Sustainability Accounting, Management and Policy J

Examining the CSR strategy of MNCs in Bangladesh

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Table 1. Overarching themes and their second order themes

Overarching themes	Second order themes
CSR definitions	▪ Different dimensions of CSR ▪ The use of different terminologies ▪ Business case
Link between CSR and core strategies	▪ Alignment between company's mission/vision and CSR aims ▪ Alignment between company's core competencies and CSR activities
Stakeholder management	▪ Stakeholder identification and prioritization ▪ Stakeholder Communication
Outcomes	▪ Business benefits ▪ Social benefits

Table 2. The stages of CSR orientation

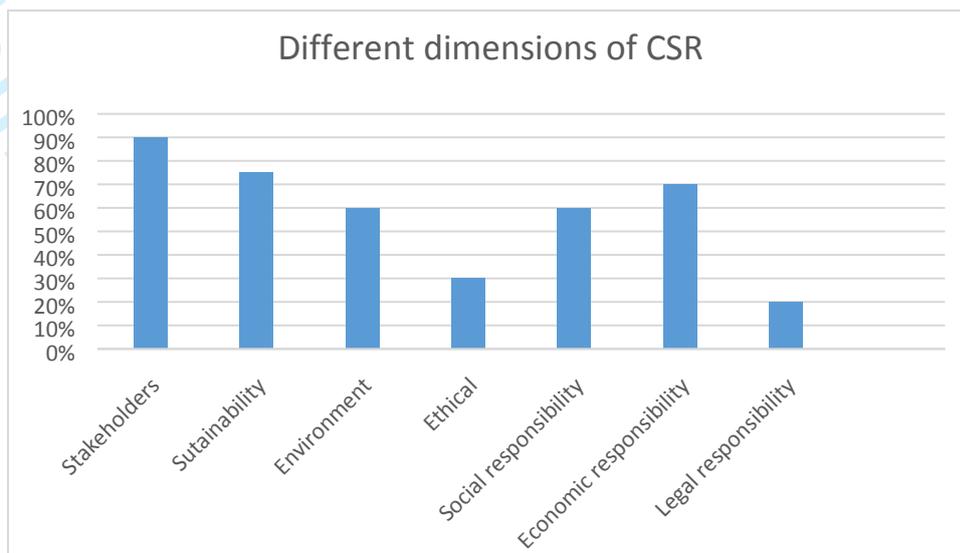| MNCs	Dimensions	Elementary				Engaged				Innovative				Integrated				Transforming			
		CSR concept	Strategic intent	Structure	Stakeholder relationships	CSR concept	Strategic intent	Structure	Stakeholder relationships	CSR concept	Strategic intent	Structure	Stakeholder relationships	CSR concept	Strategic intent	Structure	Stakeholder relationships	CSR concept	Strategic intent	Structure	Stakeholder relationships
		Jobs, profits and taxes	Legal compliance	Marginal: staff driven	Unilateral	Philanthropy, environmental protection	License to operate	Functional ownership	Interactive	Stakeholder management	Business case	Cross-functional coordination	Mutual influence	Sustainability or triple bottom line	Value proposition	Organizational alignment	Alliance	Change the game	Market creation or social change	Mainstream: business driven	Multi organization
MNC_1					√						√			√		√					
MNC_2					√					√					√	√					
MNC_3					√						√			√		√					
MNC_4					√					√	√					√					
MNC_5					√			√		√	√										
MNC_6					√									√	√	√					
MNC_7									√	√	√					√					
MNC_8					√			√		√	√										
MNC_9					√					√	√					√					
MNC_10					√									√					√	√	

Figure 1. Different dimensions of CSR

Appendix 1. Interviewees' profile

Case	Terminologies used by MNCs	Manager interviewed	Number of interviews
MNC_01 (Manufacturing and selling tobacco)	Corporate Social Responsibility (CSR)	Manager, Corporate Affairs	2
MNC_02 (Provider of telecom services)	Corporate Responsibility (CR)	Head of CSR and two managers from CSR team	3
MNC_03 (Provider of telecom services)	Corporate Social Responsibility (CSR)	Vice president and a manager, CRL Division	2
MNC_04 (Producing and supplying gas)	Sustainability	GM and Head of HR and a manager of CSR committee	2
MNC_05 (Manufacturing and selling cement)	Corporate Social Responsibility (CSR)	Director, HR	1
MNC_06	Creating shared value (CSV)	Director, Corporate affairs	1

(Manufacturing and selling cement)			
MNC_07 (Manufacturing and selling pharmaceutical products**)**	Corporate Responsibility (CR)	Head, Corporate Affairs and Communication	1
MNC_08 (Provider postal and logistics services)	Living Responsibility	Manager, HR	1
MNC_09 (Manufacturing and selling consumer goods)	Corporate Responsibility	Director, Marketing	1
MNC_10 (Manufacturing and selling consumer goods)	Sustainable Living Plan	Manager, Corporate Affairs and Communication	1

Examining the CSR strategy of MNCs in Bangladesh

Abstract

Purpose- The paper is designed to explore and analyze how multinational companies (MNCs) in Bangladesh define CSR, and how CSR is used by these companies as a strategic tool to improve business and social performances.

Design/methodology/approach- We choose a qualitative case study approach for this study, using multiple semi-structured interviews with 15 CSR managers and secondary data from websites and annual reports. Both primary and secondary data are collected from 10 leading MNCs that operate in Bangladesh.

Research limitations/implications- The most unavoidable limitation of this research lies in sample selection. We were able to select 10 companies due to additional MNCs. To overcome this limitation and increase the credibility of findings, we triangulate interview data and secondary data from annual reports and websites.

Practical implications- Our findings indicate that MNCs are increasingly recognizing the importance of using their core competencies to generate social benefits. The idea of adopting strategic CSR is predominantly steered by business benefits, which also provide necessary resources for social and environmental activities

Social implications- The findings suggest that the shift from philanthropy to strategic CSR creates and fosters social benefits such as developing an entrepreneurial spirit and providing education.

Originality/value- Our findings demonstrate that MNCs operating in Bangladesh are gradually departing from philanthropy and moving towards strategic CSR by aligning their business strategies with CSR. In Bangladesh where CSR was previously viewed as a philanthropic activity, these findings make important contributions to the extant literature, particularly

international CSR strategic literature and can be useful for future research in other developing countries.

