, Norway has a land boundary length of 2,544 km and a total coastline estimated at 21,925 km[70].

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[69] Maps of the world (2009).http://www.mapsofworld.com/norway/norway-location-map.html

[70] Nations encyclopedia *Norway – Location, size, and extent.* Retrieved March 2011 from
http://www.nationsencyclopedia.com/Europe/Norway-LOCATION-SIZE-AND-EXTENT.html

Norwegian Culture:

Norway, whose name comes from *Nor Veg*, the north road, has 12,000 years of history. The Viking period (between IX and XI) meant the unification and expansion of Norway. Harald I, was the king who united Norway. His reign lasted from 872 to 930. Some of his successors were Haakon "the Good" and Olaf Tryggvason[71].

Viking Age:

The Viking period (between IX and XI) meant the unification and expansion of Norway. The Norwegian royal line died in 1387 and the country entered in a union with Denmark from 1450 through a treaty. This marked the beginning of what today is known in Norway as the "Night of 400 Years", considered the weakest link in the union with Denmark[72].

After Denmark's alliance with Napoleon, Norway was ceded to the king of Sweden in 1814.

Independence of Norway:

The union of the two kingdoms generated irritation in the Norwegian population during the nineteenth century and finally the union with Sweden were dissolved in 1905 when the Norwegian government offered the throne of Norway to the Prince Charles of Denmark. After a plebiscite which approved the establishment of the monarchy, the Parliament unanimously elected him king. He took the name Haakon VII, following the lineage of the kings of independent Norway[73].

During the First World War Norway remained neutral, but as a result of Nazi Germany's invasion and occupation of Norway during World War II, Norwegians became skeptical of the concept of neutrality. Norway was one of the signatories of NATO (The North Atlantic Treaty Organization) in 1949 and was a founding member of the United Nations. A

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[71] Guia del Mundo *Noruega.* Retrieved March 2011 from
http://www.guiadelmundo.org.uy/cd/countries/nor/History.html

[72] Guia del Mundo *Noruega.* Retrieved March 2011 from
http://www.guiadelmundo.org.uy/cd/countries/nor/History.html

[73] Guia del Mundo *Noruega.* Retrieved March 2011 from
http://www.guiadelmundo.org.uy/cd/countries/nor/History.html

referendum in Norway rejected joining the European Union (EU) on two occasions (1972 and 1994), but is linked to it through the European economic area[74].

Norway is a constitutional democracy with a population of 4.8 million inhabitants[75].

Head of State	King Harald V of Norway
Head of Government	Prime Minister Jens Stoltenberg
Area	385 199 km²
Population (2009)	4 799 252
Population per km² land area	16
Capital city	Oslo
Language	Norwegian (Bokmål and Nynorsk) (In some districts, Sámi is also an official language)
State Church	Church of Norway (Evangelical Lutheran)
GDP (2008)	NOK 2 548 billion (€ 295,2 billion)
Currency	1 krone = 100 øre
Constitution Day	17 May
Average life expectancy (2008):	female: 83 years male: 78 years

Table 5
Source: Norway General Information[76]

5.3.2 Government[77]

Norway is a unitary constitutional monarchy with a parliamentary system of government, where in the King of Norway is the head of state and the Prime Minister is the head of

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[74] Guia del Mundo *Noruega.* Retrieved March 2011 from
http://www.guiadelmundo.org.uy/cd/countries/nor/History.html

[75] Royal Norwegian Embassy in London, *Facts & Figures.* Retrieved March 2011 from
http://www.norway.org.uk/aboutnorway/facts/

[76] Royal Norwegian Embassy in London, *Facts & Figures.* Retrieved March 2011 from
http://www.norway.org.uk/aboutnorway/facts/

[77] Royal Norwegian Embassy in London, *Facts & Figures.* Retrieved March 2011 from
http://www.norway.org.uk/aboutnorway/society/political/storting/

government. Power is separated between the legislative, executive and judicial branches of government, as defined by the Constitution, which serves as the country's supreme legal document.

The Monarch officially retains executive power; however, following the introduction of a parliamentary system of government, the duties of the Monarch have since become strictly representative and ceremonial.

In practice, it is the Prime Minister who is responsible for the exercise of executive powers. Since his accession in 1991, Harald V of the House of Schleswig-Holstein-Sonderburg-Glücksburg has been King of Norway, the first since the 14th century who has actually been born in the country. Haakon, Crown Prince of Norway is the legal and rightful heir to the throne and the Kingdom.

Constitutionally, legislative power is vested with both the government and the Parliament of Norway, but the latter is the supreme legislature and a unicameral body.

Norway is fundamentally structured as a representative democracy. Effectively called the Storting, meaning Grand Assembly, members of Parliament ratify treaties and can impeach members of the government if their acts are declared unconstitutional, and as such have the power to remove them from office in case of an impeachment trial.

The position of Prime Minister, Norway's head of government, is allocated to the Member of Parliament who can obtain the confidence of a majority in Parliament, usually the current leader of the largest political party or more effectively through a coalition of parties, as a single party normally does not have the support to form a government on its own. However, Norway has often been ruled by minority governments.

5.3.3 Economy

Norway has the second highest GDP per-capita (after Luxembourg) and fourth highest GDP per-capita in the world[78]. Today, Norway ranks as the second wealthiest country in the world in monetary value, with the largest capital reserve per capita of any nation. According to the

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[78] Royal Norwegian Embassy in London, *Facts & Figures.* Retrieved March 2011 from http://www.norway.org.uk/aboutnorway/economy/

CIA World Factbook, Norway is a net external creditor of debt[79]. Norway maintained first place in the world in the UNDP Human Development Index (HDI) for six consecutive years (2001–2006)[80], and then reclaimed this position in 2009 and 2010[81]. The standard of living in Norway is among the highest in the world. Foreign Policy Magazine ranks Norway last in its Failed States Index for 2009, judging Norway to be the world's most well-functioning and stable country. Continued oil and gas exports coupled with a healthy economy and substantial accumulated wealth.

The Norwegian economy is a mixed economy, a prosperous capitalist welfare state featuring a combination of free market activity and large state ownership in certain key sectors. The Norwegian welfare state makes public health care free. The income that the state receives from natural resources includes a significant contribution from petroleum production and the substantial and well-managed income related to this sector. Norway has a very low unemployment rate, currently 3.1%[82]. 30% of the labor force is employed by the government, the highest in the OECD[83]. 22% are on welfare and 13% are too disabled to work, the highest proportions in the world[84]. The hourly productivity levels, as well as average hourly wages in Norway are among the highest in the world[85]. The egalitarian values of the Norwegian society ensure that the wage difference between the lowest paid worker and the CEO of most companies is much smaller than in comparable western economies[86]. The state has large ownership positions in key industrial sectors, such as the strategic petroleum sector (Statoil

[79] Central Intelligence Agency (2011), *Norway.* Retrieved March 2011 from
https://www.cia.gov/library/publications/the-world-factbook/geos/no.html

[80] Human Development Reports (2010). Retrieved March 2011 from
http://hdr.undp.org/en/media/HDR_2010_EN_Complete.pdf

[81] Human Development Reports (2010). Retrieved March 2011 from
http://hdr.undp.org/en/media/HDR_2010_EN_Complete.pdf

[82] The Norway Post. Retrieved March 2011 from http://www.norwaypost.no/?task=view

[83] Marianne Tønnessen, Vårt land (2010), *Flere offentlig ansatte.* Retrieved March 2011 from
http://www.vl.no/samfunn/article94563.zrm

[84] Kari Vartdal Riise, DN.no (2010), *Den norske syken er verst.* Retrieved March 2011
http://www.dn.no/trygd_i_norge/article1837921.ece

[85] Royal Norwegian Embassy in London, *Facts & Figures.* Retrieved March 2011 from
http://www.norway.org.uk/aboutnorway/economy/

[86] Royal Norwegian Embassy in London, *Facts & Figures.* Retrieved March 2011 from
http://www.norway.org.uk/aboutnorway/economy/

and Aker Solutions), hydroelectric energy production (Statkraft), aluminum production (Norsk Hydro), the largest Norwegian bank (DnB NOR), and telecommunication provider (Telenor). Through these big companies, the government controls approximately 30% of the stock values at the Oslo Stock Exchange. When non-listed companies are included, the state has even higher share in ownership (mainly from direct oil license ownership). Norway is a major shipping nation and has the world's 6th largest merchant fleet, with 1,412 Norwegian-owned merchant vessels[87].

5.4 Social Responsibility in Norway

Norway is aware of the importance of Social Responsibility. In the following report taken from the Norwegian web site *Utenriksdepartementet www.*Regjeringen.no; in the section of articles published "Modern Business in Modern Society – Corporate Social Responsibility / Decent Work", it was a SR – Seminar in Bratislava 27.10.10. The article is a speech written by Minister of Foreign affairs Jonas Gahr Støre.

Norway confirms its initiative to maintain social responsibility by means of decent work, the most relevant part from this article shows the Norwegian Social Responsible performance regarding job.

"Norway attaches great importance to the principles of decent work and equal opportunities for all. In a situation of rising unemployment, with all the personal costs this entails for many citizens, Norway must stay focused on labor market challenges."

