



Finnish Multinationals Engagement with Non-Governmental Organizations: From Dialogue to CR Innovation?

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Carita Riutta

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Department of Management Studies
Aalto University
School of Business

Author Carita Riutta

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Thesis advisor(s) Kristiina Mäkelä and Rilana Riikkinen

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Abstract

This study researches the phenomenon of MNE-NGO engagement in the context of Finnish society. The first objective of the study is to find out factors why Finnish MNEs select to engage with particular NGOs. Secondly, this study aims to find out which forms of NGO engagement the MNEs prefer and for what reasons. The topic of MNE-NGO engagement has been gaining increasing interest during past decades in academic research due to interest towards CSR and NGOs. However, why particular NGOs are selected among increasing number of NGOs to be supported is very slightly researched field.

The theoretical framework of this study is formed by looking into MNE, CSR and NGO first separately and then from business-NGO engagement perspective. The starting point is MNE and CSR literature thus it can be stated that without those concepts there would be no contact between MNEs and NGOs. The NGO literature makes sense of the variety of NGOs within societies, and business-NGO literature introduces the forms of engagement these organizations have established. The literature review introduces the Extended Collaboration Continuum where all potential engagement forms between business and NGOs are placed according to their special characteristics. In addition, and to complete the theoretical frame of reference, strategic search and choice literature is utilized.

The empirical research is conducted as a multiple-case study. Director and managerial level representative from both MNEs and NGOs are being interviewed. The representatives are responsible for either marketing, stakeholder relationships, fundraising or corporate social responsibility. In total, 11 persons are interviewed personally in semi-structured interviews.

The findings of this study indicate that Finnish MNEs and NGOs engage with each other for several of reasons. The main reason for selecting a particular NGO is that the MNE-NGO engagement need to fulfill a certain strategic aspect within the overall company strategy. As importantly, the Finnish MNEs select only NGOs which values are aligned with the company values. Also non-monetary support and large and few engagements are the most common NGO selection factors.

According to the findings, the Finnish MNEs prefer the low involvement stage engagements - namely philanthropy and transactional engagement. Even though the Finnish MNEs highlight the strategic aspect being an important NGO selection factor and the literature supports the business-NGO engagements enlarging to higher involvement stages on the Extended Collaboration Continuum, the low involvement NGO engagement forms remain strong. However, the findings show that the Finnish MNEs which base their decision to support a particular NGO to cognitive aspects, such as evaluating the outcome of the engagement, seem to reach the higher involvement engagement forms on the Extended Collaboration Continuum more often. MNEs practicing only philanthropy are, on contrary, basing their NGO and engagement form selection to their past experiences.

Keywords MNE, NGO, CSR, Business-NGO Engagement, Collaboration, Philanthropy

Tekijä Carita Riutta

Työn nimi Suomalaisten monikansallisten yhtiöiden ja kansalaisjärjestöjen välinen kanssakäyminen: Hyväntekeväisyydestä sosiaalisiin innovaatioihin?

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Tiivistelmä

Tämä Pro gradu-tutkimus pureutuu suomalaisten monikansallisten yhtiöiden ja kansalaisjärjestöjen väliseen kanssakäymiseen ja tutkii sen eri muotoja. Tutkielman ensimmäinen tavoite on määrittellä miksi suomalainen kansainvälinen yritys valitsee tietyn kansalaisjärjestön alati kasvavan ja monimuotoisen järjestökentän joukosta yhteistyökumppanijärjestöksi. Toinen tavoite on selvittää mikä on kanssakäymisen muoto, jota yhteistyöllä tavoitellaan ja miksi. Aihetta on tutkittu viime vuosina sosiaalisen vastuun merkityksen kasvaessa, mutta miksi tietyt järjestöt ja tukimuodot valikoituvat on vähemmän tutkittu aihe.

Tutkimuksen viitekehys muodostuu pääsääntöisesti kolmesta eri kirjallisuuden haarasta ja noudattaa suppilorakennetta. Ensiksi kirjallisuuskatselmus esittelee multikansallisten yritysten ja sosiaalisen vastuun kirjallisuutta, jotka muodostavat perusteet tutkimusaiheelle. Toiseksi katselmus esittelee kansalaisjärjestöjen historiaan, asemaa ja rakenteita, sillä ne saattavat vaikuttaa yhtiöiden haluun tukea järjestöjä. Kolmanneksi katselmus selvittää mitä yhtiöiden ja kansalaisjärjestöjen kanssakäymismuotoja tunnetaan ja miksi näihin saatetaan päätyä. Katselmuksen kolmesta eri näkökulmasta muodostuu teoreettinen viitekehys, jota täydennetään strategisen etsinnän ja valinnan kirjallisuudella.

Empiirinen osio koostuu monitapaustutkimuksesta. Tutkimus toteutettiin puolistrukturoiduilla haastatteluilla syksyllä 2013. Haastateltavina olivat sekä yritysten että kansalaisjärjestöjen johtaja- ja päällikkötason edustajia markkinoinnin, yhteiskuntasuhteiden tai sosiaalisen vastuun vastuualueilta. Yhteensä yksitoista henkilöä kymmenestä eri organisaatiosta osallistui haastatteluihin.

Tutkimuksen tulokset osoittavat, että suomalaiset monikansalliset yhtiöt käyvät kanssakäymistä eri kansalaisjärjestöjen kanssa. Suurimmalle osalle yrityksistä on tärkeää, että kansalaisjärjestöjen kanssa käytävä yhteistyö täyttää valitun strategisen tavoitteen yhtiön sisällä. Yhtä tärkeää on, että yhtiöiden ja järjestöjen arvot ovat linjassa. Strategian ja arvojen ollessa tärkeitä suomalaiset monikansalliset yhtiöt haluavat myös tukea järjestöjä pitkällä aikavälillä ja lisäksi valita laajoja yhteistyömuotoja. Suosituin järjestöjen ja yhtiöiden välinen yhteistyömuoto on kuitenkin hyväntekeväisyys ja muut vähemmän osallistuvuutta vaativat muodot. Tämä tulos on ristiriidassa kirjallisuuden kanssa, joka painottaa nimenomaan monimuotoisempia ja molemmin puolin osallistavia yhteistyömuotoja. Hyväntekeväisyys ja lahjoitukset ovat kuitenkin helppo ja yksinkertainen muoto tukea järjestökenttää sillä osalle suomalaisista monikansallisista yhtiöistä järjestöt ja vastuullisuus ovat vielä uusia konsepteja.

Avainsanat multikansallinen yhtiö, kansalaisjärjestö, kanssakäyminen, yhteistyö, hyväntekeväisyys

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1. INTRODUCTION

1.1. Background

Multinational enterprises (MNEs) have gained increasing global interest within societies since the beginning of industrialization. Key drivers for the interest have been MNEs' fast growth in size and number, and their operations' constant expansion further away from their home markets. The global interest towards MNEs has also been due to the MNEs' gaining power, not only in business arenas, but also in politics and lives of ordinary customers. Occasionally, the power and the fast expansion have caused conflicting interests between MNEs and other members of societies (*See: Figure 1, Seitadini 2010*). These other members, including individual customers, have often criticized e.g. MNEs' way of complying with human rights and environmental standards, or other laws and regulations of the respective societies in which MNEs' operations have expanded to.

One way to tackle the conflicting interests between the MNEs and other society members, the MNEs have incorporated corporate social responsibility (CSR) in to their business. Together with the MNEs, the CSR is not new to the business world, but still today, multinationals battle with a question whether they should *give back to the societies* they are located in. It can be generalized that Milton Friedman's (1970) well-known opinion; the only responsibility of a business is to make profits, has been largely rejected, and the current view to CSR is that companies should do more than that. Therefore, today's CSR is on its way from answering the question "whether" to "how" to incorporate CSR into business (Epstein 2010, p. 19).

To answer to the question *how* the CSR should be incorporated, the MNEs have created several of CSR activities. One of the most recent ways is to engage the business to a non-governmental organization (NGO). Together with MNEs, the NGOs have increased in numbers, size and operational scope, and thus become able to offer opportunities for

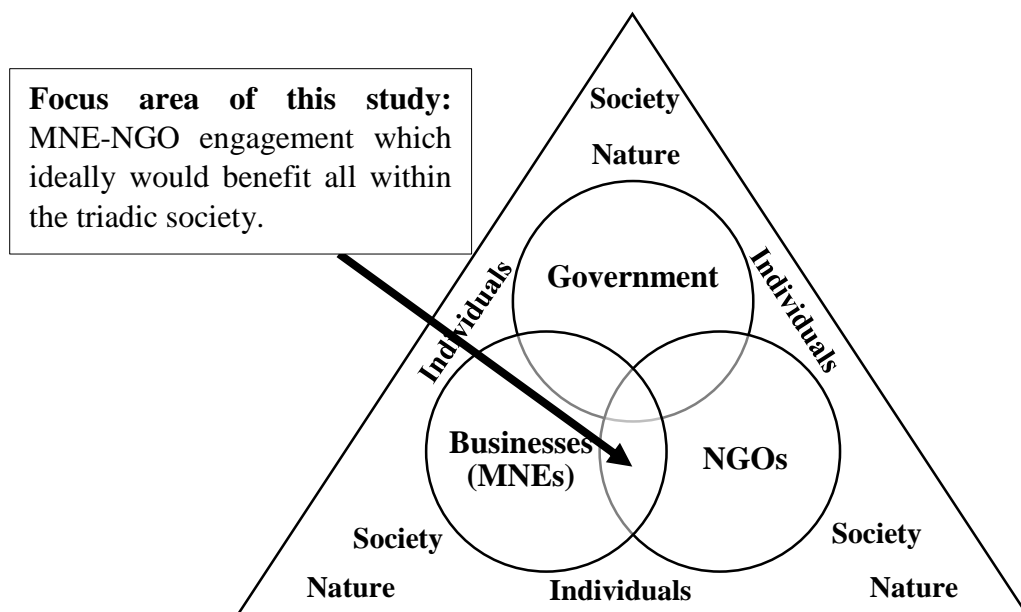
company engagements and different engagement forms. Traditionally, these two fundamentally different type of entities, for-profit MNEs and not-for-profit NGOs, have focused their efforts on confronting each other, but because of the mentioned reasons, engagement and collaboration have become norms today. (Austin 2000; Doh & Teegen 2003; Yaziji & Doh 2009, Teegen et al. 2004; Dahan et al. 2010).

Although, before reaching any particular MNE-NGO engagement, there are many decisions to be made. First of all, MNEs and NGOs have to decide who they want to engage with. As mentioned, both organizations have increased in number and operational scope which in turn offers many alternatives for potential engagement. Secondly, the MNEs and NGOs can choose from many options for engagement form. The MNE-NGO engagement form can vary from pure corporate philanthropy, e.g. donating money for a NGO project, to more complicated forms such as co-created products and services. Thirdly, and for another consideration, the both organization need to consider carefully what is the outcome they what to reach when engaging with each other. Some argue that an ideal MNE-NGO engagement should always be a *win-win-win* engagement from which the whole triadic society would benefit as shown in Figure 1 (e.g. Laasonen et al. 2012; Porter & Kramer 2011). In other words, the MNE-NGO engagement should benefit the MNE's business, the NGO's cause, and the society around by large.

As it becomes clearer, there are many aspects to deliberate when these two different type of organizations come together. And, although partner and engagement form selection would be carefully made, not all the MNE-NGO engagements lead to the ideal all-win situation or other wanted outcomes. Therefore, this phenomenon, *business-NGO engagement*, or more precisely *MNE-NGO engagement*, offers a fruitful and yet still relatively slightly researched topic for this study. Because of the mentioned background and to narrow this broad context, this study focuses on finding out factors why Finnish MNEs select to support particular NGOs. What type of engagement forms the MNEs prefer and why are being examined additionally. To draw these objectives together, this study aims to find out whether there are a common decision making patterns between the

MNEs when they select the NGOs and the MNE-NGO engagement forms. This research topic was selected due to the present author's personal interest towards corporate social responsibility and personal working experience in a NGO in Finland. Figure 1 below presents the triadic society mentioned together with the focus area of this study.

FIGURE 1: *Triadic Society*, Adapted from e.g. Seitadini 2010.



1.2. Research Problem and Gap

As already pointed out, MNEs and NGOs are two different types of organizations with fundamentally different missions to fulfill in societies. Research around business-NGO engagement has been increasing in the past twenty years in management and international business research due to e.g. researchers' accelerated interest towards CSR. These two types of organizations' potential to create new business models when simultaneously helping the society has been another important factor. (e.g. Yaziji & Doh 2009; Kourula & Halme 2008; Porter & Kramer 2002; 2011; Prahalad 2005; Dahan et al. 2010).

However, much of the past research has either focused on businesses on a specific industry or on single case studies of business-NGO engagement (e.g. Kourula 2008; Seitadini et al. 2010). Often too, these single case type of studies have researched heavily natural resources utilizing companies and international environmental NGOs (e.g. Ritvala & Salmi 2011, Seitadini et al. 2010). Also the NGOs side of the engagement has been sometimes overlooked in the present literature, but as Kourula (2010) mentions, if the data gathering is limited to the one-side of the engagement, the business side, the overall business-NGO field might be viewed through overly positive lenses.