1. Introduction

In the last few decades, corporate social responsibility (CSR) has moved away from a tactical orientation toward a strategic orientation, as the introduction and implementation of CSR is increasingly viewed as a long-term investment for firms (Nejati *et al.*, 2017). To meet social, environmental and economic responsibilities, some companies incorporate nonmarket strategies with core business strategies (i.e. strategic CSR), which bring social and environmental benefits for society and offer business benefits such as competitive advantage to companies (Porter & Kramer, 2006; Van Cranenburgh & Arenas, 2014). Other organizations limit their CSR to philanthropic responsibilities, benefiting their sponsors (Van Cranenburgh & Arenas, 2014) and providing short- term benefits to the businesses (Quazi & O'Brien, 2000). Research shows that CSR strategies are contingent upon how CSR is understood or defined by the company (Islam & Wise, 2012; Jiang *et al.*, 2018).

Prior studies largely highlight the strategic issues concerning CSR integration in the context of organizations in developed economies but tend to neglect emerging economy contexts. Jamali and Mirshak note: "very little is known of the practice of CSR in developing countries" (2007: p.244). In particular, research in understanding how multinational companies, hereafter MNCs, approach CSR in developing countries and how they align market and nonmarket CSR strategies in host countries is lacking (Yin & Jamali, 2016); a similar point echoed by several CSR scholars (Al-Abdin *et al.*, 2017; Marques-Mendes *et al.*, 2016). One of

the difficulties associated with examining MNCs' CSR strategies in developing countries has resulted from the vagueness in defining CSR (Jamali, 2010), which is a "multifaceted and contested concept" (Jamali & Karam, 2018: p.48). While examining MNCs' CSR strategies in China, Yin *et al.* (2016) ignore how CSR orientation appears in an organization's mission statement, which is critical to understanding the level of integration of CSR within the organization (Lindgreen *et al.*, 2011). Therefore, researchers such as Yin *et al.* (2016) call for more comprehensive investigations of how CSR activities are integrated within companies, and also call for further exploration of the relationships between CSR and the firm's strategic interests. In response to this call, this study examines the CSR practices of MNCs operating in a developing country, in this case, Bangladesh, with a particular emphasis on the level of CSR integration with the core business objectives.

Through undertaking 15 semi-structured interviews with managers from 10 MNCs, this study addresses the following research questions: How is CSR defined by MNCs in Bangladesh (RQ_1)? To what extent is CSR integrated with core business strategies (RQ_2)? What benefits (social, business or both) do MNCs tend to deliver through their CSR involvements (RQ_3)? In seeking to deepen our understanding of MNCs' CSR strategies, we draw theoretical knowledge from the work of Mirvis and Googins (2006) and Yin and Jamali (2016). The theoretical approaches of these authors suggest that MNCs operating in Bangladesh are moving towards strategic CSR and away from their current philanthropy based CSR orientation. Our findings lend support to the similar findings of Yin and Jamali (2016). In particular, the growing transformation of CSR has led to the incorporation of stakeholder management involving identification of key stakeholders and communicating CSR to them. Our study further shows that business benefits are key driving factors behind the adoption of strategic CSR, which is consistent with the findings of Waldman and Siegel (2008). As such, our research findings broaden our knowledge in the emerging domain of CSR strategy and tactics.

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This paper is structured as follows. First, we provide a backdrop to the existing CSR literature before explaining our theoretical framework. We then explicate our methodology and discuss our empirical findings, based on an exploratory investigation of MNCs' CSR activities. The paper ends with a discussion and concluding comments, and consideration of the limitations of the study.

2. Literature review

2.1 Definition of CSR

CSR is not a univocal concept; its meaning has been in constant flux and has been shaped over time by the interpretations and negotiations of corporations and different stakeholders such as government, regulators and NGOs (Christensen *et al.*, 2013). The Confederation of British Industry (CBI) (2001) states "CSR is highly subjective and therefore does not allow for a universally applicable definition", indicating that the meaning, standards and goals of CSR are continuously expanding and evolving. Although there has been little agreement on the term in recent decades, CSR, in general, encompasses a sum of responsibilities-economic, legal, ethical and discretionary/philanthropic-that a company undertakes to coexist favorably in society with its stakeholder groups (Carroll, 1979; 1991; Carroll & Shabana, 2010). Put differently, CSR considers the impact of businesses on relevant stakeholders including customers, community, shareholders, community, suppliers and employees (Poonamallee, 2011). The World Business Council for Sustainable Development (WBCSD) also includes stakeholder interests in their CSR definition, which states, "CSR is the commitment of business to contribute to sustainable economic development, working with employees, their families and the local communities" (WBCSD, 2001). In the context of developing countries, Muthuri and Gilbert conceptualize CSR as "the duty of the companies to the development of its stakeholders, and to the avoidance and correction of any negative consequences caused by business activities" (2011: p.467).

Despite differences across definitions, Dahlsrud (2006) identifies five prominent dimensions (social, environmental, stakeholder, voluntariness and economic) from an analysis of 37 most cited CSR definitions that appear in the literature from 1980-2003. Legal responsibility, which is not deemed as a key dimension in Dahlsrud's (2006) work, seems to be ignored by most companies in developing countries such as India and Pakistan (Lenssen *et al.*, 2011). Hence, we chose to define CSR as a company's commitment to meet economic, legal, social, environmental and ethical responsibilities through managing expectations of different stakeholder groups voluntarily.

CSR that is driven by a sense of obligation to stakeholders follows the normative case of CSR (Smith, 2003). According to the normative perspective, companies should adopt CSR in order to meet their moral and ethical obligations. Business participation in CSR can be also steered by the intent of securing long-term business interests (Smith, 2003). The *business case* logic suggests that companies pursue CSR strategies to (1) develop reputation and legitimacy, (2) gain competitive advantage, (3) minimize cost and risk, and (4) create win-win outcomes through synergistic value creation (Carroll & Shabana, 2010). Critics of the business case approach argue that CSR initiatives driven mostly by business interests priorities economic benefits ahead of social benefits (Nijhof & Jeurissen, 2010; Shamir, 2008), and overlook the voice of the community and the development specialists (Frynas, 2005). In some cases, companies combine the business and normative approaches; for example, while examining the CSR practices of Scandinavian companies, Morsing et al. (2007) identified a blend of business case and normative case approaches in operation.

In developing countries where CSR is conceptualized as "a complex phenomenon" (Jamali & Karam, 2018: p.44), a lack of an established CSR definition allows businesses to overlook the expectations of stakeholders (Blowfield & Frynas, 2005). Arguably, CSR definitions informed by the business case logic can synergize social responsibility and

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economic responsibility and create a win-win outcome for both businesses and society (Carroll & Shabana, 2010; Porter & Kramer, 2006; 2011). Hence, examining CSR definitions sets a platform to understand companies' motivations for adopting CSR.