"Decent working conditions and respect for workers' rights are vital to develop a society that is equitable. They are also vital to develop a harmonious and productive workforce that is able to ensure the welfare of all citizens."

With this in view, the Norwegian Government launched in 2008 a seven-point strategy for promoting decent work globally. This is probably the first strategy of this kind ever to be implemented by a government, and it reflects the political dedication on this area.

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[87] Royal Norwegian Embassy in London, *Facts & Figures.* Retrieved March 2011 from
http://www.norway.org.uk/aboutnorway/economy/

The basis of the Norwegian policy on corporate social responsibility is the Government's white paper "Corporate social responsibility in a global economy", approved by the Norwegian parliament, which was the culmination of a broad process involving social partners.

The political goal of the white paper is three-fold.

1. First, to raise awareness about social responsibility in both the private and the public sectors. It clarifies the expectations of the private sector, and it discusses the respective roles and responsibilities of the authorities, the private sector and other actors.

2. Second, the white paper is also designed to boost Norwegian companies' motivation and the ability to exercise social responsibility. The approach is to strengthen guidance and advisory measures, and increase openness, dialogue and exchange of experience between the authorities and the private sector.

3. And third, the Government also intends to play an active role in international processes to further develop the global framework on corporate social responsibility.

The ethical basis for the Norwegian policy on corporate social responsibility is the inviolability of human dignity. Just as politics is not an end in itself, but a means of promoting social change for the benefit of people and the environment, a company's profits and activities are not goals that can be viewed in isolation. Economic activities require an ethical foundation that puts people, the environment and broader social considerations on centre stage.

"Another area that merits attention is public procurement. The public sector should take the lead by purchasing goods that have been manufactured in accordance with the highest ethical and environmental standards. This way the public sector can build confidence in its procurement processes and use its resources efficiently.

In Norway, an action plan for environmental and social responsibility in public procurement has been implemented with this in mind, with particular emphasis on guidance, capacity-building and practical advice.

Social responsibility does not necessarily involve a conflict of interests. On the contrary, efforts in this area can create a community of interest that brings together companies, employees, the authorities and other actors. In other words, exercising social responsibility can provide a win-win situation.

In conclusion: pursuing a long-term, credible policy on corporate social responsibility can be far more beneficial to companies than cutting corners. By maintaining responsible relations with employees, consumers and the local community, respecting human rights and promoting sustainable development, companies can in fact increase their long-term competitiveness and strengthen their position.

Companies no longer have any excuse for not paying attention to human rights, safeguarding the environment or respecting core standards of decent work. The issue is not whether companies have a responsibility or not. It is how they best can implement good practices and how far the responsibility of a company should extend."[88]

By this speech from the Norwegian ministry of foreign affair, it is noticeable that Norway is becoming increasingly aware of the importance of SR. This is confirmed by the number of companies registered as members of Green Business Network of Norway (www.gbnn.org) and the Initiative for Ethical Trade (www.ieh.no).

5.4.1 Geert Hofstede Cultural Dimensions in Norway[89]:

Norwegian cultural values that would indicate the sense of social responsibility:
See appendix 1 for a further explanation of Hofstede dimensions.

Norway (ranked 8) in masculinity – femininity indicating a femininity orientation (welfare / relations) welfare for all, preference for relationships, modesty, caring for the weak, quality of life, minimum social differentiation, focus on peoples' welfare.

Norway has a small power distance, which means: no acceptance of inequalities, strive for power equalization, differences must be justified, little acceptance of hierarchies.

Weak uncertainty Avoidance: let the future happen, practice more important than rigid codes, Relax about others.

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[88] Utenriksminister Jonas Gahr Støre, Regjeringen.no (2010) *Modern Business in Modern Society – Corporate socail responsibility / Decent work*. Retrieved March 2011 from
www.regjeringen.no/nb/dep/ud/aktuelt/taler_artikler/utenriksministeren/2010/csr_bratislava.html?id=622638

[89] Geert Hofstede (2009), *Cultural dimensions*. Retrieved May 2011 from
http://www.geert-hofstede.com

Norway has a relatively low Individualism (ranking 69): preference for tightly knit social framework, loyalty to family, group, clan.

Chapter 6: Information about the surveys

6.1 Description of the surveys:

6.1.1 Survey 1: employees who work in private companies

The survey consists in 44 questions divided in 4 parts:

Part 1: 14 questions

Part 2: 8 questions

Part 3: 18 questions

Part 4: 4 questions

Part 1: This part evaluates the different activities of social responsibility. In this part, employees tell about the social responsibility activities that their companies hold. This questionnaire covers three aspects that are of major concern: the social, the ethical / transparency and the environmental aspects.

- o **Social Aspects:** Corporations adopt more social policies in order to promote positive change. These are some of the programs focused on social issues: Poverty, homelessness, street children, illiteracy, health campaigns, education, neighborhood safety, programs to help less developed countries, etc.

- o **Ethics and Transparency:** Corporations promote actions in order to improve the ethical and civic content among its employees. Usually corporations state the guidelines of this in the code of ethics.

- o **Environmental Aspects:** Corporations control their production processes in order to do less harm to the environment. The issues related to the natural environment include waste disposal, deforestation, acid rain, land degradation, etc.

Part 2: This part evaluates how the companies manage their internal marketing focused on social responsibility. Some of the companies do not have internal marketing and some of them

have it, this study state that the more internal marketing of SR, the better motivation of the worker regarding SR activities.

Part 3: This part evaluates the level of employees' commitment with his company. Employees may confess if they feel committed with the company where they work, taking into consideration if the SR activities together with the internal marketing of SR are high or low.

Part 4: In this part, it is asked about the company's latest revenue, the company's international growth and the company's position in the market compared with its competitors. This part will help to answer the second Hypothesis of this study.

For further information regarding the survey, see the appendix part where it is posted the entire survey in the English version.

The survey was delivered to employees working in private companies in Norway (English version), and employees working in private companies in Peru (Spanish version).

In this part it was collected 73 respondents:

From Peru 40 respondents

From Norway 33 respondents

Information regarding the collection and organization of the data

The survey, in the two versions (Spanish, English); was delivered via e-mail to the respondents with a link where the survey was displayed. The data collection was made by means of Suvey Xact www.surveyxact.com, for further information about on-line surveys, see chapter 4.

The collected data was exported to an Excel document in order to organize it. The number of respondents is posted in a column and the questions are posted in a row, making a matrix as follows:

Questions

created	s_31_2	s_3_1	s_3_2	s_3_3	s_3_4	s_27_2
2011.02.17 10:58:20	1	6	6	2	5	5
2011.02.26 23:38:13	4	5	4	4	5	4
2011.02.28 12:07:36	7	7	7	7	7	2
2011.03.04 21:57:52	7	4	1	1	1	5
2011.03.02 17:05:29	7	7	7	1	1	7
2011.03.16 23:56:43	7	5	5	4	5	4
2011.03.22 16:04:52	4	1	1	1	1	6
2011.03.19 11:36:46	7	5	5	5	5	6
2011.03.06 23:43:22	7	7	7	7	7	7

Respondents

Source: Own Source, analysis of data
Table 6

The numbers in the table are the codification of the answers that could be interpreted as:

(1) Strongly Disagree

(2) Disagree

(3) Partially Disagree

(4) Neutral

(5) Partially Agree

(6) Agree

(7) Strongly Agree

Since the questions are grouped in 4 main parts, the next step makes an average of the answers for each respondent which would represent the entire position of the respondent toward the topic asked. By doing this, the data analysis will be exported to SPSS program. Since regression analysis will be used it is better to have the information presented as the formula of regression analysis where a dependent variable named Y will be predicted by two independent variables named X1, and X2.

$Y = b_0 + b_1X_1 + b_2X_2$

Therefore, the next step gathers all the questions in four parts (Part 1, Part 2, Part 3, and Part 4). Parts 1, 2 and 3 will be used for the analysis, and Part 4 will be used later on.

Part 1 = "X1" is an independent variable which represents the level of social responsibility activities that employees perceive in the companies where they work.

Part 2 = "X2" is the other independent variable which represents the level of internal marketing of SR that employees perceive in the company where they work.

Part 3 = "Y" is the dependent variable which represents the level of commitment that employees could performs due to Part 1 and Part 2.

The next matrix represents the summary of the previous one where the answers have been gathered and an average number represents each group of questions.

List of Respondents	*Part 1* *SR in your Company* *X1*	*Part 2* *Int. Mk. Of SR in your Company* *X2*	*Part 3* *Employees' Commitment* *Y*
1			
2			
3…			
40			

Source: Own Source, analysis of data
Table 7

Thus, this matrix is exported to SPSS program and it is ready for the analysis and evaluation of the data.

6.1.2 Survey 2: Students

The whole survey assumes that the students are potential employees, so the survey asks in what kind of company the students wish to work?. If they would like to work in a company with high level of social responsibility, and if that is true the next part asks if they would feel committed to a company that offers those social responsibility activities.