Therefore, this study approaches the MNE-NGO engagement on a broader base. To reach the broad base, this study utilizes multiple-case study as a research method and both organizations, the Finnish MNEs and NGOs, operating nationally and/or internationally, are being studied. The NGOs are not, however, the main focus of the study. On contrary, this study aims to take a deeper look into the MNEs' side of the engagement. Which are the most significant factors determining why MNEs select to engage and support particular NGOs is under focus.

In addition to the NGO selection factors, the engagement forms are being studied. This study presents *Extended Collaboration Continuum* (adapted from Austin 2000 and other authors) to which the different MNE-NGO engagement forms known are placed according to their special characteristics. Later on, the empirical data aims to show which engagement forms are the most preferred ones by the Finnish MNEs and why and thus it study shows where the MNE-NGO engagement currently stands in Finland. In addition, comparison between MNEs' and NGOs' driving factors regarding the engagement are being made. Possible problems of the engagement forms will be highlighted too. Finally, this study aims to find out if there are common decision making patterns behind the NGO and the engagement form selections which as such is a very slightly researched topic.

1.3. Research Objectives and Questions

As stated previously, the purpose of this study is to understand the engagement between the Finnish MNEs and NGOs and which are the factors determining both the NGO and the engagement form selection.

The more specific research questions are twofold:

- 1) What factors influence a MNE's decision to support a particular NGO?
- 2) What form of engagement between a MNE and a NGO the MNE prefer, and why?

1.4. Limitations of the Study

Limitations of this study can be divided into four categories at this point. First, although MNE-NGO engagement is global phenomenon, this research is conducted in Finland and therefore, the study is Finnish society specific. Secondly, this study will not cover the relationships and engagements with governmental organizations. I.e. the implications of this study do not reach either the engagement between NGOs and governmental organizations or engagement between businesses and governmental organizations as described in the Figure 1. Also so called tri-party engagement, collaboration between all of the three organizations, is outside of the scope of this study. Thirdly, the researched companies represent some of the biggest companies in Finland yielding to that the implications might not be directly applicable to small- and medium-sized enterprises (SMEs). In addition, the NGOs studied are some of the largest in Finland and thus the implications might not be suitable for small NGOs. Lastly, the interviews conducted for this study take place during a short period of time in fall-winter 2013 which focuses this study on the current standing of MNE-NGO engagement as mentioned previously.

1.5. Definitions

Before introducing the structure of this study, it is worth defining key definitions to be used. The most important definitions are; multinational enterprise (MNE), non-governmental organization (NGO), corporate social responsibility (CSR), and MNE-NGO engagement and its forms. These four concepts are explained in more detail next.

MNE

Multinational enterprise “consists of a group of geographically dispersed and goal-disparate organization that include its headquarters and different national subsidiaries” (Bartlett & Ghoshal 1990, p. 603). A MNE need to be registered in more than one country and sell and/or buy products within those countries (ibid). In this study, the MNEs are headquartered in Finland but operating internationally.

NGO

NGOs are “private, not-for-profit organizations that aim to serve particular societal interest by focusing advocacy and/or operational efforts on social, political, and economic goals including equity, education, health, environmental protection, and human rights” (Teegen et al. 2004 p. 466). Thus, the term NGO represents a diverse set of organizations with their either outward-looking (benefitting others than solely their own members) or inward-looking (benefiting mostly their own members) aims (ibid).

CSR

CSR has not established one specific definition in business literature. Yet still, the commonly cited definition is given by Carroll (e.g. 1991; 2004) stating the company should respectively fulfill its economic, legal, ethical, and philanthropic responsibilities. So-called *triple bottom line* or *three Ps* –definition, according to which a socially responsible company should carry out its economic (profit), social (people) and environmental (planet) responsibilities simultaneously, is often used (e.g. Elkington 1997).

However neither of the classical CSR definitions does apply to MNE-NGO engagement directly, and thus, nor to this study. More relevant and current definition given by Visser (2011, p. 7) is more applicable; “CSR is an integrated, systemic approach by business that builds, rather than erodes or destroys, economic, social, human and natural capital.” This definition highlights the current view of CSR incorporation and applies better to MNEs in which CSR should be taken as an inseparable part of all operations at home and foreign markets.

MNE –NGO Engagement and its Forms

In this study, the engagement between the Finnish MNEs and NGOs in the triadic society (See: Figure 1) is examined. *Engagement* in the context of this study is any interaction between a MNE and a NGO. Terms *business-NGO engagement* and *MNE-NGO engagement* are used interchangeably.

Engagement can take many different forms from low involvement to high involvement engagement. Corporate donations, cause-related marketing, sponsorship, employee volunteering, service purchase, among others, are some most common (Vernis et al. 2006). Joutsenvirta and Kourula (2011) add that the engagement can also mean consultation, learning, and research workshops. More ongoing and direct business-NGO engagement happen when the businesses are in advantaged stages (i.e. more incorporated stages) in their CSR practices, whereas companies with less advantaged CSR practices tend to have less intense engagement forms with NGOs (Mirvis & Googins 2006). The MNE-NGO engagement can be one-time type of engagement, e.g. sponsoring a NGO event, or long-term collaboration.

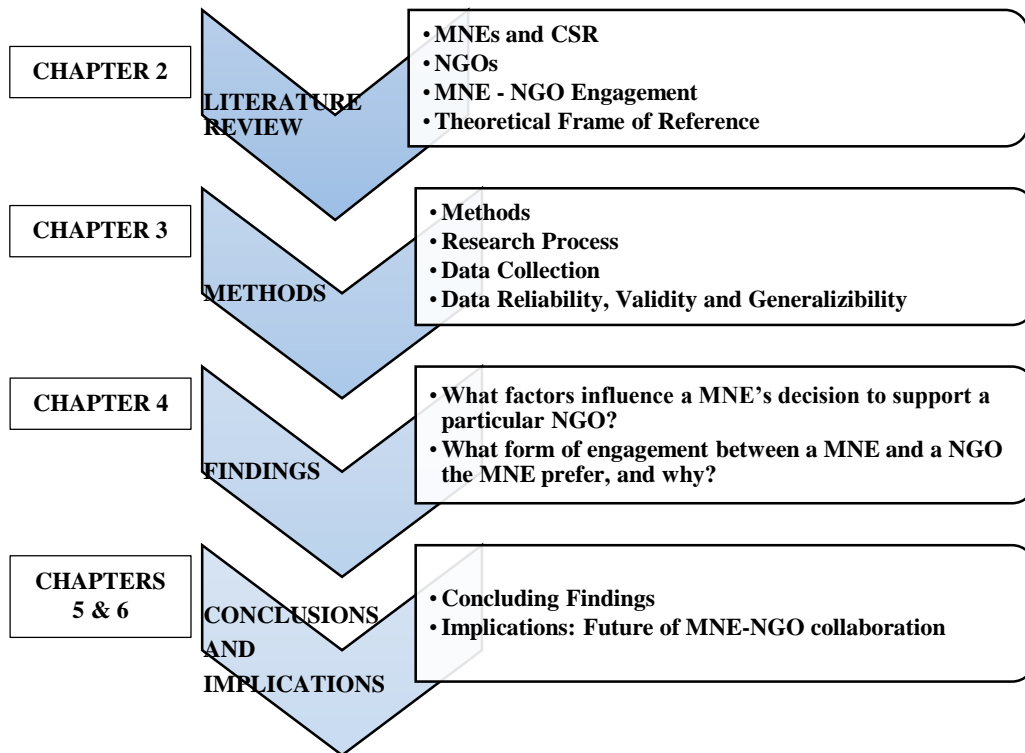
1.6. Structure of the Study

After the definitions and before getting into the actual research, it is good to review how this study is organized. There are six chapters in this study. After this *Introduction*, in Chapter 2, *Literature Review* looks into the phenomenon of MNE-NGO engagement from three different angles. First, some of the most common MNE and CSR literature is reviewed because it can be stated that without the concepts of MNE and CSR, there would be no contact between MNEs and NGOs either. It is also valuable to review the MNE and CSR literature in order to grasp the big picture of what type organizations the MNEs are. In addition, the current CSR trends are examined briefly to highlight the importance of CSR in MNEs' business environment. Afterwards, NGOs and their role in society are examined. This is to avoid the one-sided look into the topic as mentioned previously, and also to gain the understanding of the NGOs in general. Following from there, the current literature of business-NGO engagement is investigated in order to shed light on what type of engagement forms have been established and why. The last part of the literature review touches upon possible patterns for strategic search and choice approaches within MNEs, and lastly presents the *Theoretical Frame of Reference*.

After the literary review, Chapter 3 describes qualitative research, semi-structured interviewing and multiple-case study methods utilized in this study. Research process and data collected are explained, and the Chapter 3 ends with the discussion of data reliability, generalizability, and validity.

Chapter 4 presents the findings of this study. According to the twofold research questions, the Chapter 4 is also divided to two main sections. The findings are elaborated and discussed more deeply in the *Conclusions* -chapter in Chapter 5. Lastly, Chapter 6 summarizes the findings and gives managerial implications and recommendations together with potential future research topics. Figure 2 on the next page summarizes the structure of this study as described above.

FIGURE 2: *Structure of the Study*

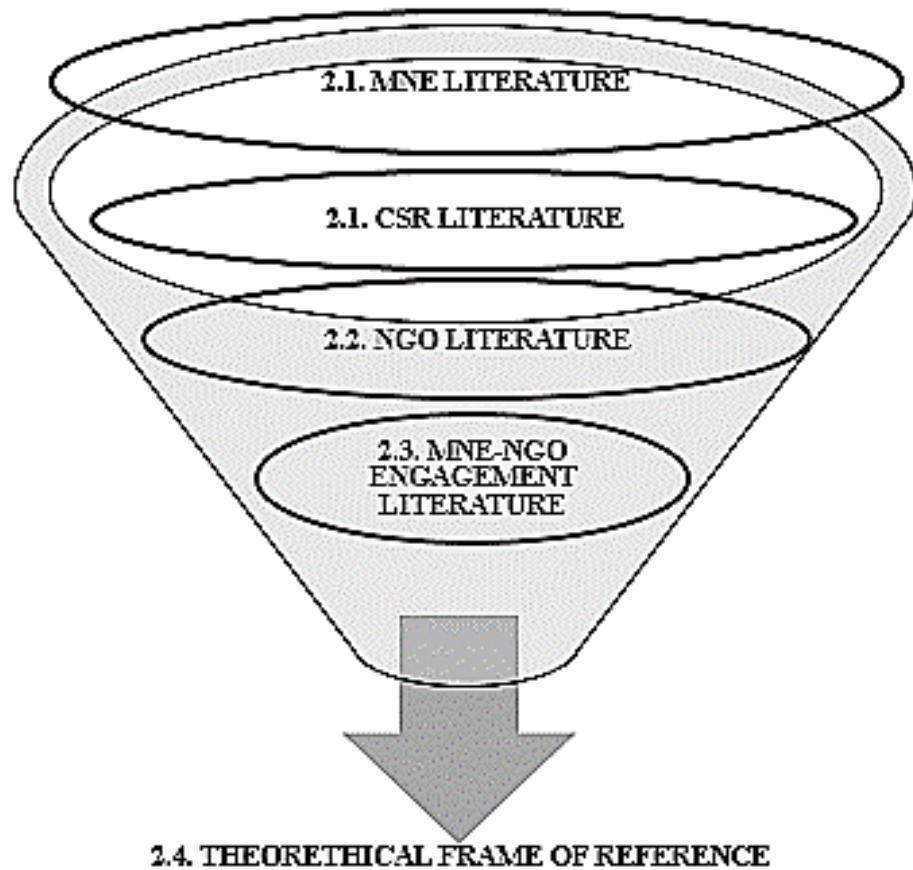


2. LITERATURE REVIEW

Purpose of this study is to bring insight to the increased phenomenon of MNE-NGO engagement. From the MNEs' point of view, it can be claimed the NGO engagement falls under a wide and diverse topic of CSR thus CSR, in its essence, entails all company's sustainable actions under one term. Therefore, this literature review begins with the big picture of MNEs and CSR in Section 2.1. This starting point was selected in order to comprehend what type organizations MNEs are in general and why CSR has become increasingly important to them. In the following Section 2.2., the NGOs are being introduced. The colorful terminology and variety of NGOs are needed to be addresses in order to understand what type of organizations the MNEs are engaging with.

Afterwards, Section 2.3. reviews business-NGO relationship and engagement literature and presents potential engagement forms known. The possible benefits of the MNE-NGO engagement forms are briefly analyzed too. Finally, the fourth part of this literature review, Section 2.4., puts together the theoretical frame of reference. The section begins with potential search and choice patterns which the MNEs might follow when deciding on which NGO to support and through which engagement form. Figure 3 on the next page illustrates the funnel approach selected for this literature review before going into Section 2.1.