2.2 Theoretical framework

Jamali (2007) initially viewed CSR as a pure philanthropic-based concept but later noted that, eventually, CSR took a strategic turn, suggesting that strategic CSR has not initially been embedded in the definition of CSR (see Carroll, 1991). However, CSR tended to shift away from an altruistic posture to a strategic posture at a point when companies started to see benefits in portraying CSR as a means of differentiation (Lawrence and Weber, 2008). The philanthropic view, which may come from ethical or altruistic feelings to do some good for society (Quazi & O'Brien, 2000), has been criticized for having a short focus, failing to address social problems such as poverty, and failing to provide required benefits to local communities (Gardner, 2011; Jamali, 2007; Quazi & O'Brien, 2000). The strategic use of philanthropy, however, can offer strong competitive advantages to companies, allowing them to become recognized as a welcome alternative to "checkbook corporate charity" (Sasse & Trahan, 2007: p.33). In contrast, strategic CSR merges business interests with social needs, thus yielding both social and economic benefits (Porter & Kramer, 2006; 2011). Recent studies continue to emphasize the integration of CSR and core strategies and several scholars argue that companies should use their core competencies to address social needs to remain competitive in the market (Minor, 2016; Porter & Kramer, 2006; Rangan *et al.*, 2015; Yin & Jamali, 2016). Such advocates of CSR integration assert that economic responsibility and social responsibility are not mutually exclusive. An alignment between a company's unique competencies and social needs resolves the tension between social and economic goals, and translates CSR into business opportunities (Jamali, 2007; Porter & Kramer, 2002). For example, Prius, Toyota's hybrid

vehicle, offered competitive advantages and opportunities to leverage the company's capabilities and resources, and benefit society and the environment (Porter & Kramer, 2006). Here, stakeholder needs- for example, employees seek safe working conditions and local community requires investment in building infrastructure for economic development- are viewed as opportunities rather than constraints (Carroll & Shabana, 2010). Nestlé's investment, for example, in the local community not only yielded significant social benefits through economic development and improved health care but also provided the firm an opportunity to access the basic commodities, which are critical for maintaining a profitable global business (Porter & Kramer, 2006). Adopting strategic CSR further aids the local subsidiaries of MNCs to gain legitimacy from parent companies and other international stakeholders (see Kostova *et al.*, 2008). Existing research, which investigates the type of CSR adopted by MNCs, presents antithetical results. Whilst studying MNCs' CSR strategies in China, Yin and Jamali (2016) find a consistent appreciation of the strategic implications of CSR. Conversely, a study by Brammer et al. (2009) suggests that large UK MNCs in developing countries engage in philanthophy to maximize shareholder value. Given these contrasting revelations, more research is needed to gain a better understanding of the approach of MNCs to CSR, in particular, whether they adopt a philanthropic or strategic approach.

In order to move from philanthropy to strategic CSR, companies typically pass through various stages, each of which has distinctive patterns of strategic intent, concepts or stakeholder relationships (Lawrence & Weber, 2008; Lindgreen *et al.*, 2011; Porter & Kramer, 2006). Mirvis and Googins (2006) identify five stages in this process of moving from philanthropy to strategic CSR: (i) Elementary: CSR concept- CSR is underdeveloped, strategic intent-legal compliance and stakeholder relations-unilateral, (ii) Engaged: CSR concept-philanthrophy; strategic intent-license to operate and stakeholder relations-interactive, (iii) Innovative: CSR concept-stakeholder management, strategic intent-business case and stakeholder relations-

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mutual partnership, (iv) Integrated: CSR concept-sustainability or triple bottom line, strategic intent-value proposition and stakeholder relations-alliance, and (v) Transforming: CSR concept- change the game, strategic intent-market creation and stakeholder relations-multi-organization. It is important to note that a company might not traverse all stages at once or these stages may progress simultaneously or sequentially (Lindgreen *et al.*, 2011). However, the boundaries between stages are porous: an organization can stay at more than one stage at the same time (Mirvis & Googins, 2006).

Whilist Mirvis and Googins (2006) demonstrate how companies pass through different stages of CSR implementation, discussion on numerous CSR benefits, in particular social benefits (e.g., empowering local community), is somewhat underdeveloped in this work. The framework[1] proposed by Yin and Jamali (2016) adresseses this gap through demonstrating how CSR orientation (philanthropic vs strategic) affects CSR processes and value creation. For example, companies with strategic CSR orientation tend to engage stakeholders in CSR activities and promote the convergence between social (e.g., creating awareness about environmental cost and food safety) and business (e.g., reducing cost of production) goals. For Yin and Jamali (2016), social goals incorporate both social and ecological benefits. With the aid of CSR, companies can achieve social goals through engaging in activities that build human capital (e.g., developing an entrepreneurial spirit, training for skills development), economic capital (e.g., access to capital; and employment and job creation), social capital (e.g., developing relationships with stakeholders) and ecological capital (e.g., reducing environmental footprint) (see Muthuri *et al.*, 2012). Both of the frameworks advocated by Mirvis and Googins (2006) and Yin and Jamali (2016) focus on similar areas such as cultural

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[1] This framework consists of three integrated components: Strategic CSR orientation (philanthropic vs strategic orientation), Strategic CSR process (stakeholder management) and Value creation (firm-specific economic value creation and context-specific social value creation)

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changes and stakeholder management, which are key to transforming philanthropic CSR to strategic CSR.

First, success in managing stakeholder relationships demands a long-term commitment to a structured process, focusing on identifying and catagorizing stakeholders, and understanding their expectations through CSR communication (Bourne, 2009). Existing studies suggest that stakeholders are identified based on the possession of different attributes such as urgency, legitimacy and power (Aaltonen *et al.*, 2008; Mitchell *et al.*, 1997). Drawing upon these attributes, Clarkson (1995) categorizes stakeholders into two groups depending on their interests, claims, or rights: primary stakeholders with whom companies have explicit contracts (e.g., suppliers, employers, shareholders etc.) and secondary stakeholders with whom companies have no contract (e.g., local communities, government authorities). Primary stakeholders possess both legitimacy and power attributes. Hence, companies are unable to continue their operations if primary stakeholder groups become dissatisfied and withdraw their support. On the contrary, secondary stakeholders possess the power to oppose policies and programs that are adopted by the company to satisfy needs or expectations of primary stakeholder groups, but they are not involved in transactions with the company. Identifying and classifying stakeholders enables companies to avoid misallocation of resources to non-stakeholders and helps them to understand the continuously changing demands and expectations of stakeholders with legitimacy and power (Maon *et al.*, 2009). After identifying and categorizing stakeholders, CSR activities need to be communicated to the stakeholders. CSR communication, in particular dialog with stakeholders, helps companies to understand the expectations of different stakeholders (Morsing & Schultz, 2006).