The survey consists in 20 questions divided in 2 parts:

Part 1: 13 questions

Part 2: 7 questions

Part 1: This part evaluates the different activities of social responsibility. This questionnaire covers three aspects that are of major concern: the social, the ethical/transparency and the environmental aspects.

Part 2: This part evaluates the possible level of commitment if the students work in a company with a high level of SR.

For further information regarding this survey, see in the appendix part where it is posted the entire survey in the English version.

The survey was delivered to students with high education, living in Norway (English version), and students living in Peru (Spanish version).

In this part it was collected 78 respondents:

From Peru 33 respondents

From Norway 45 respondents

Regarding the collection and organization of the data

The procedure for the collection and organization of the date is similar to the "Survey 1" the difference is that in this survey exists just two parts to analyze:

Part 1 = "X1" is an independent variable which represents the level of social responsibility activities that the students wish to have in the company where they wish to work.

Part 2 = "Y" is the dependent variable which represents the level of commitment that students could performs due to Part 1.

List of Respondents	*Part 1* *SR in your Company* *X1*	*Part 2* *Employees' Commitment* *Y*
1		
2		
3…		
40		

Source: Own Source, analysis of data
Table 8

Chapter 7: Analysis

This is the main part of the thesis where the hypothesis will be tested by means of a quantitative research model. 151 respondents have answered the surveys where their perspective of social responsibility is evaluated.

This chapter will be divided in two parts. The first part will analyze the respondents who are employees; comparing the results between the countries in investigation (Peru and Norway) the analysis of those answers will be contrasted with the contextual background of both countries in order to identify differences in the way of thinking of the respondents, as well as similarities.

The second part will analyze the respondents who are students, comparing the results between the countries in investigation (Peru and Norway). Also here the answers will be contrasted with the contextual and cultural background of each country.

7.1 Analysis of the Survey 1: Employees' perspective of Social responsibility

As it was mentioned before, the program used in this part is SPSS and the method of analysis is multiple regression analysis. Since, the survey was evaluated in two different countries the first part will describe the survey applied in Norway, the second part will describe the survey applied in Peru and the last part will be a parallel analysis of both.

7.1.1 Analysis of the survey applied in Norway

General information about the respondents: in this survey **33** respondents answered.

Gender:	Women	15
	Men	18
Age:	25 years or younger	3
	26 years to 34 years	13

	35 years to 44 years	15
	45 years to 54 years	1
	55 years or older	1
Racial Or Ethnic Minority:	Yes	8
	No	24
	I do not know	1
Job Industry where you work:	Oil and gas	10
	Education	4
	Manufacturing	3
	Information Technology	2
	Management Consulting	2
	Telecommunications	2
	Financial Services	1
	Raw materials	1
	Steel	1
	Transportation	1
	Electricity	1
	Other	5
Your position within this company is:	Staff Non Management	22
	Manager / Supervisor	4
	Executive / Senior Management	3
	Other	4
Years of service with your company:	Less than 2 years	11
	2 years to 5 years	11
	6 years to 10 years	8
	11 years to 15 years	3
Work Status:	Full-time	30
	Part-time	3

Table 9
Source: Own Source - data analysis

Highlights: An important part of the sample represents the Norwegian main industry "The Oil industry" 10 people (30, 3%) who work in that industry answered this survey. Regarding the gender it has been equivalent between women and men, 90% of the respondents work full time, 66,6% of the respondents work in their companies for more than 2 years. Finally, 21,21% belongs to the head office or management.

Multiple Regression Analysis: In this part each respondent is evaluated independently and a formula of multiple regression analysis will be applied in order to test the hypothesis:

1.- Could an effective internal marketing of social responsibility and high social responsibility activities create employees' commitment?
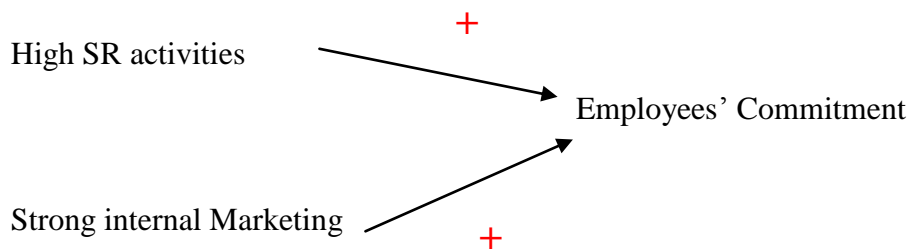
Hypothesis 1: High Social Responsibility activities together with a strong internal marketing have a positive effect on employees' commitment.

$Y = b_0 + b_1X_1 + b_2X_2$

Dependent variable (Y) = Employees' Commitment

Independent variable (X1) = Social Responsibility activities

Independent variable (X2) = Internal Marketing of Social Responsibility

b_0, b_1, b_2 = Coefficients

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.866ª	.749	.732	.621

a Predictors: (Constant), Int Mk of SR in your Company, SR in your Company

Table 10
Source: Own Source, Multiple regression Analysis - data analysis

- o Multiple correlation coefficient R = 0,866, the number is very high, since the maximum value is 1, it means that both variables (X1, X2) are predicting very well the dependent variable (Y).

- The coefficient of determination R square reflects the proportion of variance explained by the regression line.

- R square = 0,749, the number comes from (0,866^¨2) and it means that 74,9% of the variants in "Employees' commitment" can be predicted by the combination of these two independent variables, SR activities and Internal Marketing of SR.

- Adjusted R square = 0,732, it takes into consideration the number of observations and the number of predictor variables to make sure that things are not too inflated. So, the number is generally smaller than R.

- Since R square is closer to 1, the conclusion in this part is that more variability of the dependent variable is being explained by the variability of the independent variables.

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.903	.440		2.052	.049
SR in your Company	.604	.138	.645	4.387	.000
Int Mk of SR in your Company	.170	.096	.262	1.782	.085

a. Dependent Variable: Employees Commitment

Table 11
Source: Own Source, Multiple regression Analysis - data analysis

- With this table, the values of the coefficients "b" are obtained, so now it is possible to state the linear regression equation.

  $Y = 0.903 + 0.604\ X1 + 0.170\ X2$

- Is this model useful? In order to answer this question, T-test will be used.

- The idea is to compare this T – statistic values to a critical value to see if they are significant or not. Thus, the next step is to use a T – test of each of these independent variables to see if the independent variables have a significant relationship whit its dependent variable.

- $H0 = Bi = 0$, this first hypothesis states that none of the Bi values are significantly related to the dependent variable and they are equal to "0".

- $HA = Bi \neq 0$, this alternative hypothesis states that at least one of the Bi values are significantly related to the dependent variable and they are different to "0".

- In the table, the P –Values (PV) are called Significance "Sig." and by theory:

If PV (Sig.) < 0.1 at least one of the Bi values has a significant relationship with the dependent variable[90].

- In this table all the values in "Sig." are less than 0.1 therefore the coefficients are significantly related to the dependent variable (employees' commitment). The first hypothesis H0 is rejected and the alternative hypothesis HA is accepted.

- Answering the question: Is the model useful? Yes, this model is useful because at least one of the coefficients is not "0" and predicts the dependent variable.

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.504	2	17.252	44.784	.000[a]
	Residual	11.557	30	.385		
	Total	46.061	32			

a. Predictors: (Constant), Int Mk of SR in your Company, SR in your Company

b. Dependent Variable: Employees Commitment

Table 12

Source: Own Source, Multiple regression Analysis - data analysis

- Anova test is a simultaneous test to see if the coefficients values could be zero "0". Anova is also an indication of how well the model fits and the most important is the significance "Sig", this should be less than 0.1.

- H0 = Bi = 0

  HA = Bi $\neq$ 0

- In this case Sig is very small 0.000 < 0.1, H0 is rejected and HA is accepted. It means that the model is very tight and that is very positive. Therefore, the coefficients are predicting the dependent variable.

Curve Fit: Scatter plot

How to read the scatter plots?

A scatter plot allows visual assessment of the relationship between the response and predictor variable.