FIGURE 3: *Funnel Approach to the Literature Review*



2.1. Multinational Enterprises and Corporate Social Responsibility

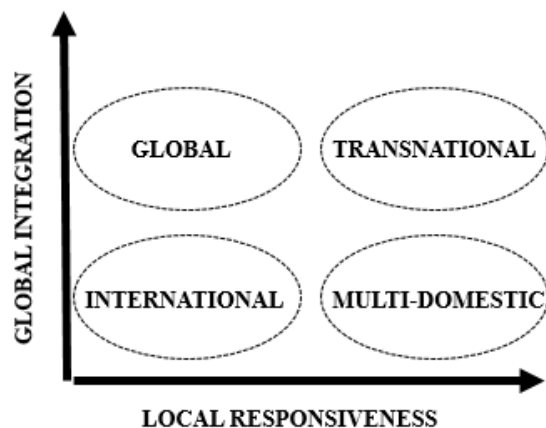
2.1.1. Multinational Enterprises

Self-evidently, MNEs are companies which have expanded their operations outside of their home markets. Growing amount of research has been studying how companies proceed with their internationalization reflecting the importance of strategic choices the MNEs need to make. E.g. the form of internationalization (indirect or direct exporting, licensing, joint venture, acquisitions, or greenfield), the best location for production, headquarter-subsidiaries relationships, and whether the MNEs need to localize their

market offerings when entering to new markets, are widely researched MNE and international business topics (Ghoshal & Bartlett 1990; Prahalad & Doz 1987; Johanson & Wiedersheim-Paul 1975).

To understand how the companies go about with their internationalization, the classic pieces of international business literature categorizes companies into four groups according to their strategies. These four groups are *international*, *global*, *transnational* and *multi-domestic* companies (e.g. Bartlett & Ghoshal 1989; Prahalad & Doz 1987). Within this framework, two measures *global integration* and *local responsiveness* determine which type of internationalization strategy the MNE follows such as summarized in Figure 4 below.

FIGURE 4: *Global Integration - Local Responsiveness Matrix*, Adapted from: Bartlett & Ghoshal 1989; Prahalad & Doz 1987.



To explain the two measures; more *globally integrated* the MNE is, the more it has spread its operations to locations where it can be the most effective. E.g. global integration should be high when a MNE looks for cost savings on production. On the horizontal axis, *local responsiveness* weights how much a company needs to modify its

operations to accommodate different markets' special characteristics. For instance, a highly locally responsive MNE tend to modify its market offering to reflect the each locations' special requirements.

To describe each of the strategies briefly in more detail, *an international company* follows the most straight-forward internationalization strategy among the four. International companies have typically established a strong home market presence and they practice international trade via simple forms such as direct or indirect export. International companies' main product or service is often usable as such in different market locations and thus no country or region specific modifications are required when operating abroad. *Multi-domestic*, or *multi-national company*, on contrary, takes the internationalization a step further. Multi-domestic companies realize that the product, or features of it, need to be customized for a specific country or a region. However, as well as international strategy, multinational strategy does not consider the global integration such as scale advantages being highly important.

In turn, *a global company* considers possible cost benefits. Global company produces its goods where it is inexpensive and sells them without major customization around the world. A technology company producing a standardized component in China, assuming the production being the cheapest there, and selling it all over the world, could be one example. Lastly, *a transnational company* has been in some literature regarded as the one and only way to go for MNEs. This approach takes the local responsiveness and the global integration into account and thus a transnational company produces and sells customized offerings where it is relatively most profitable.

Global integration and local responsiveness framework is a viable internationalization strategy visualizing tool. However, one needs to keep in mind that each individual MNE might not fully exploit one strategy, and that the strategies might shift due internal and external factors. How the change within the internationalization strategy happens is one of the most common research topics within international business. In some literature,

MNEs' changes in internationalization strategy is being described as a stages model. For instance, *Uppsala model of internationalization* notes that the companies first internationalize to countries culturally and geographically close to their own, and by time and with increased knowledge and learning, move to more distant regions (Johanson & Wiedersheim-Paul 1975; Johanson & Vahlne 1990; 1977). With the increasing knowledge and by time, the MNE can change its internationalization form from simple exporting to more complex ones such as joint ventures and greenfield investments and thus it can transform e.g. from an international company to a transnational one.

During past years, Uppsala model has been challenged by other views. The critique towards the model has been due to globalization, fast technological advancements, and the emerged literature of network MNEs (e.g. Johanson & Vahlne 2009; Bartlett & Ghoshal 1990). A *network MNE* is an entity which is embedded in its environment with its external and internal networks' members. The network enables the company gain resources efficiently through its wide network and therefore, stage-by-stage internationalization proposed by the Uppsala model is not necessary (Bartlett & Ghoshal 1990), I.e. the network allows the MNE to skip the stages of the Uppsala model if desired, and a MNE does not need to possess a strong foothold at their home market before going abroad. MNEs such as *born globals* may not even recognize their home market and are truly established to compete on a global scale from the beginning (e.g. Luostarinen and Gabrielsson in Dana's book 2004; Rennie 1993). Born globals can be found in all the industries nowadays. Particularly high technology companies have been challenging the traditional internationalization strategies following MNEs since the beginning of 1990s (Jolly et al. 1992).

What comes to the Finnish MNEs which are under the main focus in this study, they have followed all of the described internationalizing strategies. Traditionally, however, the Finnish MNEs have first developed a strong foothold within the home market in Finland, and afterwards, taken careful steps to the international markets by following the simple internationalizing strategies as described by the Uppsala model. What has been

remarkable although is that the pace of internationalization within Finnish MNEs has increased, and nowadays, the born globals are very common in Finland too (Luostarinen & Gabrielsson in Dana's book 2004).

Regardless of the internationalization strategy or its pace of development, what is common between all MNEs today is that they need to consider broader set of national or regional differences than ever before. Why it is valuable to consider the differences, or distances between countries, is simply because those can set barriers for business at any given time (Ghemawat 2001). In this time of fast transfer of goods, services and information, it is not only about the geographical distance but cultural, administrative and economic differences between countries which might affect (ibid). In addition to the distance decision, the MNEs' choices needs to preferably be aligned to the overall company strategy because "the modern era of globalization entails a balancing act between the components that are part of their [MNEs'] regular internationalization strategies and broader corporate considerations (Kolk & Tulder 2010, p. 120). The 'broader considerations' relate to economic, legal, ethical and social issues of countries the MNE operates (ibid). The broader considerations entail too the MNEs' need to confront all other society members, both home and abroad, on increasingly frequent pace in the globalized world. This is where MNEs' corporate social responsibility and the engagement with local organization, such as NGOs, step into the MNEs' operations. Thus next, this literature review expands this view and looks at the history of CSR together with the current CSR trends.

2.1.2. Corporate Social Responsibility

As stated previously, the topic of this study, MNE-NGO engagement, falls under a broad term of CSR. In general, CSR can be described as an umbrella which gathers company's all sustainable and responsible actions under one place. CSR does not, however, come without controversies and as e.g. Seitadini highlights "the spectrum of CSR implementation ranges from window dressing to embedded practices in the operations

and strategy of corporations” (2010, pp. 139). For this reason, it is important to examine the CSR trends from more historical perspective to the current and regional trends.

Historically, CSR has derived from an idea that companies are inseparable members of societies, and therefore required to operate in a way that no harm is caused to anyone around them. Well-known *triple bottom line* (TBL) has reflected this view by stating; a sustainable company needs to simultaneously balance between its economic, environmental and social responsibilities in order to retain in business. Additionally, this balancing act has to be made while embedded with constantly changing environments which often make the TBL decisions difficult. (Elkington 1997).

Within this Elkington’s (1997) framework, the corporate *social* responsibility is one of the three aspects to balance with. A socially responsible company e.g. should ensure it serves the welfare of its employees, respects human rights, and maintains good relationships with communities and organizations around. *Environmental* responsibility, on contrary, aims to avoid harming the nature e.g. via development of supply chains and lean production practices. Last but not least, the environmental and social responsibility decisions need to be implemented without harming the company financially. (ibid).

Certainly, every company has to decide how to balance with their own triple bottom line decisions. One strategic tool to begin with can be conducting *a stakeholder analysis*. Briefly to describe, the stakeholder analysis usually begins with analyzing all groups the company operations might or does touch upon. Typically, the stakeholder analysis makes separation between internal and external stakeholders which then can help the company to find out who their closest stakeholder groups are and how these variety of groups with different needs should be treated and prioritized (e.g. Freeman 1984). In the context of this study, a Finnish MNE should e.g. satisfy a particular NGO’s demands because the NGO belongs to the external or secondary, but in some instances internal and primary, stakeholder group of the MNE.

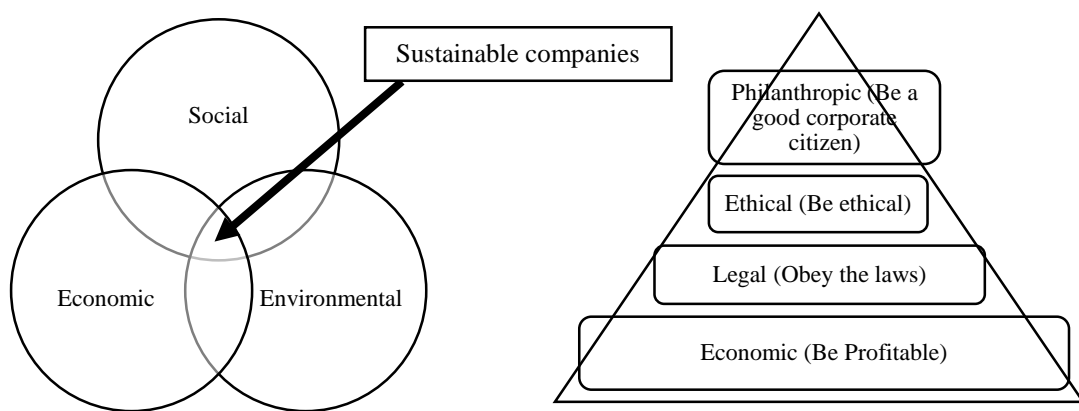
In some cases, addressing the stakeholders' demands are self-evident, and from historical perspective, it can be said that already in the beginning of Western industrialization companies have taken stakeholders into account. Even though CSR had not been yet evolved as a term, many large companies were building housing and kindergartens for their employees in the beginning of 1900s' Finland (Joutsenvirta et al. 2011). In those days the motivation within the companies was most probably the retention of their employees and not CSR or good stakeholder relations *per se*. This example, however, highlights that the CSR is not new to the business world.

Elkington's (1997) framework and stakeholder analysis can be described taking an outside-in approach to CSR whereas Carroll (e.g. 1991 among other authors) take more an inside-out view. In his classic CSR research, Carroll (1991) states that a company should, respectively, fulfill its economic, legal, ethical, and finally, philanthropic responsibilities. Within the Carroll's hierarchal framework, the tip of the pyramid, the philanthropic responsibilities, are the ones considering the corporate social and environmental responsibility issues. However, nowadays *philanthropy* carries rather negative connotation, and even though Carroll's CSR activities are not limited only to pure corporate philanthropy as we know it today, the framework may already be outdated.

To challenge Carroll (1991) and other authors, the current CSR literature present CSR more as an opportunity and strategic choices rather than 'necessary-evil-practices'. The more strategic ways are ones which benefit both the society as a whole and the company's business economically (Porter & Kramer 2002; 2011). The key here is that the company proactively engages and collaborates with their stakeholders and environment in a way that the outcome would be value added to both the company and the cause (the cause can be social and/or environmental). In the context of this study, this *shared value* - concept can be enlarged to cover NGOs too which then implies that all the parties should benefit from the company CSR. I.e. the CSR should lead to the previously mentioned win-win-win situation so that the implementing CSR or MNE-NGO engagements would

be justified to all. Section 2.3. describes later the MNE-NGO engagements in detail and Figure 5 summarizes both Carroll's and Elkington's classical CSR frameworks discussed above.

FIGURE 5: *Elkington's Triple Bottom Line and Carroll's CSR Pyramid*, Adapted respectively from: Elkington 1997; Carroll 1991.



As it becomes clearer, CSR is wide and diverse topic which can be looked into from several perspectives. What is, however, remarkable is that the CSR is nowadays highly expressed within companies, and Milton Friedman's (1970) neoclassical type of "only profit making" –attitude has been widely rejected. The rejection of this view have been largely influenced by unfortunate incidents where particularly MNEs have failed to consider the impact of their operations globally (e.g. Nestle in Africa, Union Carbide in India, BP at Gulf of Mexico, Adidas and Nike in Asia). From their own and others' mistakes, MNEs have learned CSR can be practiced by many ways. This has led to CSR activities diversification and incorporation into the business. As a proof of the diversification, the synonym of CSR, philanthropy, has become only one form of practice CSR today.

What has been typical for CSR literature is that it has been North American driven. To dispute this view, some authors have corresponded that CSR also exists elsewhere but it is practiced differently. In addition, it has become apparent the CSR has gained more popularity, especially in Europe, just during the past decades. Matten and Moon (2008) explain that North American companies have tended historically practice CSR *explicitly* whereas the European counterparts have thought CSR more *implicit* way. With this separation, the authors point out first that the explicit CSR consists of CSR forms which are most often based on voluntarism and companies' strategic choices which yield to actions which combine social/environmental and business value (2008, p. 409). The explicit CSR may also be responsive to stakeholder groups' pressure and it might involve partnerships with governmental and non-governmental organizations. What is typical to explicit CSR is the CSR activities are often stated explicitly on company's website and other communication channels i.e. communicated to the company stakeholders.