Secondly, integration of market and non-market strategies demands a cultural change in the company and a shift in corporate practices from passive compliance with societal expectations toward a more proactive engagement with social issues (Husted & Allen, 2009;

Lindgreen *et al.*, 2011). Companies can integrate CSR by changing their company culture such as by linking CSR with the company's mission and corporate values, and giving recognition to employees for participating in CSR activities (Lindgreen *et al.*, 2011; Lyon, 2004). Without integration, CSR would appear to have little strategic purpose and be no more than a marketing fad or PR tool. Current studies continue to emphasize the integration of CSR and core strategies (i.e. strategic CSR) and argue that companies should use their core competencies to address social needs in order to remain competitive in the market (Minor, 2016; Porter & Kramer, 2006; Rangan *et al.*, 2015; Yin & Jamali, 2016). An important example is Project 'Shakti', a part of Unilever's CSR initiative in India, which was launched in 2001 for training rural women and creating a self-sustaining model of micro-entrepreneurs (Porter & Kramer, 2011; Unilever, 2012). This project not only allows Unilever to reach the untapped rural households of India but also enables them to create social benefits including financially empowering rural women in India (Rangan *et al.*, 2015). Hence, integrating CSR with business strategy can convert stakeholder needs to a business opportunity; for example, introducing new green products to customers who care about environment, creating numerous prospects for the company and society such as reducing environmental and social costs, reaching new market segments, empowering people and alleviating poverty in developing countries where the state is weak and NGOs have limited capacity.

In conclusion, we posit that the frameworks proposed by Mirvis and Googins (2006) and Yin and Jamali (2016) are not mutually exclusive, offering complementary theoretical views to understand MNCs' CSR strategies. With these theoretical lenses, we demonstrate how MNCs in Bangladesh move from philanthropy to strategic CSR, and how such transition leads to cultural changes in a company and affects the nature of benefits created by CSR. We apply the framework of Yin and Jamali (2016) to understand the value created by CSR. Here, we posit that benefits either social benefits, or business benefits or both, are subject to companies'

CSR orientation and stakeholder management (Dobele *et al.*, 2014; Maon *et al.*, 2009; Morsing & Schultz, 2006). We contend that ignoring stakeholder feedback or disengaging stakeholders can limit the potency of CSR integration.

2.3 CSR in Bangladesh

Bangladesh, a developing country in the South Asian region, has been pushing the principles of a market economy since the emergence of the democratic era in the 1990s (Belal & Owen, 2007). To accelerate the economic transformation, the government aggressively pursued a private sector led industrial development policy with the aim of attracting foreign direct investment (FDI). Most notable measures include the establishment of export processing zone and the fiscal incentives have fostered the growth of FDI (Belal & Owen, 2007), which has increased significantly from US$1,833.87 million in 2015 to US$3888.99 million in 2019 (Bangladesh Bank, 2019). By pursuing this policy, Bangladesh has also consistently achieved a GDP growth rate of above 6.5% during the period of 2015-19 (The World Bank, 2020). However, corruption, political instability, weak law enforcement and a poorly functioning labor market are believed to have impeded the economic and social progress of Bangladesh (Belal & Roberts, 2010; Euromonitor, 2018).

Research indicates growing pressures on local and multinational companies to consider social and environments factors in their business practices (Belal, 2001; Momin & Parker, 2013). Institutional isomorphism, particularly coercive isomorphic pressure from investors and international agencies, is one of the major driving forces behind the adoption of CSR policies in Bangladesh (Azmat, 2008; Belal & Owen, 2007). Pressures on MNCs are exerted by stakeholders from the home country and the international level. For instance, Western consumers, UNICEF, the US government, international NGOs, the International Labor Organization, and the media pushed multinational fashion retailers to ban the use of child labor

in the local garment factories (Islam & Deegan, 2008). Studies suggest that different local stakeholders, for example consumers and local government, are becoming increasingly conscious of their rights (Islam, 2015; Quazi, 2002). The local media at times reports on organizations' irresponsible behavior (see Daily-Sun, 2011), and concurrently, promotes CSR by rewarding organizations for social contributions (see The Daily Star, 2012; 2014b). When implementing CSR projects, some multinationals work with local and international NGOs; however, NGOs have not fully engaged in building awareness about the benefits of CSR practices (Azmat, 2008). To promote CSR in Bangladesh, the Government of Bangladesh and a few regulators (particularly the central bank of Bangladesh) produce guidelines to promote CSR activities (see Sobhani *et al.*, 2009). According to the indicative guidelines published by the central bank, banks and non-bank financial institutions have to spend 2.5% of their net profits on CSR activities (Bangladesh Bank, 2014; The Daily Star, 2014a); whilst the Government of Bangladesh offers a 10% tax rebate on actual cost incurred in connection with CSR activities such as grants to educational institutions (Bala, 2013).

Most prior CSR studies in Bangladesh examine the nature and extent of CSR disclosure and various determinants such as corruption, local institutional frameworks and international stakeholders affecting CSR disclosure (see Belal & Owen, 2007; Belal & Owen, 2015; Belal & Roberts, 2010; Khan *et al.*, 2009; Muttakin & Khan, 2014; Sobhani *et al.*, 2009). What is still poorly understood, however, is how companies perceive CSR and how it is integrated with market strategies. While examining the CSR perceptions of managers in Bangladesh, Quazi and O'Brien (2000) recognize two important perspectives:

i.   Broader/normative view: Organizations engage in CSR as a part of their moral/ethical responsibility towards society.

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ii.   Narrow view: CSR involvement is driven by benefits including building a positive

public image, perceived blessing from gods, and the desire to gain particular favors

from the government in the form of a tax waiver or government business.

Companies following the broader view attempt to integrate CSR with business objectives

for creating both economic and social benefits. On the other hand, profit is the key driving

force for companies that prioritize economic aspects over normative aspects. In general,

companies operating in Bangladesh focus on business aspects rather than normative aspects

(Belal & Roberts, 2010). Quazi et al. (2003), however, show that businesses have a higher level

of involvement in charitable activities and community welfare. Given the current discourse in

CSR practices, we use theoretical frameworks proposed by Mirvis and Googins (2006) and Yin

and Jamali (2016) to analyze whether there has been any paradigm shift from the orthodoxy

practice of CSR rooted in a philanthropic orientation to a strategic orientation. Guided by these

frameworks, the empirical component of this study proceeds to investigate whether MNCs in

Bangladesh adopt the broader view of CSR and, if so, what benefits they seek to achieve from

these CSR activities.

3. Methods

We chose the qualitative research method for this study, responding to the call for greater use

of qualitative research in exploring CSR strategies adopted by companies in a non-Western

context (Momin & Parker, 2013; Yin & Jamali, 2016). Specifically, we adopted a multiple case

study approach (Eisenhardt, 1989), involving in-depth interviews with MNC managers and

secondary data of 10 MNCs operating in Bangladesh. Each of these MNCs was treated as a

case in our study.