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[90] Massey University, *P – values and probability*. Retrieved April 2011 from
http://www-ist.massey.ac.nz/dstirlin/CAST/CAST/HtestPValue/testPValue4.html

If the data is given in pairs then the scatter diagram of the data is just the points plotted on the XY-plane. The scatter plot is used to visually identify relationships between the first and the second entries of paired data

If it seems to be the case that the points follow a linear pattern well, then we say that there is a *high linear correlation*, while if it seems that the data do not follow a linear pattern, we say that there is *no linear correlation*. If the data somewhat follow a linear path, then we say that there is a *moderate linear correlation*.

a) The first scatter plot makes a relation between: employees' commitment and Social Responsibilities

b) The second scatter plot makes a relation between employees' commitment and Internal Marketing of SR.
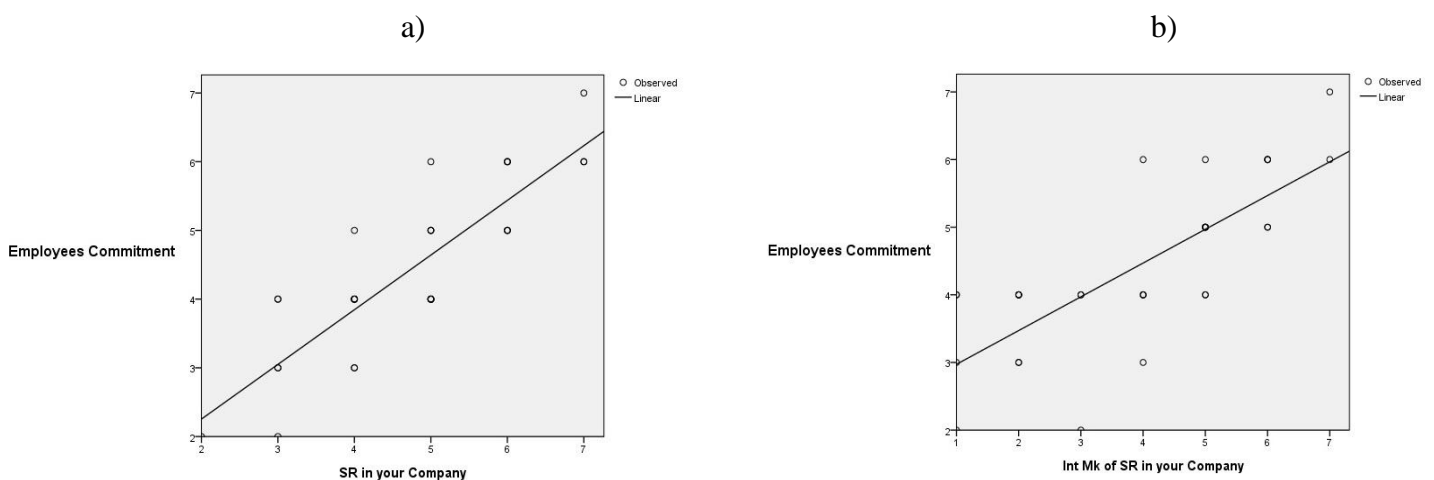
Figure 12

Source: Own Source, Multiple regression Analysis - data analysis

These Scatter plots indicate that exists a linear relationship which is positive and strong, thus both graphs show a high linear correlation.

In the graph a) the higher the value of Social Responsibility in a company, the higher the level of employees' commitment, and in the graph b) the higher the value of internal marketing of SR in a company, the higher the level of employees' commitment.

Therefore the hypothesis is followed and we can say that the independent variables social responsibility and Internal marketing of SR are predicting the dependent variable employees' commitment.

7.1.2 Analysis of the survey applied in Peru

General information about the respondents: in this survey **40** respondents answered.

Gender:	Women	26
	Men	14
Age:	25 years or younger	1
	26 years to 34 years	35
	35 years to 44 years	2
	45 years to 54 years	2
Racial Or Ethnic Minority:	Yes	4
	No	30
	I do not know	6
Job Industry where you work:	Telecommunications	9
	Consumer Goods	8
	Banking	4
	Manufacturing	1
	Insurance	1
	Management Consulting	1
	Retailing	1
	Education	2
	Metals	1
	Transportation	3
	Electricity	1
	Health Care	2
	Mining	2
	Other	4
Your position within this company is:	Staff Non Management	2
	Manager / Supervisor	5
	Executive	18
	Other	15

Years of service with your company:	Less than 2 years	8
	2 years to 5 years	24
	6 years to 10 years	4
	11 years to 15 years	3
	16 years to 20 years	1
Work Status:	Full-time	39
	Part-time	1

Table 13
Source: Own Source - data analysis

Highlights: The sample represents some of the main industries in Peru, 22,5% work in telecommunication 20% in consumer goods, etc. Regarding the gender it has been more women than men, 65% women and 35% men. 97,5% of the respondents work full time, 80% of the respondents work in their companies for more than 2 years. Finally, 57,5% belongs to the head office or they are executives.

Multiple Regression Analysis:

Hypothesis 1: High Social Responsibility activities together with a strong internal marketing have a positive effect on employees' commitment.

$Y = b_0 + b_1X_1 + b_2X_2$

Dependent variable (Y) = Employees' Commitment

Independent variable $(X1)$ = Social Responsibility activities

Independent variable $(X2)$ = Internal Marketing of Social Responsibility

b_0, b_1, b_2 = Coefficients

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.768[a]	.591	0.568	.773

a Predictors: (Constant), Int Mk of SR in your Company, SR in your Company

Table 14
Source: Own Source, Multiple regression Analysis - data analysis

- Multiple correlation coefficient R = 0,768, the number is high, because the maximum value is 1. This means that both variables (X1, X2) are predicting very well the dependent variable (Y).
- The coefficient of determination R square reflects the proportion of variance explained by the regression line.
- R square = 0,591, the number comes from (0,768^2) and it means that 59,1 % of the variants in "Employees' commitment" can be predicted by the combination of these two independent variables, SR activities and Internal Marketing of SR.
- Adjusted R square = 0,568.
- The more variability of the dependent variable is being explained by the variability of the independent variables.

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.895	.511		3.707	.001
SR in your Company	.323	.129	.332	2.510	.017
Int Mk of SR in your Company	.362	.092	.520	3.922	.000

a. Dependent Variable: Employees Commitment

Table 15
Source: Own Source, Multiple regression Analysis - data analysis

- With this table, the values of the coefficients "b" are obtained, so now it is possible to state the linear regression equation.

  Y = 1.895 + 0.323X1 + 0.362X2

- Is this model useful? In order to answer this question, T-test will be used.
- The next step is to use a T – test of each of these independent variables to see if the independent variables have a significant relationship whit its dependent variable.
- H0 = Bi = 0, this first hypothesis states that none of the Bi values are significantly related to the dependent variable and they are equal to "0".
- HA = Bi ≠ 0, this alternative hypothesis states that at least one of the Bi values are significantly related to the dependent variable and they are different to "0".
- In the table, the P –Values (PV) are called Significance "Sig." and by theory:

If PV (Sig.) < 0.1 at least one of the Bi values has a significant relationship with the dependent variable[91].

o In this table all the values in "Sig." are less than 0.1 therefore the coefficients are significantly related to the dependent variable (employees' commitment). The first hypothesis H0 is rejected and the alternative hypothesis HA is accepted.

o Answering the question: Is the model useful? Yes, this model is useful because at least one of the coefficients is not "0" and predicts the dependent variable.

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.890	2	15.945	26.682	.000[a]
	Residual	22.110	37	.598		
	Total	54.000	39			

a. Predictors: (Constant), Int Mk of SR in your Company, SR in your Company

b. Dependent Variable: Employees Commitment

Table 16
Source: Own Source, Multiple regression Analysis - data analysis

o Anova is also an indication of how well the model fits and the most important is the significance "Sig", this should be less than 0.1.

o H0 = Bi = 0

HA = Bi ≠ 0

o In this case Sig. is very small 0.000 < 0.1, H0 is rejected and HA is accepted. It means that the model is very tight and that is very positive. Therefore, the Coefficients are predicting the dependent variable.

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[91] Massey University, *P – values and probability*. Retrieved April 2011 from http://www-ist.massey.ac.nz/dstirlin/CAST/CAST/HtestPValue/testPValue4.html

Curve Fit: Scatter plot

a) The first scatter plot makes a relation between employees' commitment and SR in the company

b) The second scatter plot makes a relation between employees' commitment and Internal Marketing of SR.
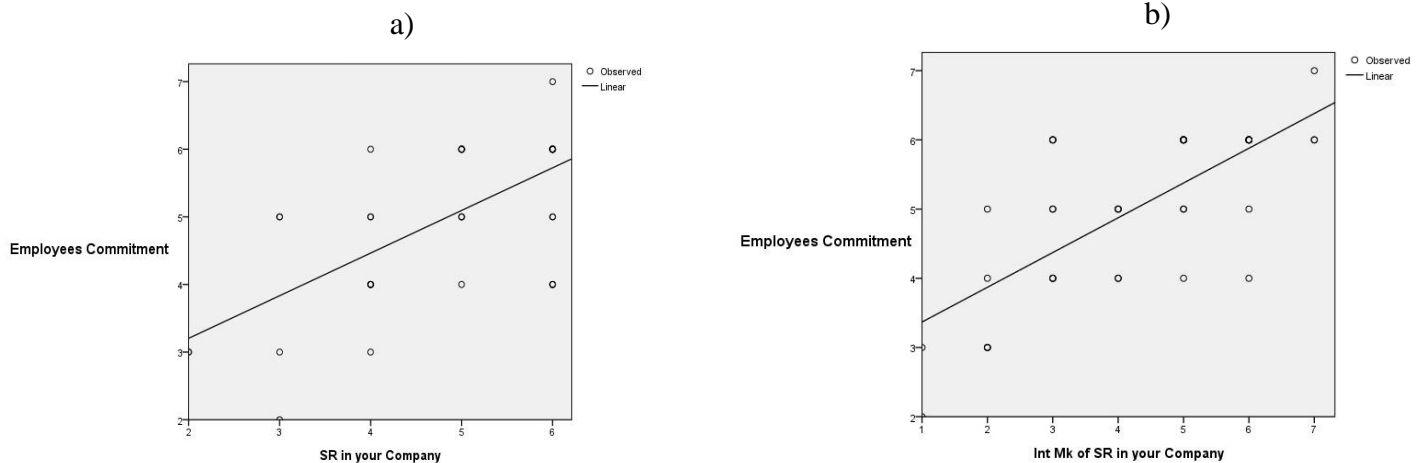
Figure 13

Source: Own Source, Multiple regression Analysis - data analysis

These Scatter plots indicate that there is a linear relationship which is positive and strong. Thus, both graphs show a high linear correlation.