On the other side, the more European style CSR, *implicit CSR*, is driven by "the wider formal and informal institutions for society's interest and concerns" (Matten & Moon, 2008, p. 409). The company embedded in this type of society is acting responsibly due to the pressure coming for its broad institutional environment rather than from its individual voluntary decisions. This approach stems from the fact that many social and other services, e.g. health care and education, are offered and funded by the governmental institutions in countries where companies tend to practice implicit CSR. For these reasons, it is valuable to keep in mind CSR is always national institutional context specific. However, Matten and Moon (2008) continue that "the explicit CSR is gaining new momentum across Europe and beyond" and the reasons for that are changes in political, financial, labor, and cultural systems, for instance (pp. 415-417).

Husted and Allen (2006) make another distinction within CSR and the authors separate companies practicing *local and global CSR* rather than distinguishing companies by their origin as done by Matten and Moon (2008). According to these authors, the local CSR is adapting to the requirements and standards set by the local communities whereas the

global CSR are universal ethical principles to be fulfilled in any country context. Local CSR is more common among multi-domestic and transnational MNEs than global MNEs (*See*: Figure 4 for MNE types). Global CSR is, however, equally common among all the four types of companies (*ibid*).

Already criticized Carroll has expanded his CSR Pyramid (*See*: Figure 5) to *Global CSR Pyramid* to highlight the MNEs' increased complexity too (2004). MNEs' increased influence, their wrongdoings and rising stakeholder power have made Carroll to enlarge his CSR pyramid to reflect global market place's characteristics.

According to the CSR researched authors (e.g. Carroll 1991; 2004, Husted and Allen 2006, Matten and Moon 2008) it seems that the interest regarding MNEs and CSR has moved from barely home country focused to global market place focused, and simultaneously from simple to more complex. Also the national differences effect the CSR's role as well they effect the internationalization strategies of the MNEs. Thus, this section aimed to highlight the complexities of both MNEs and CSR in constantly changing globalized world. Next, the attention is drawn to the NGOs which are the other entities of MNE-NGO engagement.

2.2. Classifying NGOs

In order to understand the big picture of this study, the MNE-NGO engagement, the precondition is to make sense of the both organization types. Therefore, this Section 2.2. turns the focus on the deeper recognition of NGOs and their development within societies. This chapter looks into the NGOs from three perspectives. First, colorful terminology and history around the NGOs are discussed briefly. Secondly, NGOs' types and purposes within societies are described. Last, this section of the literature review looks into NGOs' organizational structures. These three interlinked aspects aim to make sense of the NGOs as organizations. The three aspects may also have an effect on the

MNE-NGO engagement and thus, are relevant to be discussed before MNE-NGO literature in the next Section 2.3.

2.2.1. *NGO Terminology and Short History*

Sometimes called as *third sector*, NGOs' importance within societies has increased during the past decades. The modern era of the NGOs can be traced back to 1960s and 1980s when many civil right, environmental and women's right movements evolved to demand change in public policies and corporate practices (Yaziji & Doh 2009). In other words, the rise of the NGOs happened when citizens felt neither the public sector (governmental organizations) nor the private sector (companies/markets) could answer to all people's needs and the people saw they needed to take action in an organized way.

Lindenberg and Dobel (1999) suggest the influence and number of NGOs have historically been increasing due to two major reasons; 1) the expansion of the private (company) sector and 2) the shrinkage of the public sector (government). Private sector expansion has been a consequence of the markets' growth and economic globalization. The shrinkage of the public sector has happened when cutbacks in public resources, inclining privatization and eroding trust in the government have taken place (ibid). The NGOs have thus evolved between governments and companies globally, and as a result, adapted some of the roles which used to be public or private sectors duties, such as healthcare and education. This has not lead to NGOs replacing all the public and private sector duties, and according to many, the NGOs should *only* compliment "healthy democracy" and not substitute the governments' tasks (Edwards 2000, pp. 15).

However, citizens' dissatisfaction and the empty space between governments and private sector do not barely explain the growing number of NGOs and their influence. Yaziji and Doh (2009) have studied number of NGOs and these authors explain that there are preconditions which people must understand before taking part in NGO activities. The authors point out that people must understand existing political system, processes and structure, and most importantly, see NGOs' potential as an effective mean to solve e.g.

social shortcomings before engagement with an NGO can happen. All in all, these preconditions together with the increased number of NGOs highlight strongly that NGOs have become permanent members of societies around the world.

To separate NGOs from governmental and market-based organizations, term *civil society*, as well as previously mentioned *third sector*, has been adapted to describe the NGOs. However, as Edwards and Gaventa (2001, p. 2) argue, the common consensus over the wording is not easily find. The authors state:

“Civil society is a contentious term with no common or consensus definition. It is the arena in which people come together to advance the interests they hold in common, not for profit or political power, but because they care enough about something to take collective action” (ibid).

From the statement above, it is quite clear that the NGOs’ driving force is a particular issue which should be taken action upon. Also terms *non-profit organization* and *civil society organization*, NPO and CSO, has been developed to separate them from market-based companies. The difference between a NGO, a NPO and a CSO is, again, impossible to define, and therefore, all the terms are often used interchangeably in literature. For this study, NGO represents the best term. This is due to the term being well-known and making a distinction to governmental organizations. However, in the same token, it is worth mentioning that NGOs, even though politically unaffiliated, might be funded partly and remarkably by national governments and intergovernmental institutions.

As the terminology around the non-governmental organizations is rather colorful, what is commonly accepted is that the participation to NGO, NPO, or CSO is based on *voluntarism*. Whereas the governmental sector and the participation to those organizations is mandatory in a sense, the NGOs are giving people and companies choices for take part in activities they find important. The voluntarism is a precondition to

social movements which can be seen as another driving force for the increased number of NGOs (Vernis et al. 2006). Social movements according to Teegen et al. (2004) are “broad societal initiatives organized around a particular issue, trend or priority.” Again, it is hard to define a difference between a social movement and the civil society described earlier.

The particular issues, trends and priorities mentioned by Teegen et al. (above) vary surely between countries. Thus, social movements and volunteering are surely effected by countries’ culture and institutional environment such as CSR practices mentioned in previously. In North America, people have traditionally emphasized individual involvement and “the state has long let private citizens to handle severe social problems through volunteer organizations” (Vernis et al. 2006, p. 5.). On the contrary, in Northern European countries the public sector’s duties have included taking care of the social services such as health, pensions and education. This all is well-aligned to Matten and Moon’s (2008) study about explicit and implicit CSR where the North American companies tend to explicitly embrace CSR on contrary to more implicit CSR practiced by European counterparts.

When culture and institutional environment effects the social movements and companies’ CSR, they certainly also have an effect on NGOs and how the role of them is seen within specific countries. As mentioned in the section introducing MNEs, different countries and regions are different from each other and the difference between them can be measured by different distances. The traditional measures are cultural, administrative, geographical and economic distances, i.e. *CAGE-framework* (Ghemawat 2001). Distances help decision makers in their respective organizations to identify and evaluate a set of attributes which might have an impact on the organization when comparing e.g. two different countries (ibid). Related to distances and NGOs, Kourula (2010) adds a distance which the author calls *civil society distance*. By this he clarifies that civil-society distance measures the NGO bases in different countries and the relations between different institutions and NGOs, for example. Kourula (2010 p. 397) specifies:

“Civil society distance can encompass the size, diversity, societal legitimacy, power, activity (active/passive), nature (adversarial/cooperative), interrelatedness (local and international networks), international orientation, history and geographical dispersion of national organized civil society (NGOs) and social movements.”

In other words, the civil-society distance explains the NGOs might take a different stand in different countries e.g. when engaging with companies around. Thus, there are numerous of countries and NGOs, some of the most general types of NGOs and their purposes within societies are discussed in the next section 2.2.2.

2.2.2. Types of NGOs and Their Roles in Society

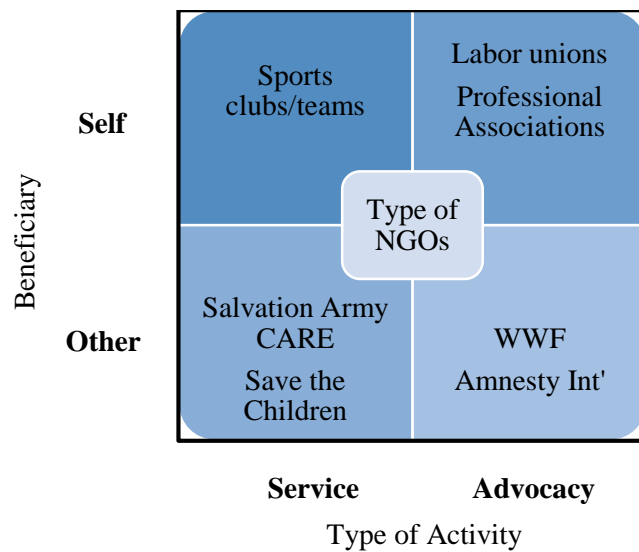
Historically the role of NGOs has been regarded as being *the watchdogs of the societies* (Yaziji & Doh 2009). I.e. examining injustices and pointing out them out to the public and governments have considered to be NGOs’ traditional contributions. Although, this type of NGO activism is still present, NGOs have arranged their activities under many other forms too to serve their beneficiaries. In this section, the different types of NGOs are introduced with their special characteristics.

To begin with, the NGOs can be defined according to their operational scope. The NGOs can operate either on local, national, international, and/or global levels. Local NGOs typically consist of small size organizations e.g. local sports clubs or religious groups or other leisure activities organizing entities. National NGOs, on contrary, have a larger scope than local NGOs, and these might include NGOs aiming to make an impact on the national legislation. National labor unions and professional associations are some examples of mostly nationally operating NGOs. The international NGO, or INGOs, are probably the most known NGOs. Amnesty International, Plan International, World Wildlife Foundation (WWF), Doctors without Borders, Greenpeace, and Save the Children are some of the most recognizable INGO brands. However, these and other INGOs might have very local and regional operations through their organizational structures and networks. For another type, *a global NGO* has not been established as its

own term, but it is worth mentioning that INGOs have often global reach when counting together all their operations such as fundraising and support and relief projects.

In addition to the NGOs’ scope of operation, Yaziji and Doh (2009) divide different type of NGOs according to two dimensions; 1) whom the NGO is designed to benefit and 2) what type of activities the NGO conducts. This view is presented in a two-by-two matrix in Figure 6 with some example NGOs.

FIGURE 6: *NGOs According to Their Beneficiaries and Type of Activities*, Adapted from: Yaziji and Doh (2009, p.5).



To explain the matrix above, “service NGOs provide goods and services to their clients with unmet needs” (Yaziji & Doh 2009, pp. 9). When split in two, *self-service* NGOs benefit their own member group and work on the national or local level such as sports clubs or teams. As mentioned in *Definitions* -part of this study, these are examples of *inward-looking* NGOs (Teegen et al. 2004). On the other side, *other benefitting service* NGOs, thus *outward-looking*, provide services and goods to a larger group of people. The

global examples of these type of organizations are Salvation Army, CARE, Plan International, and Save the Children among many others.

On the right side of the matrix are *advocacy NGOs*. They are different from the service NGOs in a sense that they try to impact and “shape the social, economic or political systems to promote a given set of interests or ideology” (Yaziji & Doh, 2009, pp. 8-9). The authors separate advocacy NGOs into two, *a watchdog* NGO and *a social movement* NGO. The former is not aiming to radical change but rather to ensure that the requirements of the current system are met; whereas the latter, the social movement NGOs, being more radical and demanding change to the current system. Again, the advocacy NGOs can serve either their own members (such as labor unions which often require a membership) or others (such as WWF) which try to make relatively bigger impact on people or environment.

As Yaziji and Doh (2009) point out, there is not strictly drawn line between the different NGOs. Dynamic environments in which the NGOs operate too can make them to shift from a quadrant to another, and/or to occupy multiple quadrants simultaneously such as MNE within the global integration-local responsiveness matrix described earlier (*See: Figure 4*). E.g. Doctors without Borders offer simultaneously services to people in need in catastrophe relief areas and lobby in the legislative forums (*ibid*).

In the same token, it should be noted that line between the *non-profit* and *for-profit* organizations has blurred. Due to globalization, the current economic crisis, the inequities between people, and the climate change have given an opportunity for so called *hybrid organizations* (Porter & Kramer 2011; Laasonen et al. 2012). These are organization which have been created to serve for a social and economic goods and thus simultaneously diminishing the precise cut between for-profit and non-profit. Also some other authors call these type of organizations as *social entrepreneurs* or *community enterprises* highlighting the increased need to collaborate due to scare natural resources.

The need for hybrid organizations companies might be increasing during the next few decades when natural resources are getting scarcer.

This section aimed to describe NGOs' roles and types within societies. Next, section 2.2.3. expands to describing the NGO organizational structures more deeply.

2.2.3. *Organizational Structures of NGOs*

In addition to the scope of operations and beneficiaries, NGOs differ in the type of organizational structure. For a better picture of NGOs, it is worth discussing briefly what type of organizational structures the NGOs have built for managing their operations. MNE-NGO engagement to be discussed in next sections might be effected by the structure of the NGO.