3.1 Sampling

Out of 45 MNCs operating in Bangladesh (Bangladesh Business Directory, 2018; Rudranews24, 2018), 10 MNCs were selected based on the following criteria: (a) all selected MNCs have an international presence and strong corporate reputation resulting from their CSR engagement and investment, (b) MNCs with some form of documented CSR involvement, (c) MNCs from various industries (e.g., service/manufacturing/oil & gas) and (d) data accessibility (see Appendix 1). Local media reports, from the Daily Star newspaper (The Daily Star, 2012, 2014), and companies' websites and annual reports were used to identify prospective cases for this study, due to the absence of an established independent body that could independently evaluate CSR activities. Furthermore, these 10 MNCs were selected because of the accessibility of data in terms of their agreement to provide information for this study.

3.2 Data collection

A total of 15 in-depth interviews were conducted with local managers working in these 10 MNCs who were primarily responsible for the development and implementation of CSR strategies. To develop a rich understanding of MNCs' CSR practices, we interviewed CSR managers, HR managers, corporate affair managers or marketing directors who were responsible for developing and managing their company's CSR strategies (see Appendix 1). Since the number of managers responsible for CSR varied amongst MNCs, it was not possible to collect information from an equal number of employees across MNCs. Accordingly, the 15 interviews mentioned above were deemed appropriate for this study (see Lindgreen *et al.*, 2011; Maon *et al.*, 2009; Yin & Jamali, 2016). Semi-structured interviews allowed us to gather in-depth insights (Creswell, 2013) from these managers into the extent to which CSR strategies were integrated within the overall MNC strategy. For this study, we consulted Bondy and Starkey (2014: p.12) and provided interview prompts such as:

- The roles of business in a society, the meaning of CSR for the organization and the reasons for adopting CSR

- descriptions and justifications for the CSR strategy development and implementation process,

- specific approaches to CSR, and

- roles of stakeholders in CSR development and implementation stages

Such interview prompts allowed respondents to relate to their organization and wider CSR issues. Our approach was in line with that of May (2011) who notes that semi-structured interviews allow respondents to answer more flexibly on their terms than other more standardized interview formats (e.g., structured interviews) allow. Our approach is also similar to that of other recent CSR studies investigating MNCs' activities (e.g. Bondy & Starkey, 2014; Yin & Jamali, 2016). To supplement our interview data, we also collected secondary data via MNC annual reports and their website. Eight annual reports from four MNCs (MNC_01, MNC_02, MNC_05 and MNC_09) published between 2014/15 and 2015/16 were used for this study. It is noteworthy that these four MNCs, which were listed in the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE), only made their annual reports publicly available and disclosed their CSR related information via annual reports. Other than these four, MNCs that were not listed in either the DSE or CSE chose not to publish annual reports publicly; therefore, it was not possible to collect information from the annual reports of the remaining six MNCs. However, all the sampled MNCs embedded a CSR page in their corporate website, presenting information on their social responsibilities and CSR projects. Within these secondary data, our focus was on analyzing the CSR terminologies used by each MNC, the company's mission/vision, their CSR aims, and also their CSR activities. The evaluation of these secondary data helped us to examine the link between CSR strategies and core competencies. Collecting data through these multiple data collection methods enhances the

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robustness of the study's findings (Lindgreen *et al.*, 2011; Yin, 2009). Ethical clearance was granted by the first authors University. While conducting the research and analyzing the data, we complied with the Data Protection Act (1998) of the UK and the Faculty Data Management policies of the university.

3.3 Data analysis

To analyze these multiple cases, we used Eisenhardt's (1989) method of within- and cross-case analyses. Within-case analyses collated and summarized the data obtained from interviews and secondary sources to gain a richer and deeper understanding of the process followed by each of the sampled MNCs for adopting CSR. During the cross-case analysis, the outcomes of within-case analyses were compared in order to improve the quality and rigor of the findings (Maon *et al.*, 2009). Comparing the cases enabled us to examine the differences between and similarities of each MNC's CSR definition, motivations for adopting CSR and the degree of CSR integration. Data obtained from multiple sources were imported to NVivo 10 and then analyzed via thematic analysis, following the layout provided by Corley and Gioia (2004). Our analysis involved first order coding, derived from the data i.e. languages used by informants and in secondary data. We coded "conceptually similar events/ actions/ interactions" (Strauss & Corbin, 1990: p.12), grouping them into categories. Next, we created second order themes by searching relationships between and among these categories. Finally, we gathered similar second order themes under several overarching themes (See Table 1).

3.4 Trustworthiness

Throughout the study, we took measures to improve the research quality such as credibility, dependability, integrity, fit and control. First, respondents were sent interview transcripts for confirmation. Second, all direct references to the company were removed and names were

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anonymized to maintain confidentiality. Third, we triangulated secondary data and interview

data to increase the credibility of findings (Lincoln & Guba, 1985). Finally, all the interviews

were conducted by the first author and a cross-check coding approach was performed by all

the co-authors, which helped to provide sound interpretation of the data (Elo *et al.*, 2014;

Lincoln & Guba, 1985; Maon *et al.*, 2009).

Insert Table 1 here

4. Findings

4.1 Defining CSR

All managers interviewed recognized the broader responsibility of MNCs and identified CSR

as a voluntary action rather than as something obligatory. When asked about how their

companies understand or defined CSR, one manager stated:

> …there is no holistic definition of CSR; CSR has been defined by each and
> every one in their own way. (MNC_03)

The subjective nature of CSR helps these MNCs to formulate their own CSR definitions

that explain the roles of business in society. While examining MNCs CSR definitions, we

selected 10 definitions provided by managers from our 10 sample MNCs. The definitions of

CSR provided by the managers of MNCs in our sample highlighted some common elements

such as sustainability, legal compliance, stakeholders, ethical conduct, economic responsibility

and social responsibility. Figure 1 showcases the three dominant dimensions appearing more

frequently in these definitions, as provided by participants. These are: stakeholders (90%),

sustainability (75%) and economic responsibility (70%). Put differently, these three

dimensions have received more attention than other dimensions in the CSR definition adopted

by MNCs. On the contrary, the legal dimension has received the lowest priority (20%). Data

from annual reports and websites further show that these MNCs highlight stakeholders,

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sustainability, economic, and environment dimensions when defining their social responsibility e.g. "helping society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress" (MNC_01) and "building a relationship based on trust with our subscribers, business partners, employees, shareholders as well as the wider community" (MNC_02).