The hypothesis is followed and we can say that the independent variables social responsibility and Internal marketing of SR are predicting the dependent variable employees' commitment.

General Comments

After analyzing the surveys in Norway and Peru these are the general comments:

o It is demonstrated in this study that internal marketing is an important tool under which social responsibility can be used to create employees' commitment. Therefore the first hypothesis is accepted in both countries.

o Internal Marketing is still unknown for many employees. In this part, a high percentage of the respondents in both countries stay neutral in their answers. It could be, because their companies do not use this tool in order to increase the awareness of their many internal activities, for instance: Social responsibility activities.

- In both countries, the strongest variable which predicts employee's commitment is social responsibility activities, while the prediction of internal marketing is weaker.

- In both countries, the employees are highly motivated to participate in the planning of the future SR activities and participate actively in those projects.

- There are differences in both countries, when respondents answered the part related to the social responsibility activities in their companies. In Norway, the respondents state that their companies are socially responsible because they care more about the natural environment and their companies respect all the requisites against pollution and contamination. While, the Peruvian respondents state that their companies are socially responsible because of the philanthropic activities, donation or granting of money to various charitable causes.

  Due to the social context where these companies operate (Norway and Peru) the concept "social responsibility" is understood in a different way. This is considered a limitation to this study.

7.2 The second Hypothesis:

In the first hypothesis, the study demonstrates that it is possible to obtain employees' commitment by means of SR activities and an effective internal marketing of SR. Now, the second hypothesis is introduced:

2. Could this employees' commitment creates competitive advantage in the company?

Hypothesis 2: If an effective implementation of Social Responsibility makes employees more committed with their company; then, this employees' commitment creates a sustainable competitive advantage in the company.

The theory part describes that it is possible to create competitive advantage by using effectively human resources capabilities. In this survey a group of questions evaluates if the companies were the respondent works are profitable and successful companies.

Therefore, in this part the evaluation of each respondent was applied, the main objective here is to separate all the respondents who work in companies with high SR activities and high internal marketing and also if the companies are profitable and successful.

The result is presented as follows:

Norway	Peru
14 of the 33 respondents (42%) had a positive tendency in their answers. They are more engaged with their companies because of the high level of SR and int. Mk in their companies. The 14 respondents work in profitable companies with an international expansion with leadership in their market.	19 of the 40 respondents (47.5%) had a positive tendency in their answers. They are more engaged with their companies because of the high level of SR and int. Mk in their companies. The 19 respondents work in profitable companies with an international expansion and leadership in their market.

Table 17
Source: Own Source, analysis of the second hypothesis

In both countries an important group of respondents work in successful companies that not only are profitable but also care about social responsibility and whose employees feel more engaged with them.

This is an indication that the concept "employees' commitment" motivates people who feel satisfied with their job and moreover, they feel satisfied with the place where they work, and it can be the reason for the development of the human resources capabilities.

So, answering the second hypothesis: Could this employees' commitment creates competitive advantage in the company?

This study demonstrates that the more involved the employees are to the SR activities, the more committed they are to their companies. But, in order to connect the concept "employees' commitment" to "competitive advantage" many more studies are necessary in order to predict this hypothesis.

This survey cannot evaluate a specific company in order to measure the progress of the competitive advantage due to the improvement of their employees' commitment. But, an extension of this study is the evaluation of specific organizations to see if the model presented here allows the development of competitive advantage.

7.3 Analysis of the Survey 2: Students' perspective of Social responsibility

The program used in this part is also SPSS and the method of analysis is simple regression analysis. Students are considered future workers so; their perception of social responsibility is evaluated. It is not possible to evaluate Internal Marketing in this survey, since the students cannot perceive this variable.

All the students who participated in this survey belong to the last years of their studies in the faculties of Economy and Business Administration; therefore, they understand the concept of "social responsibility".

Since, the survey has been applied in two different countries the first part will describe the survey applied in Norway, the second part will describe the survey applied in Peru.

7.3.1 Analysis of the survey applied in Norway

General information about the respondents: in this survey 45 respondents answered.

Gender:	Women	25
	Men	20
Age:	25 years or younger	8
	26 years to 34 years	32
	35 years to 44 years	4
	45 years to 54 years	1

Table 18
Source: Own Source - data analysis

Highlights: Regarding the gender it has been almost equivalent 55,5% women, 44,4% men. The majority of the respondents 71,1% have an age between 26 to 34 years.

Simple Regression Analysis: In this part each respondent is evaluated independently and a formula of simple regression analysis will be applied in order to test the hypothesis:

1.- Could an effective implementation of social responsibility activities creates employees' commitment?
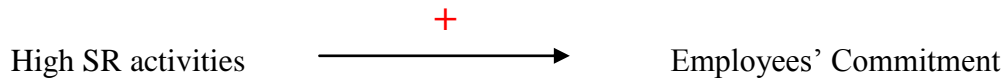
High SR activities $\xrightarrow{\textcolor{red}{+}}$ Employees' Commitment

Hypothesis 1: High Social Responsibility has a positive effect on employees' commitment.

$Y = b_0 + b_1 X_1$

Dependent variable (Y) = Employees' Commitment

Independent variable (X1) = Social Responsibility activities

b_0, b_1 = Coefficients

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.561[a]	.315	0.299	.901

a Predictors: (Constant), SR in your Company

Table 19
Source: Own Source, Simple regression Analysis - data analysis

- o Multiple correlation coefficient R = 0.561, since the maximum value is 1, it means that 56,1% of the variants in "Employees' commitment" can be predicted by the independent variable SR activities.
- o The coefficient of determination R square reflects the proportion of variance explained by the regression line.
- o Adjusted R square = 0.315, it takes into consideration the number of observations and the number of predictor variables to make sure that things are not too inflated. So, the number is generally smaller than R.

  Since R square is far to 1, the conclusion in this part is that just a portion of the dependent variable Y is being explained by the variability of the independent variable X1.

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.780	.964		.809	.423
SR - Students Perception	.699	.157	.561	4.442	.000

a. Dependent Variable: Employees Commitment - Students Perception

Table 20

Source: Own Source, Simple regression Analysis - data analysis

- o With this table, the values of the coefficients "b" are obtained, so now it is possible to state the linear regression equation.

  $Y = 0.780 + 0.699\ X1$

- o Is this model useful? In order to answer this question, T-test will be used.

- o The idea is to compare this T – statistic values to a critical value to see if they are significant or not. Thus, the next step is to use a T – test in order to see if the independent variable has a significant relationship whit its dependent variable.

- o $H0 = Bi = 0$,

  $HA = Bi \neq 0$

  In the table, the P –Values (PV) are called Significance "Sig." and by theory:

  If PV (Sig.) < 0.1 at least one of the Bi values has a significant relationship with the dependent variable[92].

- o In this table not all the values in "Sig." are less than 0.1. The independent variable X1 has a significance value of 0.000 less than 0.1, but (constant) has a value of 0.423 > 0.1. Therefore just a portion of the coefficients are significantly related to the dependent variable (employees' commitment).

- o Answering the question: Is the model useful? It is partially correct, just a portion of the sample predicts the dependent variable.

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[92] Massey University, *P – values and probability*. Retrieved April 2011 from http://www-ist.massey.ac.nz/dstirlin/CAST/CAST/HtestPValue/testPValue4.html

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.035	1	16.035	19.732	.000[a]
	Residual	34.943	43	.813		
	Total	50.978	44			

a. Predictors: (Constant), SR - Students Perception

b. Dependent Variable: Employees Commitment - Students Perception

Table 21

Source: Own Source, Simple regression Analysis - data analysis

o Anova is an indication of how well the model fits and the most important is the significance "Sig", this should be less than 0.1.

o $H0 = Bi = 0$

$HA = Bi \neq 0$

o In this case Sig is very small $0.000 < 0.1$, H0 is rejected and HA is accepted. It means that the model is very tight and that is very positive. Therefore, the coefficients are predicting the dependent variable.