Roughly, the NGOs can be categorized in five different organizational types; *Separate independent organizations*, *Independent organizations with weak umbrella coordination*, *Confederations*, *Federations*, and *Unitary corporates* (Lindenberg & Dobel 1999, p. 13). Firstly, *independent organizations* are NGOs which are not attached to any larger organization. Self-explanatory, independents are responsible for solely their own operations. Secondly, *independent organizations with weak umbrella coordination* are NGOs belonging to a group or network of similar type of organizations but which might conduct their own operations such as fundraising separately from the mother NGO. Third types pf NGOs, *confederations and federation NGOs*, are characterized with stronger links between the head office and local/regional branch offices. In confederation model, the member organizations have power to coordinate and control the head office's duties, on contrary to the federation model, where the central head office has more power over the member organizations. Lastly mentioned NGO structure is *the unitary corporate* which according to the authors is:

“Only one global organization with a single board and central headquarters, which makes resource acquisition, allocation, and program decisions. There are branch offices around the world, which are staffed by the central body and implement decisions.”

(Lindenberg and Dobel 1999, p. 14).

Depending on the structure of the NGOs, companies might prefer some of the forms more compatible than others. According to Berger et al. (2004) the companies are more likely collaborate with a NGO which have central power in their hands (p. 79). However, in the same token, Berger et al. continue that the small autonomous NGO such as mentioned independent, weak umbrella and confederation type of NGO structures, might offer more flexible solutions for the collaboration and be more innovative and adaptive for local concerns (2004).

To summarize, this section 2.2. focused on making sense of the colorful terminology around NGOs. The section began with describing the history and variety of NGOs in today’s societies and ended with introducing the different organizational forms of the NGOs. Next, it is time to turn the interest towards the actual topic of this study and discuss what engagement forms these two different type of organizations described have established according to the literature. Thus, the next Section 2.3. brings together the MNEs and NGOs in the light of business-NGO engagement literature.

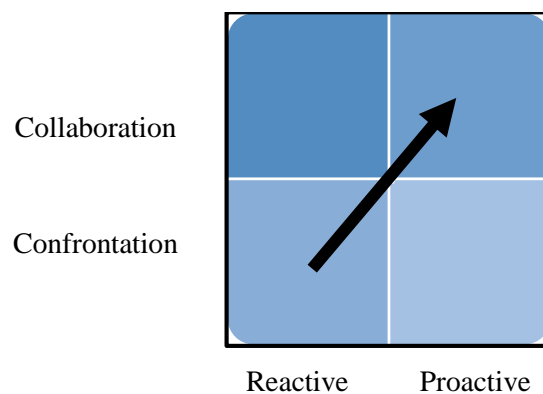
2.3. MNE – NGO Engagement and Its Forms

This section of this study brings together previously discussed MNEs and NGO in the light of the current literature of business-NGO engagement. This part of the study introduces first the different forms of engagement between MNEs and NGOs, and secondly, analyses potential benefits of the engagements.

2.3.1. MNE and NGO Relationship and Engagement

Business-NGO engagement and relationships has been gaining sharply increasing number of publications in few years' time (Seitadini 2010; Laasonen et al. 2012; Kourula & Halme 2008; Ritvala & Salmi 2011; Yaziji & Doh 2009; Austin 2000; Vernis et al. 2006). The grown literature indicates that both companies and NGOs have realized that engagement can benefit the both. On the other hand, as some authors suggest, these two parties might still plant a seed for a conflict (Yaziji & Doh 2009; Arenas et al. 2013). The potential of conflicting relationship yields from for the historical point of view where the NGOs have traditionally pointing out the companies' wrongdoings to the people or the nature. What is common between the recent papers about the topic is that the engagement has moved from adversarial and reactive confrontation towards more proactive type of collaboration between the two as highlighted in Figure 7 (Vernis et al. 2006).

FIGURE 7: *Matrix for Relationships between Companies and NGOs*, Source: Vernis et al. (2006, p. 26)



Whether the collaboration between these two parties is either reactive or proactive, there are numerous of options to be applied. When these parties decide on collaboration, Austin (2000) suggests the process of collaboration develops as a stages model called 'Collaboration Continuum'. Within his framework, the collaboration between a NGO and a business varies depending on the level of the relationship these two parties have and

that the tendency is that the parties migrate from low level of involvement to more involved relationships. The steps in the model are philanthropic, transactional and integrated stages (ibid).

To describe the continuum in more detail, *Philanthropy* represents the lowest involvement relationship between a company and a NGO. In the middle of the continuum is the stage of *Transactional collaboration*, thus placing *Integrative collaboration* to the other, high involvement, end. (Austin 2000). When following the Austin's (2000) continuum, it is obvious that the list of forms of collaboration he present is not comprehensive. However, he offers a viable framework to which other authors can contribute. Thus from now on, the Austin's (2000) framework will work as a backbone of this study, and the continuum is examined in more detail and in the light of other researchers' work next.

As mentioned, on the Austin's (2000) continuum, the company and a NGO interaction is at its simplest at the philanthropy stage. In philanthropy little communication between the parties is made and the relationship can be described as a charitable donor and a recipient relationship. In philanthropy, a company usually makes a donation in money for a specific NGO but also some other contributions such as in-kind services might apply. Kotler and Lee (2005) note that in-kind services can be often less costly (for the company) options than money donations. In-kind services donated can include excess products, use of distribution and marketing channels, and technical expertise among other easily given services. Halme and Laurila (2009) also mention that the company can encourage their employees to donate their own time in form of voluntarily service. What is common between different philanthropic activities is that usually, the donations become without any equivalent from the NGO. "In essence, the charitable activities take place outside of the firm's immediate business and no direct business benefits are sought from them" (ibid., p. 329). This type of low commitment engagement does not usually require communication or feedback between the parties either after the termination of the

donation-recipient relationship. The philanthropic donation can also be either a one-time or continual charity to the NGO.

Historically, North American-based companies have been practicing philanthropic donations, and as explicit CSR is described by Matten and Moon (2008) (earlier in this study), the donations fit to that framework well thus they are often based in voluntary actions. However, Porter and Kramer (2002) state that the charitable contributions by the North American companies have declined during the past years, and at least, what should take place is the corporate philanthropy migrating towards strategic meaning. A strategic link between a company and a charity, a NGO or a cause, should be more obvious (ibid). Yielding from Porter and Kramer (2002), *strategic philanthropy* should be added to Austin's (2000) original continuum after the pure philanthropy in order to make a difference between philanthropy and more strategically aligned type of charity or donations. No concrete equivalent is given by the NGO in the case of strategic philanthropy either thus the word philanthropy is still valid to be retained.

After the two philanthropic stages, the parties can move to the transactional stage where the parties "carry out their special resources through special activities" (Austin 2000, p. 22). At this stage, more specific business-NGO engagement forms might include licensing, cause-related marketing, co-hosted events, or other paid service arrangements such as sponsoring. Contradicting Austin (2000), Halme and Kourula (2008) point out that *sponsorship* is a part of philanthropy. The authors do not acknowledge transitional stage as a separate category of MNE-NGO collaboration either (Halme and Kourula 2008, p. 559). The present author, however, wants to highlight that a fundamental difference should remain between the transactional and philanthropic stages; the engagement at transactional stage includes two-way actions whereas the philanthropy is only one-way. In other words, and at least hypothetically, the both parties should gain concrete benefits at the transactional stage such from sponsorships. At the transactional stage no new business is created but rather old business expanded through a new way. As

Austin (2000) mentions that at this stage the strategic fit between the partners becomes closer and the value reaction as one of the goals of the collaboration.

At the third and the final stage of the Austin's (2000) Collaboration Continuum are the *Integrative* engagement forms. At this stage, more advantaged forms of engagement are established requiring additional resources inputs from the both organizations. These might include innovative R&D processes e.g. the NGO helps the company to tap their product into a certain developing market. The key feature at Integrative stage is that the engagement should start to look like a strategic joint venture which is central to the both organizations. Kourula and Halme (2008) explain that the integrative collaboration focuses on the companies' existing business and conducting it more eco-friendly and sustainable way. When compared to the philanthropy or transactional stages, the integrative stage requires more strategic eye, and therefore, this form of engagement increases the managerial complexity and magnitude of resources among other aspects. The key to the success at this stage is that the resource allocations should be increased by the both organizations in order to the collaboration to yield results.

Kourula and Halme (2008) somewhat agree with Austin's framework (2000) to the extent of the transactional stage. However, they add another stage for the collaboration which the authors call corporate responsibility innovation, or *CR Innovation*. The authors suggest that the businesses should move towards CR innovation due to the engagement fulfilling the *win-win-win* situation described earlier in this study. At this stage, the engagement demands core business's expansion in form of e.g. a new product or service when simultaneously some social issue or environmental problem is eased. The key to the CR innovation is the novelty, and thus the CR innovation differs from integrated stage greatly. This type of new development is in-line with the *shared value* -concept introduced by Porter and Kramer (2002; 2011). CR innovation can also be related to bottom of pyramid marketing (BOP) researched by e.g. Prahalad (2005), Prahalad and Hammond (2002), and Govindarajan and Trimble (2012). In BOP marketing, the new product or service is targeted to a masses of people in developing nations where the

company, with or without a NGO's help, will research the potential new inventions and then cost effectively and affordably sell the product of service to those masses of consumers with low incomes. To sum up, in the CR innovation, the novelty makes the difference and CR innovation needs to be added to the Austin's original collaboration continuum.

When combining all the introduced engagement forms, it is obvious that the philanthropy has remained as one of the alternatives for the collaboration between MNE and NGOs, but at the high involvement end, many forms have been added during the recent years. However, the continuum is yet lacking a couple of engagement forms often presented in the business-NGO literature. These forms seem not directly to fit under any of the preceding ones.

The other is *dialogue* conducted between MNEs and NGOs. Dialogue can be at its simplest just exchanging ideas and prospect outlooks of the business or the NGO's cause. Because no tangible resources/equivalents are necessarily exchanged, the present author would fit the dialogue before philanthropic stages on the collaboration continuum. Nevertheless, it is valuable to mention the companies might conduct the dialogue on frequently basis. In this case, the dialogue transforms into a systematic forum for changing ideas. This *systematic dialogue* is then requiring additional resources from the MNE and NGO thus making it a part of the higher involvement stages on the collaboration continuum. It seems that the systematic dialogue aims to better the existing business and thus making it a part of the integrated engagement stage (Kourula & Halme 2008).

In addition to two types of dialogue, what seems to lack from Austin's (2000) framework is the potential seed of *conflict or adversarial relationship* which these two parties might have established. As Arenas et al. (2013) suggest, businesses, scholars, NGOs, among other institutions, should not forget that the confrontation and potential conflict might also lead to actual collaboration. The authors state that in their respective case studies

“the relationship between the organizations [MNE and NGO] moved beyond an adversarial stage and included some type of dialogue that created an opportunity for potential or actual collaboration” (Arenas et al. 2013, p. 732). In addition, the authors mention a third party involvement might be attached to the conflict and thus trigger the collaboration, however, in neither of the researched cases, the confrontation type of relationship moved to a philanthropic one (Arenas et al. 2013).

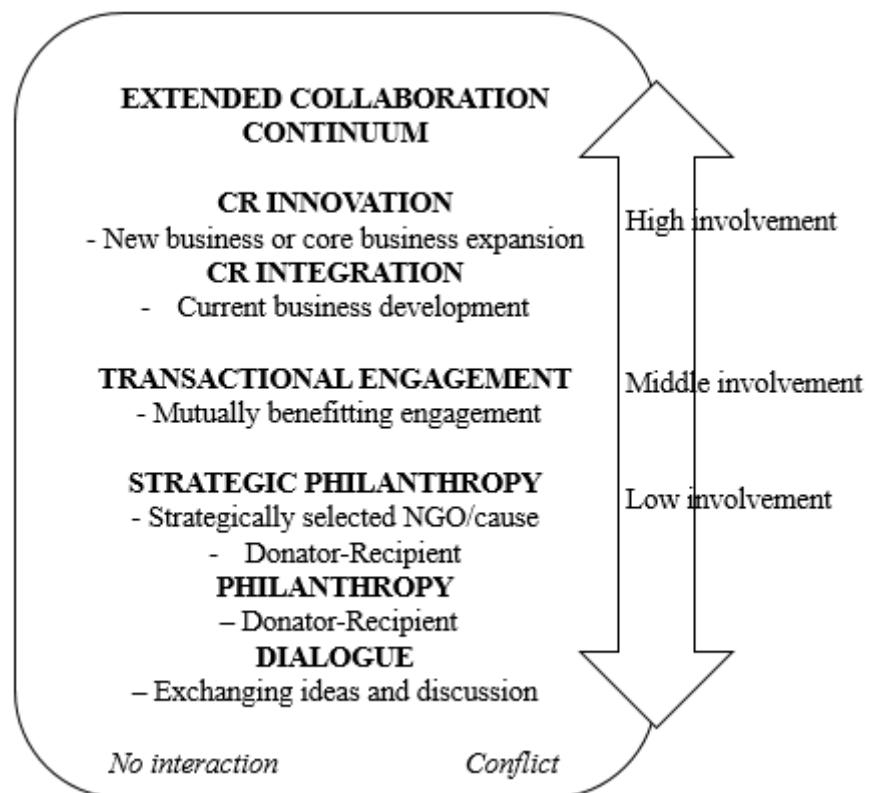
Due to the conflicting relationship might seed a start for dialogue, the *adversarial engagement* should precede the dialogue on the collaboration continuum. However, as in any type of relationship in life, the conflicting interests might develop during the engagement causing the parties to terminate the relationship. Thus, the adversarial relationship/engagement is not placed on the continuum but rather as an external force surrounding the whole extended continuum together with *no interaction* –status between the organizations.