The sustainability dimension appears to be widely taken up as an integral component of CSR definitions adopted by these MNCs. Embedding sustainability dimension in CSR enables them to contribute to social development, which is a precondition for the successful continuation of businesses; as articulated by a manager:

> Now if you don't do good things [e.g. polluting environment and exploiting workers] you don't stay in business, and your sustainability is in question. If you don't do good things for the society, it [society] will not be sustained. If the society is not there then your business will not survive. So, CSR is actually a link between business and society. (MNC_03)

Secondary data reveals that most MNCs adopt terminologies such as Corporate Responsibility (MNC_02), Creating Shared Values (MNC_06), Corporate Responsibility (MNC_07 and MNC_09), Living Responsibility (MNC_08), Sustainability (MNC_04) and Sustainable Living Plan (MNC_10) instead of CSR. To distance themselves from philanthropy and prioritize sustainability, these MNCs tend to use the above terminologies; as one of the managers explained:

> We don't believe in CSR. Because we believe that CSR is like a philanthropy, which is not sustainable. […] we believe in the concept of Creating Shared Values (CSV), which is a win-win situation for the business as well as for the society (MNC_06)

Interestingly, MNCs (such as MNC_01, MNC_03 and MNC_05), which use CSR terminology, appear to have overlooked the philanthropic dimension and incorporated other dimensions such as sustainability, stakeholders and environment. MNCs, which adopt other terminologies than CSR, have also included similar dimensions such as stakeholder, legal,

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ethical and environmental while defining their responsibility to society (see Figure 1), as

reiterated by managers:

> We define CSR- we will only invest behind the areas where we operate, this is the main vision for us as a responsible company because whatever investment we are doing behind CSR is basically we are doing it for our communities where we operate […] So if you consider where we stand in Bangladesh, the investment that we are doing behind the CSR projects is basically under the theme of sustainable agriculture and environment. (MNC_01)

> It (Sustainable Living Plan) is a threefold plan, that is, we have taken on three major objectives now. Firstly, touch a billion lives to improve their well-being. Secondly, reduce carbon footprint and use sustainable resources. Finally, enhance the livelihoods of micro entrepreneurs, and small scale farmers, who are a part of our network. (MNC_10)

Interview data from our research suggest that the philanthropic dimension has been

ignored by these MNCs in their definitions and implementation of CSR. Instead of a

philanthropic logic, CSR steered by the logic of business case consistently appeared. Phrases

such as 'enhance the livelihoods of micro entrepreneurs', for example, integrating social

initiatives with business strategy (MNC_10), 'return on investment', for example, minimizing

the risk (MNC_05) and 'availability of our products at an affordable price', for example,

integrating social initiatives with business strategy (MNC_07), appeared in CSR definitions

used by a number of MNCs, indicating the presence of business case logic. Companies pursue

CSR to minimize risk, gain competitive advantage and satisfy stakeholder demands which are

deemed as the business case logic. What transpires from these CSR definitions is that the

MNCs that participated in our research opted to create sustainable business and social benefits,

simultaneously fulfilling the expectations of stakeholders and businesses.

Insert Figure 1 here

4.2 Link between CSR and core strategies

The data from corporate websites and annual reports show that only 3 out of 10 MNCs have integrated their mission/vision statements with CSR aims, which are then translated into CSR activities. The mission/vision statements of the remaining 7 MNCs mostly focused on consumers, shareholders and business growth, and overlooked other key stakeholders such as employees and community, while also neglecting environmental issues. Phrases such as 'meeting consumer needs' (MNC_10), 'developing our brands' (MNC_10) and 'want to provide a shareholder return' (MNC_06) appeared recurrently in mission/vision statements. Nevertheless, the CSR aims of these companies exhibit their broader commitment to different stakeholders including customers, shareholders, employees, community and suppliers and overall environmental sustainability. For instance, the mission of MNC_10, which largely focused on consumers, is 'We're constantly developing our brands and products to keep pace with the changes in consumers lives'; however, the aim of their CSR approach focused on social commitment such as enhancing the livelihoods of people, improving health and well-being, and reducing environmental impacts. One manager from a multinational company demonstrated the strategic intent by linking CSR with the mission/vision statement and explaining how CSR is rooted in the mission and vision:

> Our company's vision and mission is 'to care and cure'. So it's all about responsibility and they are very much aligned […] even our marketing activities are based on this. As I said, when we organize free health camps, we target the poor and disadvantaged people who can't afford medical service in our country. So it's about caring for people. That is how, we try to relate it to our vision and mission. (MNC_07)

Secondary data analyzed in this paper suggest that three MNCs demonstrate their commitment to CSR through embedding it in the company's culture, and linking it with core businesses and the mission and vision statements. Although not all these MNCs' missions/visions make direct reference to CSR, we observed a systematic attempt to align strategic thrust with the principles of CSR across these MNCs. Here, the secondary data

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complement the findings of interviews by revealing that multinationals have begun to

transform their culture for achieving CSR orientation and supporting social agendas. Managers

claimed that they were attempting to support society by utilizing their core competency. The

following statement shows how MNCs integrate their core competency and CSR initiatives:

> …we are using our strength. For example, I am a doctor. So providing health
> care services, for me, is most convenient, most robust and most sustainable.
> The same goes for us. We are a mobile operator offering communication
> services to our customers. So if we can somehow use our expertise rather than
> focusing on a completely different thing, then we are in a better position to help
> various groups of people in the society who need support (MNC_02)

The data indicate that MNCs direct their resources by embracing a strategy to support

various underprivileged people; for example, using telecom technology to offer education and

health services to the underprivileged people of Bangladesh. Although not all the MNCs

embedded their CSR in the company's culture, all of them sought to use their core

competencies to solve social problems and improve their business performances. Here, it is

also important to note that most of these MNCs, with the exception of one (MNC_02), managed

their CSR activities through an *ad hoc* committee, marketing, HR or corporate affairs team.