Curve Fit: Scatter plot

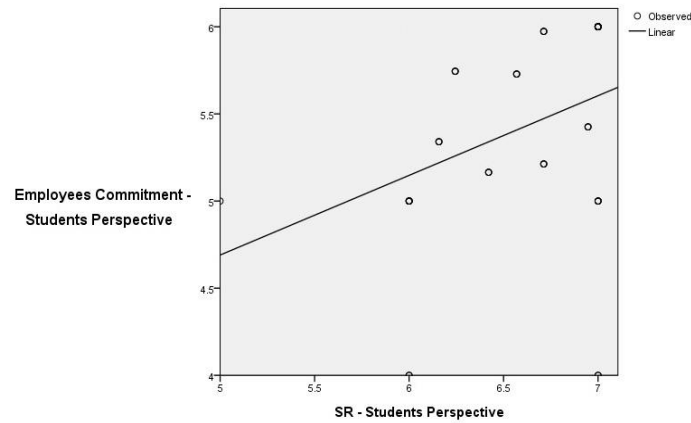The scatter plot makes a relation between: employees' commitment and Social Responsibilities.
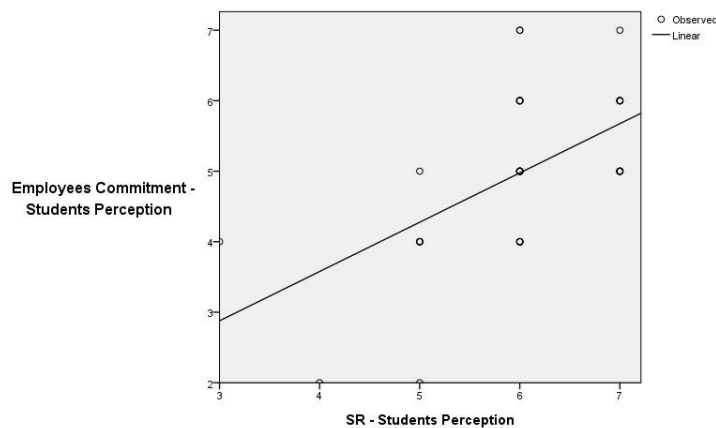
Figure 14

Source: Own Source, Simple regression Analysis - data analysis

This Scatter plot indicates that exists a linear relationship which is positive, where in the graph starting in a level 5 of SR we can assume that the higher the value of social responsibility, the higher the level of employees' commitment.

In this part the hypothesis is followed and we can say that the independent variable social responsibility is predicting the dependent variable employees' commitment. However, taking into consideration the other indicators, the hypothesis is not entirely accepted, thus, the conclusion is the hypothesis is partially accepted.

7.3.2 Analysis of the survey applied in Peru

General information about the respondents: in this survey **33** respondents answered.

Gender:	Women	22
	Men	11
Age:	25 years or younger	14
	26 years to 34 years	16
	35 years to 44 years	1
	45 years to 54 years	2

Table 22
Source: Own Source - data analysis

Highlights: Regarding the gender the majority of the respondents were women 66,6% and men 33.3%. About age, 48.4% has an age between 26 to 34 years.

Simple Regression Analysis:

Hypothesis 1: High Social Responsibility has a positive effect on employees' commitment.

$Y = b_0 + b_1 X_1$

Dependent variable (Y) = Employees' Commitment

Independent variable (X1) = Social Responsibility activities

b_0, b_1 = Coefficients

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.358[a]	.128	0.100	.672

a Predictors: (Constant), SR in your Company

Table 23
Source: Own Source, Simple regression Analysis - data analysis

o Multiple correlation coefficient R = 0,358, the number is low, because the maximum value is 1. This means that a low portion of the variable X1 is predicting the dependent variable Y.

o R square = 0,128, the number comes from (0,358^2) and it means that 12,8 % of the variants in "Employees' commitment" can be predicted by the independent variable, SR activities.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.405	1.417		1.697	.100
	SR - Students Perspective	.457	.214	.358	2.138	.041

a. Dependent Variable: Employees Commitment - Students Perspective

Table 24
Source: Own Source, Simple regression Analysis - data analysis

o With this table, the values of the coefficients "b" are obtained, so now it is possible to state the linear regression equation.

Y = 2.405 + 0.457X1

o Is this model useful? In order to answer this question, T-test will be used.

o The next step is to use a T – test

o H0 = Bi = 0,

HA = Bi ≠ 0

If PV (Sig.) < 0.1 at least one of the Bi values has a significant relationship with the dependent variable[93].

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[93] Massey University, *P – values and probability*. Retrieved April 2011 from
http://www-ist.massey.ac.nz/dstirlin/CAST/CAST/HtestPValue/testPValue4.html

- The independent variable X1 has a significance value of 0.041 less than 0.1, but (constant) has a value $0.100 = 0.1$, Therefore just a portion of the coefficients are significantly related to the dependent variable (employees' commitment).
- Answering the question: Is the model useful? It is partially correct, just a portion of the sample predicts the dependent variable.

ANOVA[b]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.064	1	2.064	4.571	.041[a]
	Residual	13.997	31	.452		
	Total	16.061	32			

a. Predictors: (Constant), SR - Students Perspective

b. Dependent Variable: Employees Commitment - Students Perspective

Table 25

Source: Own Source, Simple regression Analysis - data analysis

- Anova is also an indication of how well the model fits and the most important is the significance "Sig", this should be less than 0.1.
- $H0 = Bi = 0$

  $HA = Bi \neq 0$
- In this case Sig. is small $0.041 < 0.1$, H0 is rejected and HA is accepted. It means that the model is tight and that is positive. Therefore, the Coefficient is predicting the dependent variable.

Curve Fit: Scatter plot

The scatter plot makes a relation between: employees' commitment and Social Responsibilities.

Figure 15
Source: Own Source, Simple regression Analysis - data analysis

This Scatter plot indicates that there is a linear relationship which is much dispersed, the distribution is spread widely. In the graph starting at level 6 of SR we can assume that the higher the value of social responsibility, the higher the level of employees' commitment.

In this part the hypothesis is followed and we can say that the independent variable social responsibility is predicting the dependent variable employees' commitment. However, taking into consideration the other indicators, the hypothesis is not entirely accepted, thus, the conclusion is the hypothesis is partially accepted.

General Comments

o The correlation between variables is stronger in the survey applied in Norway than the one applied in Peru. However in both cases the dependent variable "employees' commitment" is explained partially by the independent variable "SR activities". This means that just a portion of the samples agree about feeling more committed to companies with high level of SR activities.

This result can be explained because students are beginning their professional careers and they care more about incomes and salaries. It is understandable that after the university period many students form families and get loans, so they give more value

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to the economic advantage when they decide in which company they would like to work.

o An example that reflects this is the differences in both countries, when respondents answered the question:

I prefer to work in a company with: - No Social Responsibility activities, but high salaries.

In Norway, 53.3% of the respondents affirm that they would work in a company with high salaries even if the company does not care much about social responsibility.

While in Peru, 75.75% a higher number of the respondent affirm that.

It can be explained because of the strong differences in the social context between Peru and Norway. The Peruvian students know that unemployment is high and even if they are employed, the work condition is totally different compared to Norway. In Norway unemployment is just 3.1%[94] and the working conditions are much better. That is why the Peruvian students care much about a good salary.

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[94] The Norway Post. Retrieved March 2011 from http://www.norwaypost.no/?task=view

Chapter 8: Conclusions and Implications

This study investigates how employees and students react to social responsibility initiatives. The main objective is to generate employees' commitment and this study presents a model where employee's commitment is obtained by means of social responsibility activities.

Findings:

- o Regarding the first hypothesis it is demonstrated that: high social responsibility activities together with a strong internal marketing of SR create employees' commitment with their companies.

- o Companies do not communicate the details and extent of the social responsibility initiatives consistency. In this investigation, the concept "Internal Marketing" was unknown for many employees, a high percentage of the respondents in both countries stay neutral in their answers. Companies should use this tool in order to increase the awareness of their internal activities, for instance: Social responsibility activities.

- o Fulfilling the employees' needs benefit the company by increasing employees' commitment; therefore managers should pay more attention to their employees' initiatives in social responsibility. This study demonstrates that employees want to be part of the planning of social responsibility programs, also employees want to be active participants of these activities.

- o Regarding the second hypothesis: Could this employees' commitment creates competitive advantage in the company?
  This study demonstrates that the more involved the employees are to the SR activities, the more committed they are to their companies. But, in order to connect the concept "employees' commitment" to "competitive advantage" more studies are necessary in order to predict this hypothesis.

- The result obtained from the surveys applied to students differs from the results of the surveys to employees. While employees affirm to feel more committed to their companies due to the strong activities in social responsibility, students care more about their future incomes and they are more open to work in companies that pay good salaries even if the level of SR is poor.

- The first hypothesis tested in students is partially accepted; it means that just a group of students would be able to feel more committed if their future companies increase the SR activities.

About the theories and how they describe reality:

- "Using corporate social responsibility to win the war for talent" written by Bhattacharya, C.B, Sankar, & Korschun, Daniel.
  In that research the main focus was to use an effective internal marketing of SR in order to attract and retain top employees. It has been the main foundation in this study, the model used has been modified in order to answer the hypothesis of this thesis.

- The concept of Internal Marketing is very important. Companies do not communicate their initiatives of social responsibility, in consequence employees are unaware of that. The success in marketing of social responsibility relies on satisfying employees' needs, and companies must be able to use internal marketing in order to link employees' desires with companies programs. An effective implementation of internal marketing improves the connection between employee-company.

- Competitive advantage is a complex concept where "employees' commitment" helps in the process, but how employees' commitment conduct competitive advantage is not answered in this study, this connection needs more investigation.