Now, when finally moving on, Austin’s (2000) Original Collaboration Continuum shown in Figure 8 can be enlarged to the *Extended Collaboration Continuum* framework in the Figure 9. The Extended Collaboration Continuum presents a list of potential forms of business-NGO engagement as described above. To clarify, the model should not, however, be taken as a linear model, or stages model, to engagement evolution. This is simply due to that the organizations may either step into the continuum for several reasons and backgrounds. In addition, a trigger for a specific engagement form can emerge either due to external pressures or internal influences. MNEs and NGOs might also exploit many of the forms simultaneously with different NGO partners too. Both figures are presented on the next page.

FIGURE 8: *Original Collaboration Continuum*, Source: Austin (2000, p. 35).

	One	Two	Three
Relationship stage	Philanthropic	Transactional	Integrative
Level of engagement	Low		High
Importance to mission	Peripheral		Strategic
Magnitude of resources	Small		Big
Scope of activities	Narrow		Broad
Interaction level	Infrequent		Intensive
Managerial complexity	Simple		Complex
Strategic value	Modest		Major

FIGURE 9: *Extended Collaboration Continuum*, Adapted from: Austin (2000), Halme and Kourula (2008), Porter and Kramer (2002; 2011), Arenas et al. (2013).



As the Figure 9 presented the potential engagement forms between MNEs and NGOs what has not been discussed so far is why particular engagement form or NGO engagement at all should be selected. In order to shed the light on those issues, the next section briefly discusses potential benefits of NGO engagements in general.

2.3.2. Benefits of the NGO Engagement

Above some, if not all, possible engagement forms between businesses and NGOs were introduced. Still, in this literature review, it has remained unclear whether the engagement between these organizations is beneficial at all and why for-profit MNEs should engage with not-for-profit NGOs. Arguments why the companies should engage with NGOs is looked next from resource-, knowledge- and network-based views of the companies thus those frameworks can offer some explanation.

Resource-based view: To describe briefly, resource-based view (RBV) is based on ideologue that each company is equipped with its own special resources. In order a company to retain in business competitively sustainable, these resources should be valuable, rare, inimitable, and non-substitutable and therefore carefully nurtured (e.g. Barney 1991). From this view point, the engagement with a NGO should complement the company's and NGO's resources in order they to become stronger in the market together than alone. Dahan et al. (2010) note that these complementary resources can create value for both parties by putting two incomplete business models together for instance in developing BOP markets. The authors point out that the MNE-NGO engagement can contribute to e.g. R&D, marketing research, marketing, production, distribution and business model development and thus, by time, to the profits of the company (ibid).

Dahan et al. (2010) example might offer explanation for MNE-NGO engagement on the high involvement stages on the Extended Collaboration Continuum, but also lower involvement stages need to bring some benefits if the companies take in part in it. Taking a simple example of lower stages; in philanthropy, the company gives its resources (e.g. money, products or time) to a NGO without receiving anything concrete in return from

the NGO. Kotler and Lee (2005) explain that the philanthropic activities might have other benefits e.g. helping companies with:

- 1) *Building reputation with respected organizations,*
 - 2) *Creating community goodwill and national attention,*
 - 3) *Strengthening the corporation's industry,*
 - 4) *Building and securing a strong brand position, and*
 - 5) *Having an impact on societal issues in the local community*
- (p. 150-160).

Knowledge-based view and Network theory: From the knowledge-based view, a MNE would engage with a NGO not for mentioned intangibles or other resources only but because of other gains such as specific knowledge and social capital (Millar et al. 2004). Millar et al. (2004) state that the NGO engagement can help the company by providing valuable information about the market under focus and that way e.g. help the company to overcome the outsidership to the market.

According to the network theory, the MNEs, as well as other companies and institutions, are embedded within large networks of their own and other institutions, such as NGOs. This in turn might lead to the network members engaging with each other on a very local basis. For instance, a MNE subsidiary can collaborate with a local NGO in order to learn about new markets. An example of this is base-of-pyramid (BOP) marketing where a NGO might help the company to gain access to the new potential markets or co-create a product to satisfy the needs of the BOP consumers (Prahalad 2005). Surely, the BOP example could be used from the resource-based view as mentioned by Dahan et al. (2010) earlier. In that case, the NGO would give its knowledge and access to the new market and the MNE its new products to help the NGO's beneficiaries.

Choi et al. (2005) explain and connect the knowledge-based view and network theory when stating that the MNEs should go beyond pure market evaluation when choosing a partner NGO. The authors suggest that in addition to knowledge gained from a partner NGO, the NGOs linkages to the institutional context should be evaluated. The NGOs' local presence through local networks and governmental partnerships should be evaluated

when determining on the partnership (Choi et al. 2005). The networks of the NGOs seems to be important. Ritvala and Salmi (2011) researched companies' involvement to an environmental issue network (network of companies, NGOs and governmental organizations around the Baltic Sea); one of the motivating factors for companies to take part in an issue network was stated being the network benefits such as a wider understanding of the pool of organizations around the issue.

From these three perspectives, resource-, knowledge-, and network-based views, the benefits of the MNE-NGO engagement can vary from intangibles to tangibles. The empirical findings of this study show whether the mentioned benefits are included as the determining factors for MNEs when they select the NGOs and the engagement forms. Next, the theoretical framework puts together the literature, the research questions and potential selection approaches the MNEs might utilize when selecting the NGO and the engagement form.

2.4. Theoretical Frame of Reference

Literature reviewed described in a detailed fashion MNEs, NGOs, and what the current literature knows about business-NGO engagement and its forms. In addition, some of potential benefits of MNE-NGO engagement were briefly introduced in the light of resource-, knowledge-, and network-based views. However, it still seems that there might be some other factors which might affect the MNE when it decides on which NGO to engage with and how.

One yet not discussed aspect is how individual people within MNEs go about with decision making process regarding the MNE-NGO engagement. Decision making in general is a broad and interdisciplinary topic and thus offers a great amount of theories and literature to be applied. Gavetti and Levinthal (2000) offer one viable framework for a search-and-choice-process which can be applied to the context of this study. Before

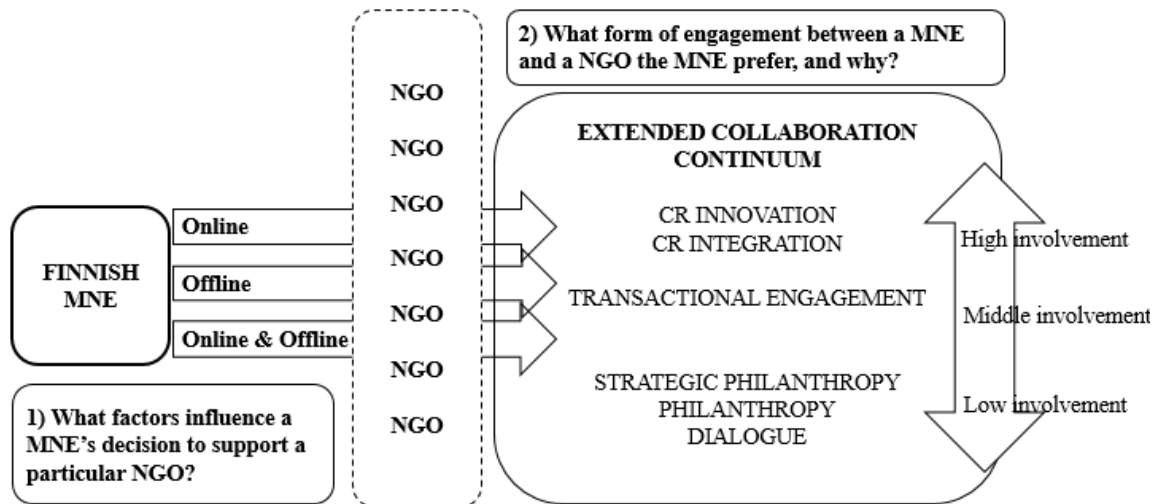
applying these authors' framework to this study, the framework itself needs to be explained.

To simplify, Gavetti and Levinthal (2000) state that any strategic search and choice process can be conducted either based on decision makers' previous experiences or cognitive aspects. An experience-based, *online approach*, refers to search and choice which are done and limited by previous experiences and feedback from similar type search and choice situations involved in before. On contrary, in the cognition-based, *offline approach*, the decision makers evaluate different sets of alternatives and possible outcomes of them according to their current view of the world. By evaluating the possible outcomes and choices, they select the option which the decision makers feel returning maximum payout (ibid). Additionally, it can be argued that these two approaches can be used side by side yielding to that the strategic search and choice can be conducted either online, offline or online-offline.

When this simplified framework is put in use in this study, the decision makers in MNEs select a NGO partner and an engagement form according to either their previous experiences, cognitive aspects or by using them both. For example, a MNE might donate money to a particular NGO because they have done so for many years (an example of online search). On contrary, the decision makers can select a totally new NGO partner and the engagement form and switch from a co-marketing campaign to a sponsored NGO event if the event is seen to bring better results (an example of an offline search).

Because the search, and particularly, the choice of a certain NGO partner is the main focus of this study, Gavetti and Levinthal's (2000) framework is very suitable for the analysis of MNE-NGO engagement. Therefore, this framework is used to complete this study's theoretical frame of reference. Figure 10 below puts together the research questions, the literature reviewed and the search and choice patterns described.

FIGURE 10: *Theoretical Frame of Reference*



To describe the theoretical frame of reference above in more detail, this framework entails two main parts highlighting both research questions set up for this study. The first part on the left indicates that the MNEs need to base their decision to support a particular NGO to some factors. These factors might differ between MNEs and the factors can be either experience-based, cognition-based or experience and cognition based. The factors determine which NGOs are selected from a pool of NGOs.

After the decision to start to support a particular NGO is made, or is under discussion, the respective organizations come together and agree on which type of engagement they want to establish together. The organizations will agree on one or multiple engagement forms on the Extended Collaboration Continuum thus the continuum offered a comprehensive list of potential forms. Again, this selection can be done according to experiences, cognition or by both. Even though it is not the main focus of this study, the NGO's own values and mission might limit some of the MNEs or forms of engagement. This will be touch on briefly in the Findings and Conclusions chapters later.

2.5. Summary

This chapter reviewed the literature by following a funnel approach. The chapter began with some of the most common MNEs and CSR literature in order to make sense the MNEs' nature and why CSR has become increasingly important to them. Afterwards, NGOs' types and purposes within societies were described before going into the business-NGO engagement literature. Particular attention was given to the business-NGO engagement forms as it is the main focus of this study, and the funnel led to the theoretical frame of reference as described in Figure 10.

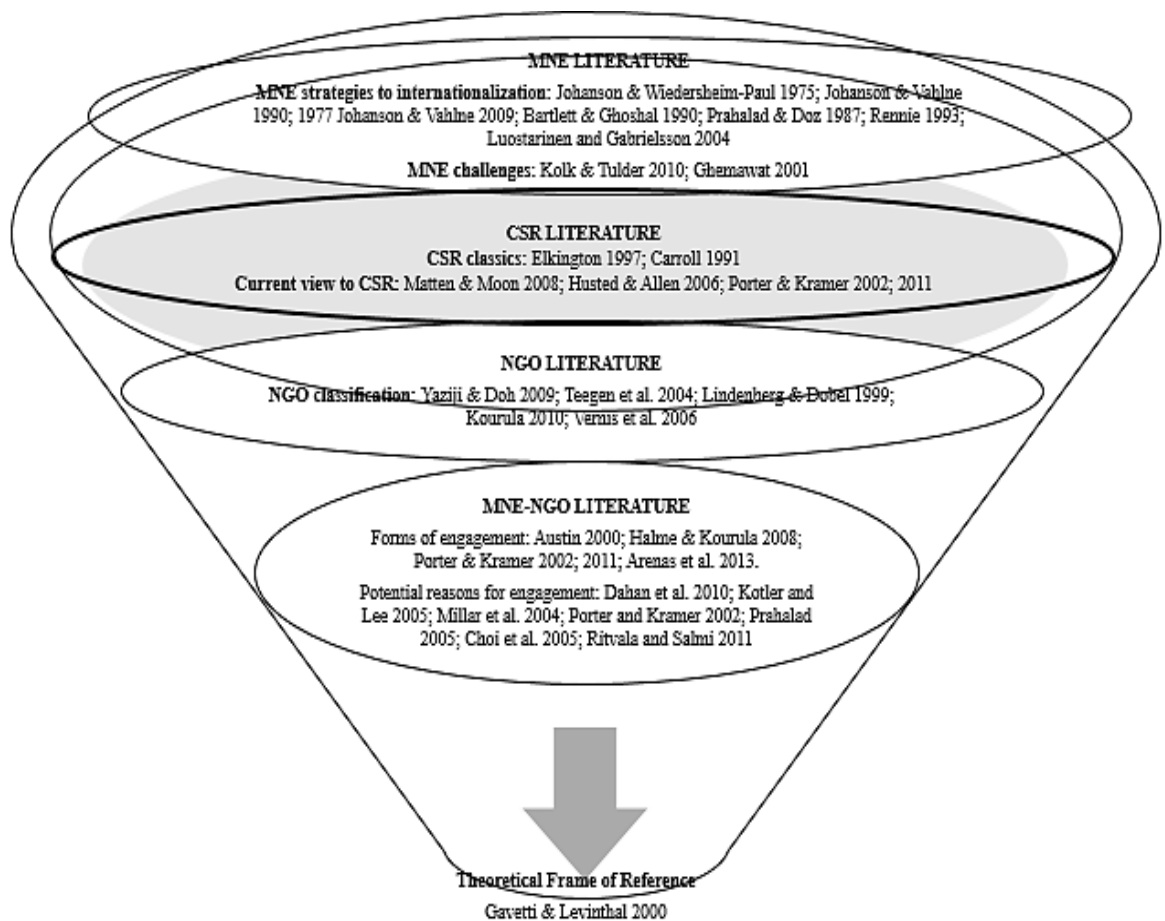
According to the literature reviewed, it seems that while MNEs have expanded their operations, their CSR activities have broaden too. Especially, MNEs expanding globally need to be careful when planning and implementing different CSR activities. Furthermore, the MNEs need to make sure their CSR decisions are aligned with the overall company strategy and the distance decisions the MNEs make.