4.3 Stakeholder management

Data from the secondary sources show that most of the MNCs identify their key stakeholders

and prioritize these stakeholders according to their business interests. In terms of stakeholder

identification, 9 of the 10 MNCs accorded primary importance to customers, shareholders,

employees, community, suppliers, government and regulators. Various criteria, for example

power, legitimacy and urgency, have been employed for identification and prioritization of

stakeholder groups. MNC_10, for instance, categorizes stakeholders into two groups: those

with direct financial involvement with the business (investors, customers, employees or

suppliers), or those with wider interests in the business (governments and regulators, local

communities or civil society). Here, stakeholders' relative power, which is a function of

dependence, on resources such as financial or intellectual resources, acts as a central element in the analysis of stakeholder salience. Data gathered from the primary sources also complemented this finding. Of the 10 sampled MNCs, 9 MNCs with one exception (MNC_03) prioritize their stakeholders, as articulated by a manager in the following quote:

> We are already consumer focused. Consumers are our key stakeholders. Other than the consumers we have other stakeholders like the government, public sectors and media, however; we basically focus on our consumers. (MNC_06)

In contrast, the manager from MNC_03 claimed that his company did not prioritize one stakeholder over the other:

> It is not possible to treat all the stakeholders equally, but it is also not good to prioritize stakeholders. We don't segregate stakeholders; each one has its own contribution from his or her angle, so there is no question of big or small. (MNC_03)

Despite this debate relating to stakeholder prioritization, all MNCs were found to use one-way communication such as town hall meetings, annual reports and websites to communicate CSR related information with their key stakeholders. As one manager states:

> On different occasions such as town-hall meeting, we try to communicate our CSR with employees, and whenever any other initiatives are taken these are explained to the employees. (MNC_5)

The secondary data reveal that MNCs tend to communicate CSR through annual reports and websites. Using such communication enables MNCs to disseminate CSR related information and inform different stakeholders about their organization's social contributions. Through internal CSR communication, companies demonstrate the success of CSR programs and embed the CSR vision in the day to day activities of the company. Demands relating to the social and environmental impacts of business activities are fulfilled by the means of external CSR communication such as annual reports or magazines.

4.4 Outcomes: Creating business and social benefits

Desire to gain support from stakeholders, influence employees, improve business performances, and build reputation and image push MNCs to adopt CSR. Through CSR, MNCs attempt to gain and maintain legitimacy with stakeholders. It emerged from the narrative of interviewees that CSR offers a route to get 'access to the market'. One manager underlined the importance of public expectation rather than public pressure in the pursuit of CSR:

> People are also more aware now. If one company does it, another company will get involved in such activities as they realize it is expected from them too. It is not pressure. It is expected that if they do business, they are going to do it responsibly and are going to give something back to the community. (MNC_10)

One manager emphasized two key issues in designing CSR strategies: the scope of utilizing core competencies in creating social value and the return of investment in the form of support from the people:

> …the lookout for the availability of scope in different sectors should be considered for a good return in the future. So this factor is one of the issues. Additionally, we try to find out in what ways we will be appreciated by the people. We try to measure that. Lastly, we need to use the strength of the technology available to us. We need to figure out in which areas it is possible to make use of the available technology. This is another criterion. (MNC_02_2)

Therefore, for participants such as these, CSR activities are framed within the goal of achieving public support. Key phrases used in CSR definitions given by the interviewees in this research such as 'giving back to the society' (MNC_03), 'supporting the local people of Bangladesh' (MNC_04) and 'compliance with rules and laws' (MNC_06) indicate that MNCs have used CSR to seek to secure support from the local community and government, which is the key to sustainable business growth.

Additionally, improving business performances, for example building reputation or image and shaping employee behavior, appear as key outcomes of adopting CSR. The following quotes capture these views:

> Now our businessmen are thinking from another angle, if they contribute to the society then they can grow a positive reputation or image among the people.

That image will help the business to not only get consumers but also support
from the government. These are the main reasons. (MNC_06)

…obviously there is a positive impact on them (employees). They feel that they
are able to do something for society. Maybe as an individual they cannot do
anything but as an employee of this company, they are serving society. So they
at least have a minimum satisfaction from this. You could say they get a strong
feeling of self-actualization. (MNC_08)

It appears from the data that CSR for these participants is still driven predominately by

business benefits instead of social benefits. CSR projects for example such as MNC_10's 'J'

allow the company to reach the customers at the bottom of the pyramid (Table 2). Through 'J',

MNC_10 connects remote villages with the distribution network by providing the means to

underprivileged rural women to start their own micro-enterprises. Projects such as *J*,

Telemedicine or online education undertaken by various MNCs help improve the community's

economic capital (e.g., offering health care or access to jobs), social capital (e.g., developing

relationships with stakeholders), and human capital (e.g., developing an entrepreneurial spirit

and empowering women).

5. Discussion

In this paper, we have addressed three research questions: How is CSR perceived by MNCs in

Bangladesh (RQ_1)? To what extent is CSR integrated with core business strategies (RQ_2)?

What benefits (social, business or both) do MNCs tend to deliver through their CSR

involvements (RQ_3)? Referring to ***RQ₁***, as producer of economic wealth, MNCs acknowledge

the broader responsibility that goes beyond just economic responsibility. When defining CSR,

they incorporate a wide range of dimensions including economic, environmental, social,

sustainability and stakeholder dimensions. The scope of who are considered as key

stakeholders varies among participants with some referencing employees, customers,

shareholders, and the communities while others considered farmers, governments, regulators,

international agencies and suppliers to be their key stakeholders. Among these dimensions,

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stakeholder and sustainability dimensions have received more appreciation than other dimensions such as the legal dimension, indicating that the sampled MNCs are in either the innovative stage or the integrated stage (see Table 2). The understanding of the MNC's CSR in the Bangladesh context thus seems anchored in stakeholders, sustainability and economic responsibility, with the ethical and legal dimensions assumed as taken for granted. Philanthropic responsibility, however, is discounted by most of our participants on the grounds of creating short-term business benefits although it is viewed as a key pillar of CSR in most emerging economies including Bangladesh (see Azmat & Samaratunge, 2009). The idea of adopting different terminologies instead of CSR lies in the intent to distance their social contributions from philanthropy. Such changes in understanding CSR can affect how CSR is implemented and how it is used to create benefits for society and business. Our findings further confirm a preference for an alignment between CSR and business strategies among these MNCs, supporting the logic of strategic CSR orientation and the business case (Table 2). The findings are in contrast to those of Brammer et al. (2009) who reveal that Western MNCs are more prone to philanthropic activities. However, our findings are consistent with the findings of Yin and Jamali (2016) who suggest that MNCs are increasingly adopting strategic CSR in developing countries. By focusing on strategic CSR variants, MNCs seek to reconcile business and social interests and present a distinctive model with a long-term implication in terms of the progression and metamorphosis of CSR in Bangladesh.

In relation to *RQ₂*, while advancing to strategic CSR from philanthropy, MNCs use their core competencies to seek to create sustainable benefits for business and society. Although aligning mission, vision and values with CSR represents a significant step towards adopting strategic CSR, a distance between CSR aims and the company's mission/vision remains among participants. Table 2 shows that none of these MNCs is able to fully convert their CSR and businesses to reach the transformation stage; however, most of the MNCs have

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started advancing their CSR by using core competencies in order to create social benefits. For instance, MNC_02- a mobile operator-provides health care benefits to the rural underprivileged people with the help of its mobile network. Stakeholder management including stakeholder identification and prioritization is increasingly receiving an attention from MNCs. Customers, shareholders, employees, community and government and regulators have been identified as key stakeholders. Although in developing countries, particularly in Syria and Lebanon, government, regulators and community have not been identified as key stakeholders (Jamali, 2008), they are nonetheless considered as important advocates and beneficiaries of CSR activities in Bangladesh. While managing relationships with these stakeholders, MNCs prefer one-way communication, which leads to different business benefits such seeking to improve brand image, reputation and employee identification (see Du *et al.*, 2010). In addition to one-way communication, an integrative partnership with stakeholders such as NGOs can heighten the prospect of producing sustainable benefits for business and society (Mirvis & Googins, 2006). This finding is consistent with previous studies conducted by Lindgreen et al. (2011), Porter and Kramer (2006) and Rangan et al. (2015) who note that CSR implementation, particularly strategic CSR, is a gradual process based on continuous negotiation with stakeholders in an attempt to create mutual benefits, including sustainable business and social development.