Implications for managers:

o   This study is important in the area of Human Resources. Companies should pay more attention in the active participation of their employees in the SR programs. Managers should inform employees consistently, concretely, and coherently about social responsibility initiatives, including numbers and successes.

o   Managers should understand and fulfill employees' needs of SR, evaluate what kind of activities are considered more important for the employees, and what activities generate on them a "passion" that involve them in the projects.

Implications for researchers:

o   This study did not evaluate a specific company, so it was not possible to measure the progress of the competitive advantage due to the improvement of their employees' commitment. But, an extension of this study is the evaluation of specific organizations to see if the model presented here allows the development of competitive advantage.

Possible limitations:

o   This research evaluated respondents placed in two countries Norway and Peru.
Due to the differences in the social context between Norway and Peru, the concept "social responsibility" is understood in a different way. While in Peru It is related to a philanthropic activity to benefit poverty, in Norway SR is related to the environment and human rights causes. Therefore, this conceptual difference is considered a limitation to this study.

o   Quantitative Research method was used in this study. A limitation is that people who are willing to respond may share characteristics that do not apply to the audience as a whole, creating a potential bias in the study.

Method:

o This is a two part study, the first part examined employees' reaction to social responsibility, and the second part examined the students' perspective of social responsibility.

The data collection was conducted by online questionnaires applied in Norway and in Peru with a total of 151 respondents.

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Appendices

Appendix 1: **Geert Hofstede Cultural Dimensions[95]**

Power Distance Index (PDI) that is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. This represents inequality (more versus less), but defined from below, not from above. It suggests that a society's level of inequality is endorsed by the followers as much as by the leaders. Power and inequality, of course, are extremely fundamental facts of any society and anybody with some international experience will be aware that 'all societies are unequal, but some are more unequal than others'.

Individualism (IDV) on the one side versus its opposite, collectivism, that is the degree to which individuals are integrated into groups. On the individualist side we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On the collectivist side, we find societies in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty. The word 'collectivism' in this sense has no political meaning: it refers to the group, not to the state. Again, the issue addressed by this dimension is an extremely fundamental one, regarding all societies in the world.

Masculinity (MAS) versus its opposite, femininity, refers to the distribution of roles between the genders which is another fundamental issue for any society to which a range of solutions are found. The IBM studies revealed that (a) women's values differ less among societies than men's values; (b) men's values from one country to another contain a dimension from very assertive and competitive and maximally different from women's values on the one side, to modest and caring and similar to women's values on the other. The assertive pole has been called 'masculine' and the modest, caring pole 'feminine'. The women in feminine countries have the same modest, caring values as the men; in the masculine countries they are

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[95] http://www.geert-hofstede.com/hofstede_peru.shtml

somewhat assertive and competitive, but not as much as the men, so that these countries show a gap between men's values and women's values.

Uncertainty Avoidance Index (UAI) deals with a society's tolerance for uncertainty and ambiguity; it ultimately refers to man's search for Truth. It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, different from usual. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures, and on the philosophical and religious level by a belief in absolute Truth; 'there can only be one Truth and we have it'. People in uncertainty avoiding countries are also more emotional, and motivated by inner nervous energy. The opposite type, uncertainty accepting cultures, are more tolerant of opinions different from what they are used to; they try to have as few rules as possible, and on the philosophical and religious level they are relativist and allow many currents to flow side by side. People within these cultures are more phlegmatic and contemplative, and not expected by their environment to express emotions.

Long-Term Orientation (LTO) versus short-term orientation: this fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese scholars It can be said to deal with Virtue regardless of Truth. Values associated with Long Term Orientation are thrift and perseverance; values associated with Short Term Orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face'. Both the positively and the negatively rated values of this dimension are found in the teachings of Confucius, the most influential Chinese philosopher who lived around 500 B.C.; however, the dimension also applies to countries without a Confucian heritage.

Appendix 2: Survey 1- employees who work in private companies

University Of Agder
Master Program In Business
Administration

This is a study to investigate if effective implementation of social responsibility creates employee commitment

Dear participant:

I would appreciate it if you could take 10-15 minutes and fill out this questionnaire. It is part of my Master's thesis focusing on Social Responsibility. It will not be possible for us to link your response to you, so your anonymity is guaranteed. Thank you for your help!

For further information contact:

Master Student: Paola Vittor /// paolav09@student.uia.no

Advisor: Andreas Wyller Falkenberg /// andreas.falkenberg@uia.no

Corporate Social Responsibility is defined as:

Social Responsibility indicates that a company acknowledges its responsibility to produce and sell goods in a way that is fair and right. It is also a company's duties in terms of supporting its local community. A company's responsibility extends beyond the boundaries of their own business and financial results, Carroll (1979).

This questionnaire covers three aspects that are of major concern: the social, the ethical/transparency and the environmental aspects.

SOCIAL ASPECTS

Corporations adopt more social policies in order to promote positive change.
These are some of the programs focused on social issues:
Poverty, homelessness, street children, illiteracy, health campaigns, education, neighborhood safety, programs to help less developed countries, etc.

ETHICS AND TRANSPARENCY

Corporations promote actions in order to improve the ethical and civic content among its employees . Usually corporations state the guidelines in the code of ethics.

ENVIRONMENTAL ASPECTS

Corporations control their production processes in order to do less harm to the environment.
The issues related to the natural environment include waste disposal, deforestation, acid rain, land degradation, etc

Part 1

Social Responsibility in your Company

Social Aspects

	Disagree						Agree
Projects in the area of social responsibility are solely government duties	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Some of the programs concerning social responsibility that exist in the company where I work include:

	Disagree						Agree
Support non-governmental organizations (NGO) or other institutions through monetary donations	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
Support Social programs such as poverty, homelessness, street children. illiteracy, health, addictions, education, neighborhood safety	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
Support medical campaigns to cure breast cancer, diabetes, AIDS, etc	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
Support programs to help LDC (Less developed countries)	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Ethics and Transparency

Ethical Labour Policies in the Company:

	Disagree						Agree
The working atmosphere in the company is fair and transparent and provides motivation for workers	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
People here are treated fairly regardless of their age	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
People here are treated fairly regardless of their race or ethnicity	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
People here are treated fairly regardless of their sexual orientation	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
People here are treated fairly regardless of disability	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

	Disagree	.	.	.	.	.	Agree
People here are treated fairly regardless of their gender	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Environmental Aspects

	Disagree	.	.	.	.	.	Agree
My company supports programs which protect and conserve the environment	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
My company has a focus on protecting natural resources and reducing pollution	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
The place where I work is a psychologically and emotionally healthy place	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Part 2

Internal Marketing of Social Responsibility

	Disagree	.	.	.	.	.	Agree
My Company promotes and supports employee volunteer activities focused on social responsibility	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
My company publicly supports campaigns which ensure that a portion of their income goes to programs dedicated to social (or environmental) responsibility	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I appreciate that my company uses products from fair trade markets in its offices	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
My company publicly announces its economic donations to different organizations	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
The publicity inside the company provide information of best practices of employee behaviour aligned with the organisation's values	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
My company has strong internal marketing about its organizational culture that helps motivate employees	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Intranet/websites also serve to keep employees consistently informed about the latest Social Responsibility activities	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
My company's website enables the building of communities, where employees can promote a forum for discussion with other employees	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Part 3

Employees' Commitment to Social Responsibility programs

I prefer to work in a job with:

	Disagree	.	.	.	.	.	Agree
No Social Responsibility activities, but high salaries	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
Few Social Responsibility activities and average salaries	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
High Social Responsibility activities, and high salaries	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
High Social Responsibility activities, but low salaries	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

	Disagree	.	.	.	.	.	Agree
I have the possibility to participate in the planning of the Social Responsibility programs by sharing my ideas with my company	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I would appreciate if my ideas were considered for my company's Social Responsibility programs	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I feel proud of my company when I see the annual result of its social responsibility programs	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I agree to donate a percentage of my salary to support my company's social work	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
Every time I participate in the social programs I feel more engaged with my company	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I would like to see my company in a list of "Best places to work"	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I feel I make a difference from the rest of people because I work in a company with values focused in	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

	Disagree	.	.	.	.	.	Agree

Social Responsibility

My work has special meaning: this is not "just a job"	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
When I look at the accomplishments of social responsibility programs, I feel a sense of pride	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I want to work for this company for a long time	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I am proud to tell others I work for this company	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I feel good about the ways we contribute to the community	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
There is a "family" or "team" feeling here	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
Taking everything into account, I Would say this is a great company to work for	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Part 4

Your Company's annual Result

	Disagree	.	.	.	.	.	Agree
Last year my company had a profitable year	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
My company is leader in the industry compared with its competitors	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
My company is expanding its business internationally	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
My company has been in this market for many years	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Background Information

Gender:

(1) ❑ Female

(2) ❑ Male

Age:

(1) ❑ 25 years or younger

(2) ❑ 26 years to 34 years

(3) ❑ 35 years to 44 years

(4) ❑ 45 years to 54 years

(5) ❑ 55 years or older

Racial Or Ethnic Minority

(1) ❑ Yes

(2) ❑ No

(3) ❑ I do not Know

Job Industry where you work:

(2) ❑ Agriculture

(3) ❑ Automotive

(4) ❑ Banking

(5) ❑ Chemical Industry

(6) ❑ Consumer Goods

(8) ❑ Courier

(9) ❑ Education

(10) ❑ Electricity

(11) ❑ Electronics

(12) ❑ Financial Services

(13) ❑ Food

(15) ❑ Health Care

(16) ❑ Information Technology

(17) ❑ Insurance

(18) ❑ Management Consulting

(19) ❑ Manufacturing

(20) ❑ Mining

(21) ❑ Oil and Gas

(22) ❑ Raw Materials

(23) ❑ Retailing

(24) ❑ Steel

(25) ❑ Telecommunications

(26) ❑ Tobacco Industry

(27) ❑ Transportation

(28) ❑ Other

Your position within this company is:

(1) ❑ Staff Non Management

(2) ❑ Manager / Supervisor

(3) ❑ Executive / Senior Management

(4) ❑ Other

Years of service with your company

(1) ❑ Less than 2 years

(2) ❑ 2 years to 5 years

(3) ❑ 6 years to 10 years

(4) ❑ 11 years to 15 years

(5) ❑ 16 years to 20 years

(6) ❑ Over 20 years

Work Status:

(1) ❑ Full-Time

(2) ❑ Part-Time

Trade Union Member:

(1) ❑ Yes

(2) ❑ No

Thank you for participating in this survey. Your answers have been saved

Kind Regards

Paola Vittor //paolav09@student.uia.no//

University of Agder

Appendix 3: Survey 2 - Students

University of Agder
Master Program in Business
Administration

This is a study to investigate if effective implementation of social responsibility creates employee commitment

Dear participant:

I would appreciate it if you could take 5-10 minutes and fill out this questionnaire. It is part of my Master's thesis focusing on Social Responsibility. It will not be possible for us to link your response to you, so your anonymity is guaranteed.

Thank you for your help!

For further information contact:

Master Student: Paola Vittor/// paolav09@student.uia.no

Advisor: Andreas Wyller Falkenberg /// andreas.falkenberg@uia.no

Corporate Social Responsibility is defined as:

Social Responsibility indicates that a company acknowledges its responsibility to produce and sell goods in a way that is fair and right. It is also a company's duties in terms of supporting its local community. A company's responsibility extends beyond the boundaries of their own business and financial results, Carroll (1979).

Part 1

Social Aspects

	Disagree	.	.	.	.	.	Agree
Projects in the area of social responsibility are solely government duties	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I would like to work in a company that supports non-governmental organizations (NGO) or other institutions through monetary donations	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I would like to work in a company that supports social programs such as poverty, homelessness, street children. illiteracy, health, addictions, education, neighborhood safety	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I would like to work in a company that supports medical campaigns to cure breast cancer, diabetes, AIDS, etc	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I would like to work in a company that supports programs to help LDC (Less developed countries)	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Ethics and Transparency

I would like to work in a company where:

	Disagree	.	.	.	.	.	Agree
People are treated fairly regardless of their age	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
People are treated fairly regardless of their race or ethnicity	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
People are treated fairly regardless of their gender	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
People are treated fairly regardless of their sexual orientation	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
People are treated fairly regardless of disability	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Environmental Aspects

	Disagree	.	.	.	.	.	Agree
I would like to work in a company that supports programs which protect and conserve the environment	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Part 2

	Disagree	.	.	.	.	.	Agree
I would like to work in a company that promotes and supports employee volunteer activities focused on social responsibility	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I would like to work in a company that uses products from fair trade markets in its offices	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Part 3

I prefer to work in a job with:

	Disagree	.	.	.	.	.	Agree
No Social Responsibility activities, but high salaries	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
Few Social Responsibility activities and average salaries	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
High Social Responsibility activities, and high salaries	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
High Social Responsibility activities, but low salaries	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

	Disagree	.	.	.	.	.	Agree
I would appreciate if my ideas were considered for my company's Social Responsibility programs	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
I would agree to donate a percentage of my salary to support social campaigns	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑
If I participate in social programs for the company where I work, I would feel more engaged with my company	(1) ❑	(2) ❑	(3) ❑	(4) ❑	(5) ❑	(6) ❑	(7) ❑

Background Information

Gender:

(1) ❑ Female

(2) ❑ Male

Age:

(1) ❑ 25 years or younger

(2) ❑ 26 years to 34 years

(3) ❑ 35 years to 44 years

(4) ❑ 45 years to 54 years

(5) ❑ 55 years or older

Racial Or Ethnic Minority

(1) ❑ Yes

(2) ❑ No

(3) ❑ I do not know

Thank you for participating in this survey Your answers have been saved

Kind Regards

Paola Vittor //paolav09@student.uia.no//
University of Agder

Appendix 4: Frequencies

Survey 1: Employees' perspective of Social responsibility

Analysis of the survey applied in Norway

Frequencies: frequencies describe the tendency of the answers in each part.

Part 1: Social Responsibility in your Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	2.9	3.0	3.0
	Partially disagree	5	14.7	15.2	18.2
	Neutral	8	23.5	24.2	42.4
	Partially agree	10	29.4	30.3	72.7
	Agree	6	17.6	18.2	90.9
	Strongly agree	3	8.8	9.1	100.0
	Total	33	97.1	100.0	
Missing	System	1	2.9		
Total		34	100.0		

Table 26
Source: Own Source, Frequencies – data analysis

Part 2: Internal Marketing of SR in your Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	4	11.8	12.1	12.1
	Disagree	6	17.6	18.2	30.3
	Partially disagree	3	8.8	9.1	39.4
	Neutral	5	14.7	15.2	54.5
	Partially agree	8	23.5	24.2	78.8
	Agree	5	14.7	15.2	93.9
	Strongly agree	2	5.9	6.1	100.0
	Total	33	97.1	100.0	
Missing	System	1	2.9		
Total		34	100.0		

Table 27
Source: Own Source, frequencies - data analysis

Part 3: Employees' Commitment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	5.9	6.1	6.1
	Partially disagree	4	11.8	12.1	18.2
	Neutral	13	38.2	39.4	57.6
	Partially agree	7	20.6	21.2	78.8
	Agree	6	17.6	18.2	97.0
	Strongly agree	1	2.9	3.0	100.0
	Total	33	97.1	100.0	
Missing	System	1	2.9		
Total		34	100.0		

Table 28
Source: Own Source, Frequencies - data analysis

Analysis of the survey applied in Peru

SR in your Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	5.0	5.0	5.0
	Partially Disagree	4	10.0	10.0	15.0
	Neutral	8	20.0	20.0	35.0
	Partially agree	10	25.0	25.0	60.0
	Agree	16	40.0	40.0	100.0
	Total	40	100.0	100.0	

Table 29
Source: Own Source, Frequencies – data analysis

Int Mk of SR in your Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	5.0	5.0	5.0
	Disagree	5	12.5	12.5	17.5
	Partially disagree	8	20.0	20.0	37.5
	Neutral	5	12.5	12.5	50.0
	Partially agree	9	22.5	22.5	72.5
	Agree	8	20.0	20.0	92.5
	Strongly agree	3	7.5	7.5	100.0
	Total	40	100.0	100.0	

Table 30

Source: Own Source, Frequencies – data analysis

Employees' Commitment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	1	2.5	2.5	2.5
	Partially disagree	4	10.0	10.0	12.5
	Neutral	8	20.0	20.0	32.5
	Partially agree	9	22.5	22.5	55.0
	Agree	17	42.5	42.5	97.5
	Strongly agree	1	2.5	2.5	100.0
	Total	40	100.0	100.0	

Table 31

Source: Own Source, Frequencies – data analysis

Survey 2: Students' perspective of Social responsibility

Analysis of the survey applied in Norway

SR - Students Perception

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Partially disagree	1	2.2	2.2	2.2
	Neutral	1	2.2	2.2	4.4
	Partially agree	6	13.3	13.3	17.8
	Agree	23	51.1	51.1	68.9
	Strongly agree	14	31.1	31.1	100.0
	Total	45	100.0	100.0	

Table 32
Source: Own Source, Frequencies – data analysis

Employees Commitment - Students Perception

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	4.4	4.4	4.4
	Neutral	10	22.2	22.2	26.7
	Partially agree	19	42.2	42.2	68.9
	Agree	11	24.4	24.4	93.3
	Strongly agree	3	6.7	6.7	100.0
	Total	45	100.0	100.0	

Table 33
Source: Own Source, Frequencies – data analysis

Analysis of the survey applied in Peru

SR - Students Perspective

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Partially agree	1	3.0	3.0	3.0
	Agree	11	33.3	33.3	36.4
	Strongly agree	21	63.6	63.6	100.0
	Total	33	100.0	100.0	

Table 34
Source: Own Source, Frequencies – data analysis

Employees Commitment - Students Perspective

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	4	12.1	12.1	12.1
	Partially agree	11	33.3	33.3	45.5
	Agree	18	54.5	54.5	100.0
	Total	33	100.0	100.0	

Table 35
Source: Own Source, Frequencies – data analysis