As well as MNEs, NGOs have taken their permanent residence within societies. It used to be that these organizations tended to rather confront each other, but nowadays, the focus has turned into engaging with one another. Due to NGOs being a colorful group of different type of organizations there are many options for MNEs to choose from. The NGOs support great variety of causes, can be self or other benefitting and operating locally or globally which all offer many opportunities for MNE-NGO engagement.

In addition to a diverse set of NGOs, there are many options of engagement form. According to literature, the engagement forms can be roughly divided into low, middle and high involvement stages as it was presented by the Extended Collaboration Continuum. The lowest involvement stages include dialogue and two philanthropic stages, the middle stage consists of transactional engagement and the high involvement stage entails CR integration and CR innovation. Each of the mentioned forms might also entail more than on type engagement form.

Why particular engagement forms are selected was briefly looked into by using resource-, knowledge- and network-based views. However, the findings of this study aim to complement those and find out more specific factors for both NGO and the engagement form selections. Figure 11 summarizes the main literature reviewed for this study according to the funnel approach below and before the Findings -chapter, Chapter 3 will introduce the research methods of this study.

FIGURE 11: *Main Literature Reviewed*



3. RESEARCH METHODS

This chapter explains the choice of the empirical research approach. The chapter starts with presenting why qualitative research, multiple-case study, and semi-structured interviews were selected as research methods. Secondly, research process, data collection, interpretation and analysis are explained. Lastly, this part of the study concludes with analyzing the results' validity, reliability and generalizability.

3.1. Research Methods

This study was conducted as a qualitative research in order to be able to answer the research questions stated. The purpose of the study was to understand, describe and interpret the increasingly popular phenomenon of MNE-NGO engagement, its forms, and why a particular NGO partner is selected among great variety of NGOs existing. Due to the specific research questions and the scope of the study, the purpose was not to give statistically generable results, such as frequencies or other numerical terms, but rather get into the heads of decision makers representing specific groups; Finnish MNEs and NGOs. The purpose was not either to test existing theories thus making the selection of qualitative research approach straightforward. Moreover, as explained in the literature review, the MNE-NGO engagement is to some extent a phenomenon between business and society and to study phenomenon involving business and society e.g. Harrison and Freeman (1999) explain the qualitative research is proven to be important in the analysis. In addition as Kovalainen and Eriksson mention; “what, how, and why questions are all typical to qualitative business research” (2008, p. 39) which all supported the present author's choice of qualitative research.

Furthermore, face-to-face semi-structured interviews were selected as the empirical data collection method. The semi-structured matter was selected to help with keeping both the present author and interviewees within the topic which might not be the case in an unstructured interviewing protocol. The purpose was “to find out what is in and on to

someone's mind" for which the most direct way is to ask the person about the topic face-to-face (Patton 2001, p. 278). To describe in more detail, the semi-structured interview technique refers to situation where the researcher asks questions regarding themes decided beforehand, but which sequence might change from interview to another (Eriksson & Kovalainen 2008). In addition to the order of the questions, the themes might vary. In this study, the themes of the questions were kept the same, however, two different set of interview guides were used in order to fit the questions to the particular organization, the MNEs and the NGOs. Even though the questions changed a bit, same themes were used in order to make comparisons between the cases later on.

The theoretical approach used reflect a combination of *inductive (i.e. theory building)* and *deductive reasoning (i.e. theory testing)*. In the beginning, the literature scan and review were conducted in order to find out what it has been said about business and MNE- NGO engagement. Thus, the Extended Collaboration Continuum, which was based on existing research of MNE-NGO engagement, reflects deductive reasoning thus this study aimed to find out which engagement forms on the continuum the Finnish MNEs have selected. However, because the empirical data aims to complement the Extended Collaboration Continuum and reasons behind the NGO and engagement form selection, something new will be added into the field of MNE-NGO collaboration. "Inductive reasoning draws from observed cases more general statements or general claims about most cases of the same kind" (Eriksson & Kovalainen 2008, p. 21). These "general claims" aimed to be found are thus building the new literature and making this study to reflect inductive approach.

On top of the mentioned, this study involved multiple-case study approach. Compared to single-case study, multiple cases enable comparisons that clarify whether an emergent finding is idiosyncratic to a single case or consistently replicated by several cases (Eisenhardt 1991). In multiple, or comparative case studies, the same questions are asked in several organization, and afterwards, the answers are compared with each other to be able to draw conclusions (Marschan-Piekkari & Welch 2004). Herriott and Firestone (1983; in Yin's book 2003) explain; "The evidence from multiple cases is often

considered more compelling [compared to single case study], and the overall study therefore regarded as being more robust” (p. 46). Furthermore, Fletcher and Plakoyiannaki (2011) explain that when a single case emphasis on greater depth of a case, the multiple cases aim to expand the breadth by using replicating logic (*See: Table 1 below*).

As mentioned previously, the objective of this study is to understand the phenomenon of MNE-NGO engagement on a broader base and to avoid the one-sided look to the phenomenon for which a single case study might have given too narrow perspective. Therefore, the present author selected multiple MNEs and NGOs. Additionally, in the interviews, the interviewees were encouraged to talk freely and conversationally about all the MNE/NGO connections they have or have had so the data was not limited to only the interviewed organizations solely. Lastly, because there are many aspects potentially affecting the MNE-NGO engagement, the multiple-case selection was necessary in order to find and illustrate which type of engagement forms the MNE and NGOs have established and why. Table 1 below summarizes the differences between single and multiple-case studies.

TABLE 1: *Single vs. Multiple Case Design*, Source: Fletcher & Plakoyiannaki (2011, p. 185).

Single case design	Multiple case design
Deep insights: greater depth	Replication logic: greater breadth
Emphasis on thick descriptions – better stories	Emphasis on comparison – better constructs
Can be highly context specific, focus on the uniqueness of the case	Greater opportunity for generalizability and external validity

How many cases are selected for a multiple-case study usually depends on the purpose of the study (Fletcher & Plakoyiannaki 2011). Next, Section 3.2. explains why particular MNEs and NGOs were selected for this study. However before it, the section starts with describing briefly the research process and the data collected.

3.2. Research Process, Data Collection, Interpretation and Analysis

The whole research process started with selecting an interesting and yet still relatively little studied broad topic. Due to the personal interest towards NGOs and CSR, the present author wanted to combine this interest to the field of international business. Therefore, the research process began by looking for relevant literature regarding NGOs and current CSR issues together with MNEs literature. Simultaneously with the literature scanning, the initial research plan was written with the first set of broad form research questions. When the initial research plan was evaluated and revised several times in collaboration with the present author's thesis supervisors, also the questions were narrowed down to more specific ones. After a couple of revised research plans and tons of read articles, the most relevant literature was chosen and the literature review started to form itself according the funnel approach introduced earlier.

The initial theoretical frame of reference was drawn before the empirical part and included in the first drafts of the research plan; however, the framework needed to be revised when the literature review was to be finalized in order to match the scope of this study. Strategic search and choice framework of Gavetti and Levinthal (2000) was added in the last version of the theoretical frame of reference thus the framework offered a viable and usable way to analyzed whether there are emerging patterns regarding the decision making in MNEs regarding the NGO and engagement form selection.

After relevant literature selection and initial literature review, the selection of the MNE and NGOs organizations began. The contacted MNEs were selected for this study because they represented variety of industries and were part of relatively small number of

Finnish MNEs. All of the MNEs contacted for this study were on the list of the hundred largest companies according to their net revenue (selected from a list found at largestcompanies.fi). Even though the MNEs were selected from different industries, heavily natural resources utilizing MNEs were excluded. This was due to the present author's assumption that the MNEs utilizing natural resources would focus only on engagements with barely environmental NGOs. Yielding from that, traditional Finnish paper and pulp companies were not considered part of the contacted companies. This type of selection of cases is described as *theoretical sampling* and it allowed the present author to retain flexibility when researching the emerging issue such as MNE-NGO engagement in Finland (Eisenhardt 1989).

As mentioned in the literary review, the NGOs have increased in number and operation scope and thus represented a colorful group of different organization. Therefore, the selection of the NGOs for this study was not as straightforward as with the MNEs which number was limited to start with. Due to the numerous of research about international environmental NGOs, for this study, the NGOs supporting social good, people issues, were selected in order to be in-line with the assumption made regarding the MNEs. However, in order to expand the field of MNE-NGO engagement two different type of NGOs, nationally and internationally operating NGOs, wanted to be targeted. All of the NGOs represented outward-looking NGOs i.e. benefitting not solely their own members, but a bigger group of people. Self-benefitting, inward-looking, NGOs would have probably given less richer data and therefore they were excluded. Also in order to expand the field of the international business, the NGOs had to be relatively large in size so that they actually collaborate with Finnish MNEs through several forms of engagement. In addition, the NGOs and MNEs selected for this study had not to be necessarily in current relationship with each other so that the data was not limited to only the interviewed organizations.

In total, twenty (20) organizations were contacted prior to the interviews. The number of contacted MNEs was not decided prior to the data gathering since *data saturation* was the

goal of the research process. Data is said to be saturated when findings begin to repeat itself (Tuomi & Sarajärvi 2009). The interviewees were contacted either by email or phone with a small description of the study. The targeted people within the companies were higher level directors or managers who were responsible for corporate social responsibility, stakeholder group relations, marketing and/or corporate communications. On the other side, the people contacted within the NGOs were either marketing directors or managers, fundraising directors or business-NGO relationship directors/managers. These people were selected because they were mentioned on the MNE or the NGO website regarding engagement between these two types of organizations. In some cases, the company or the NGO representatives forwarded the request for interview to another person who they felt to be more applicable to answer the questions about the topic.

After the contacting different MNEs and NGOs representatives, finally, ten (10) organization were researched and in total eleven (11) persons took part in the semi-structured interviews which were conducted during fall 2013. Unfortunately, six of the total twenty contacted organizations did not reply back, and four of the total twenty refused to participate to this study. This yield to that data saturation goal was not reached entirely. The present author would have liked to interview a couple more MNE representatives in order to make sure the data saturation point was entirely met. All the representatives who refused to take part in this study where from the Finnish MNEs and lack of time was the main reason for refusal. Interviews were completed at either at the NGO's or MNE's head offices except one which took in place in a café in central Helsinki. All interviews were completed between September 4 and November 14, 2013.

The interviewees were all Finnish nationalities and thus the language used was Finnish. The questions asked are translated in English at the end of this study in Appendixes. The interviews were designed to last from thirty (30) minutes to one (1) hour, and on average, the interviews ended up taking forty (40) minutes. All interviews were voice recorded and later transcript word-to-word. In order to make the data interpretation lighter, the transcription of the interviews was completed within the next few days after the actual

interview. Also some additional notes were taken during the interviews to highlight the most frequently stated issues and feelings.

Although the interviewees totaled eleven, only nine (9) interviews were conducted. Among the nine, three interviews were conducted with NGOs representatives alone, five with MNEs' representatives alone, and one with a MNE and a NGO representatives together. The interview with both the MNE and NGO representatives was a pure coincidence. The present author namely contacted the Finnish MNE whose representative replied shortly with a question regarding an interest to interview the MNE together with their partner NGO after they had a meeting regarding their engagement. In order to bring insight to the topic, the present author agreed to this, and this particular interview enriched the flexible multiple-case study method.

As stated above, total of eleven persons took part in the interviews even though ten organization were researched. Thus, in one MNE interview, two company representative were present. This was because they [the both company representatives] felt that the topic of the present research touched closely on the both persons' daily work. Again, the flexible multiple-case study method allowed that two persons were interviewed simultaneously. The data collection process is summarized in Table 2 on the next page. The highlighted rows in the table illustrate the interviews where two people were present.