Insert Table 2 here

In response to *RQ₃*, MNCs in this study aim to reconcile self-interest with the welfare of society through adopting strategic CSR. However, the creation of social values is largely steered by the intent of improving business benefits. This finding aligns with those of Waldman and Siegel (2008), which show that adopting a CSR strategy is initially driven by business

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benefits followed by social intents. Heightened pressures from different stakeholders not only push these MNCs to adopt CSR but also encourage them to use CSR for creating "a meaningful benefit for society that is also valuable to the business" (Porter & Kramer, 2006: p.84). Through CSR initiatives, MNCs desire to manage relationships with different stakeholders, which lead to specific benefits (improving companies' financial performance and reputation/image, and influencing employees' behavior/attitudes) for businesses in an economic sense and a financial sense. At the same time, CSR projects undertaken by MNCs in Bangladesh contribute to improving the community's economic, human and social capital, which are key to sustainable social development. With strategic CSR, MNCs attempt to create both social and business benefits simultaneously, in particular, by trying to create a win -win situation for business and stakeholders (Yin & Jamali, 2016). The idea of creating win -win outcomes through synergistic value creation is deeply informed by the logic of the business case (Carroll & Shabana, 2010), suggesting that the strategic intent of most MNCs lies in the innovative stage (Table 2).

The nature of benefits either business, or social, or both that MNCs seek to attain is determined by the formation of the CSR team (Jamali, 2007). As revealed through the interviews, CSR activities, in most cases, are devised and monitored by an ad hoc committee or corporate affairs team instead of a dedicated CSR team. The management of CSR in Bangladesh continues to take a defensive stance through which managerial teams are assigned to handle the company's responses to social issues. The focus here is on protecting the company's reputation and responding to stakeholder pressures. Arguably, the objective or aim of CSR can be tainted or diminished when CSR is managed by the marketing department, PR team or single manager, in the absence of a separate CSR department (Jamali, 2007). Furthermore, a dedicated CSR department within an organization is viewed as a more institutionalized structure than other less formal structures such as an ad hoc committee (Erden & Bodur, 2010).

In terms of theoretical implications, the findings of this research broaden and deepen our existing theoretical knowledge on CSR. First, it becomes clear that MNCs operating in Bangladesh are gradually departing from philanthropy and moving towards strategic CSR by aligning business strategies with CSR. Transition from philanthropy to strategic CSR also reflects on MNCs' CSR definitions, which include various dimensions such as social, stakeholders and sustainability, but exclude philanthropy. In Bangladesh where CSR was previously viewed as a philanthropic activity, our findings make important contributions to the extant literature, particularly the international CSR strategic literature and can be useful for future research in other developing countries. However, the work to align the company's mission and vision with CSR, a critical step of moving to strategic CSR, remains an ongoing and considerable challenge. Second, our work highlights various benefits that MNCs seek to attain from CSR, including business benefits, social benefits or a combination of business benefits and social benefits.

This paper has several practical implications. First, our findings indicate that the participating MNCs in Bangladesh are increasingly recognizing the importance of using their core competencies to generate social benefits. Based on this, and seeking to move towards creating sustainable economic and social benefits, MNCs should further develop a mechanism for understanding and appreciating the needs of local stakeholders and then craft CSR to address these needs accordingly. Active engagement, for example, dialogue with local stakeholders can enable MNCs to comprehend the expectations of their stakeholders and design appropriate strategies to address these needs (Morsing & Schultz, 2006). Second, defining CSR only constitutes the first step; there is then a need to translate this into practice. Such translation into practice is needed in order to prevent industrial accidents such as the Rana Plaza disaster, which is a glaring example of how avoidance of legal responsibility by businesses in a developing economy can negatively impact corporate reputation, economic interests and safety

of employees (see Sinkovics *et al.*, 2016; The Guardian, 2013). There are contextual challenges such as work place safety, corruption, and government incapacity to enforce existing regulations that deserve attention in the pursuit of CSR in a developing country. In such a context, MNCs' CSR practices guided by legal and ethical responsibilities (e.g., auditing workplace safety and developing ethical guidelines) can offer greater opportunities for contributions in areas where there are institutional voids. MNCs operating in developing countries such as Bangladesh should note that the societal reactions to irresponsible behavior and negligence are mounting as different local stakeholders including consumers and government are becoming increasingly conscious of their rights (Islam, 2015; Quazi, 2002). Therefore, any attempt to take short-term CSR measures based on deliberate window dressing would seem to fracture, rather than remedy, long-term strategic CSR objectives. Finally, the idea of adopting strategic CSR is predominantly steered by business benefits, which also provide the necessary resources for social and environmental activities. To overcome the challenges posed by business imperative, the following steps are required: an understanding of the existing business model, a transformation in the current business model, a systematic process of embedding CSR in the organizational culture and an assessment of undertaken changes in the organizational culture (Lindgreen *et al.*, 2011). Such steps are not straightforward, but identifying them is an important first move.

This research has limitations which need to be recognized. First, the sample selection presents a snapshot of the MNC landscape in Bangladesh. The sample was constrained by the availability of MNC managers who were less candid and declined to be interviewed for fear of revealing sensitive information about their company. This limitation needs to be taken into account in generalizing the findings across Bangladesh and beyond. Some of the future studies should include MNCs operating in other sectors such as the banking sector. Second, this study did not consider factors such as the roles of different local stakeholders such as media and

consumers, parent companies, and international stakeholders such as the United Nations that might shape MNCs' CSR behavior. It is, therefore, important to include these factors while examining CSR in future studies. Third, this study is based on the views of managers; however, to understand the impact of CSR on different stakeholders (i.e. social impacts), future studies should incorporate the views of different stakeholders, particularly the local community, who have been affected by CSR initiatives. As such, this paper provides important insights into the ongoing development of CSR in a developing country context, while also highlighting areas for further research to continue enhancing our knowledge and understanding of a critical area of corporate practice.

Insert Appendix 1 here

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