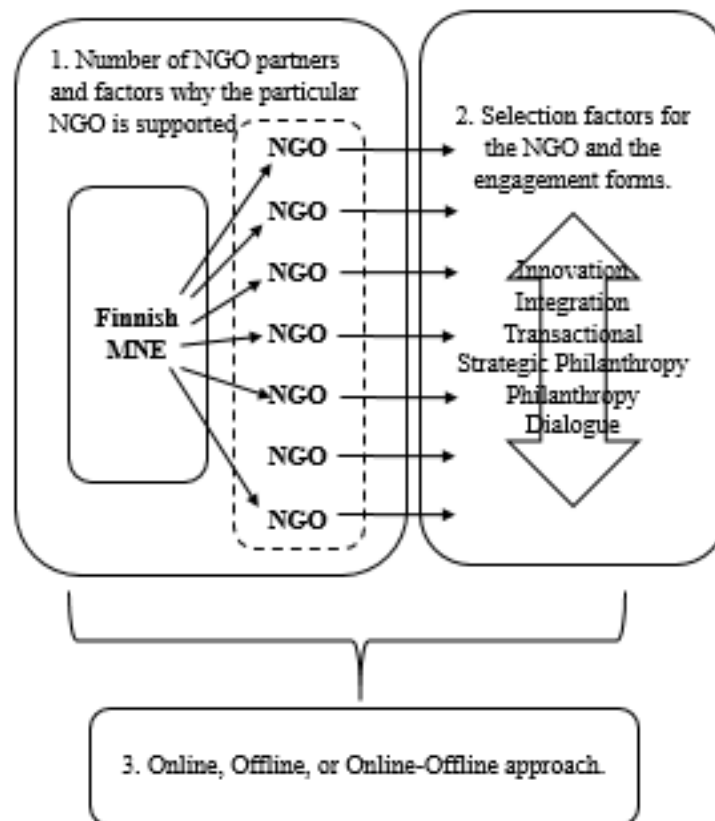
TABLE 2: Data Collection Process

NUMBER OF THE INTERVIEW	MNE / NGO	POSITION OF THE INTERVIEWEE	DATE	TIME OF THE INTERVIEW	TRANSCRIBED IN TEXT (PAGES)	DURATION (HH:MM:SS)
1	NGO 1	Marketing Director	4.9.2013	8:00 AM	8	0:55:22
2	MNE 1	Manager, Partnerships and Events	14.10.2013	11:00 AM	6,5	0:38:28
3	NGO 2	Director, Business Operations and Services	15.10.2013	10:00 AM	7	0:50:00
4	MNE 2	Corporate Responsibility Specialist / Brand Manager	30.10.2013	1:00 PM	8	0:44:40
5	MNE 3	Vice President, Sustainable Development	31.10.2013	11:00 AM	7,5	0:31:09
6	NGO 3	Fundraising Director	7.11.2013	10:00 AM	7	0:48:47
7	MNE 4	Director, Corporate Social Responsibility	8.11.2013	2:00 PM	7	0:41:45
8	MNE 5	Manager, Corporate Responsibility and Communications	12.11.2013	1:00 PM	6,5	0:39:30
9	NGO 4	Director, Business Collaboration	14.11.2013	2:00 PM	n/a	n/a
9	MNE 6	Communications Director	14.11.2013	2:00 PM	8	0:46:45
				Total	65,5	6:36:26
				Average	7,3	0:39:39

As mentioned previously, data interpretation began simultaneously with data collection as some additional notes were taken during the interviews. For the present author, the interpretation followed by the analysis phases were the most challenging parts of the study. After considering many options, the present author decided to conduct first *a within-case*, or *case-by-case analyses* in order to become familiar with each case MNEs as stand-alone entities (Eisenhardt 1989). The main aim was “to understand and explore [each] case from ‘the inside’ and develop understanding from the perspectives of the people involved in the case” (Eriksson & Kovalainen 2008, p. 119). Concretely, the

present author used thematic content analysis, such as labeling, to identify emerging themes and issues from the transcribed data (ibid). The emerged issues were then placed to “a matrix of categories” as according to Miles and Huberman is one efficient way to treat qualitative data (in Yin’s book 2003, p. 111). The present author created such a matrix by using the theoretical frame of reference as a backbone (See: Figure 10). The data categorization matrix used in each within-case analysis is shown in Figure 12 and explained in more detail after the figure.

FIGURE 12: *Data Categorization Matrix for Case-by-Case Analysis*



As it can be seen from Figure 12, the categorization, and simultaneously the case-by-case analysis, developed as a three-fold process. First, all NGOs mentioned by a MNE were picked out from the data together with the factors leading to the selection of those

particular NGOs. Secondly, each of the mentioned NGO engagements were categorized by their engagement form and analyzed simultaneously where on the Extended Collaboration Continuum the particular form belonged to. In the third phase, the previous two phases were put together in order to analyze whether the decision to start support the particular NGO and the selection of the engagement form was done according to online, offline or online-offline approach.

After conducting each six case-by-case analysis, the present author was able to begin with *cross-case analysis*. The purpose of the cross-case analysis is to find commonalities and differences between the cases (Marschan-Piekkari & Welch 2004). I.e. the cross-case analysis was used in order to find out which engagement forms are the most preferred ones among the Finnish MNEs and whether there are common decision making patterns between the case companies as it will be explained later. Due to NGOs not being the main focus of this study, the same type of within-case interpretation and analysis as presented in Figure 12 was not conducted for the four NGOs as precisely. However, the emerging themes from the NGO data were labeled in order to make comparison between the MNEs and NGOs additionally.

Findings and Conclusions -chapters will follow the data interpretation and analysis process described. Before the findings chapter, the research validity, reliability and generalizability need to be still addressed.

3.3. Research Validity, Reliability and Generalizability

3.3.1. Validity

Due to the characteristic of qualitative research and the subjective nature of the interviews, the numerical tests cannot be used in order to evaluate the results of the study as in the quantitative research. Validity is, however, an important aspect in the qualitative research, and as stated by Schwandt (2001) “In principle, to be able to say that research

findings are valid is to say that they are true and certain (in Eriksson & Kovalainen's book 2008).

The research findings to be 'true and certain' can be effected by the researcher. Because the research topic involved getting to know decision makers who make decisions regarding the MNE-NGO engagements, the present author contacted and accepted only managerial or directorial level representatives as interviewees. Moreover, already when contacting the interviewees, the topic was given to the interviewees so that principle of *informed consent* was fulfilled; the present author explained the purpose and the topic of the research and the estimated time required for the interview when contacting the potential interviewees. The contacted persons were also encouraged to forward the request for interview to another person in their respective organization if they felt some other person would be more familiar with the topic.

The MNE-NGO engagement, as any other relationship in life, might also be a sensitive subject matter, and thus, the present author decided to increase the validity by giving anonymity to all interviewees. By doing so the interviewees were given an opportunity to open up more in the face-to-face meetings without feeling pressure that their names will be revealed. For the same reason and in order to lower the barrier to participation, the anonymity was expressed in the contacting phase. The validity of the results was also increased by not the interviews *per se* but by the different perspectives given by the interviewees from different organizations. Yin (2003) notes that the *construct validity* is achieved by using multiple sources of evidence, establishing chain of evidence and draft reviewing done by key informants (Yin, 2003, p. 34). Multiple sources were used in this study and the chain of evidence nurtured during the research. Within the same lines, *data saturation* was taken as a goal to be reached, even though, as mentioned, the point was probably not fully reached due to participation refusals.

Additionally, the first interview of this study was conducted as *a pilot study*. The reason for this was threefold. The purpose was first and foremost to test and practice how to

conduct qualitative research because the present author had no previous experience of academic qualitative research. As Marshall and Rossman (2006) describes it, “a pilot interview helps in understanding oneself [the present author] as a researcher” (p. 57). Secondly, the reason for pilot study was practical while its being an assignment for Qualitative Research in Business-class at Aalto University School of Business in fall semester 2013. Thirdly, the pilot study was on purpose done with a NGO so the first interview gave insights what to ask from the MNEs later in the data collection. In sum, the pilot study increased the validity of this study because of the mentioned three reasons.

3.3.2. Reliability

The reliability of the study is often referred to as the ability to replicate the study in a new context or by new authors (Golafshani, 2003). The present study’s reliability was reached well by giving the interviewing guides at the end of this study and explaining the results comprehensively in the following chapters. In addition, the above mentioned validity increasing points indicate that this study could be replicated in a new context relatively easy.

3.3.3. Generalizability

Context of this study and the MNEs selected from variety of industries (excluding heavily natural resources utilizing MNEs) increases the possibility to generalize the results to different companies. Also, the NGOs were representing different types of causes and operational scopes which also makes the generalizability of the results straightforward.

This Chapter 3 explained the research methods used in this study and described in detail the entire research process from the start. Next, it is time to finally proceed to the findings and analysis part of this study.

4. FINDINGS

This section reveals the findings of this study. Thus, the chapter follows the order of the two research questions, and first introduces the factors why a Finnish MNE selects to engage with a particular NGO in section 4.1. Secondly, Section 4.2. explains what type of engagement forms the MNEs have selected in the light of Extended Collaboration Continuum and why. Additionally, the NGOs insights are brought into each of the two sections. Section 4.1. presents the finding case-by-case basis whereas section 4.2. uses cross-case analysis thus the NGO engagement forms pointed out in the data are placed on the Extended Collaboration Continuum in order to understand which are the most preferred forms. Afterwards, Conclusions -chapter elaborates the findings, and also uses the cross-case analysis in order to complete the findings and to draw conclusion if there are any common decision making patterns regarding the particular NGO and the engagement form selection.

4.1. Case-by-Case Findings: NGO Selection Factors

The purpose of this chapter is to answer to the first research question; *what factors influence a MNE's decision to support a particular NGO?* This section introduces the findings MNE-by-MNE basis in six sub-sections thus it was the starting point of the data interpretation and analysis as described in the previous chapter and Figure 12. Due to the anonymity given, neither the case study companies nor their NGO partners will be introduced in detail. Instead, the findings will focus solely on the factors why particular NGOs are selected to be supported.

4.1.1. MNE 1

In total, MNE 1 representative described ten (10) different types of NGO engagements the MNE 1 has recently taken part in. This was the largest number of NGO engagements among all the interviewed MNEs. All the NGOs mentioned had different operational scopes and beneficiaries, and therefore, they represented a large variety of different

NGOs. Most of the NGOs supported were large in-size national or international NGOs but the MNE supported some small, only locally operating NGOs additionally.

For MNE 1, one common factor why the MNE 1 has selected these particular NGOs raised above all; for MNE 1, all the NGO engagements needed to target a certain strategic goal within the overall company strategy. Ideally, the representative stated, the NGO engagements should “always begin within the company by realization of an issue which could be solved or eased in collaboration with a NGO partner” (Interview, Oct 14, 2013). Why the strategic link to the business was significant, the representative noted that more strategically aligned the engagement is, more easily it can be communicated to different stakeholders. This in turn increases the company’s operations’ transparency which was, in the same token, mentioned as one reason why NGO engagements are contemplated in the first place.

One example of strategically linked NGO engagement the representative described an engagement with a national NGO supporting young Finns employment. The representative explained that the MNE 1 employs in collaboration with the NGO many young Finns during the MNE 1’s production peaks in summer and Christmas time. This engagement aims to ease the high unemployment among the Finnish youth, and simultaneously, helps the company strategically to meet the seasonal market demand for their products.

For another selection factor, the representative repeatedly pointed out “value match” between the NGO and the MNE 1 being important. Self-explanatorily, the MNE 1 would not engage with a NGO which values are not aligned with the MNE 1’s company values. Important values highlighted were “customer-centricity, quality and collaboration” which the representative called as “the first acid-test” which each potential NGO need to pass in order to be considered as a NGO partner in the first place. (Interview, Oct 14, 2013).

In addition to the described strategic business and value alignment, long-term commitment raised as the third most important factor for a NGO selection. In general, the MNE 1 representative said the company supporting NGOs contractually at least three years. Additionally, the representative stated few times the company rather focusing on few big NGO engagements than “ad-hoc things”. As an example of long-term engagement, the MNE 1 had engaged with a national NGO unofficially for over 40 years and officially for five years. This was the longest term NGO engagement among all the interviewed MNEs. The great feedback, joint-history and the matching target audience were stated as the main factors to continue this particular relationship. These factors indicated that the long-term commitment required the link to the values and business too. Also within this particular engagement, the MNE 1 and the NGO wanted to put effort to a couple together held events per year to avoid “not overly communicating” about the engagement. (Interview, Oct 14, 2013).

All in all, MNE 1 had a well-structured strategy regarding their NGO and engagement form selection and the representative was able to strongly explain why particular NGOs are selected. However, small controversies could be found. One of the controversies related to the small NGOs supported. This type of “low level support” was given to variety of small NGOs such as veteran associations without any strategic considerations (Interview, Oct 14, 2013). The donations were given in both monetary and product terms. To the present author, these small scale donations contradicted by little the strategic business link and long-term engagement goal which were highlighted as the most significant NGO selection factors simultaneously. The value link between the MNE 1 and these low level support receiving NGOs was in all cases existing, however.

4.1.2. MNE 2

In the MNE 2 interview, there were two company representative present. The representatives shared the factors why MNE 2 would select to support particular NGOs but highlighted different factors due to their different positions within the company. All

in all, the MNE 2 representatives had thought about NGO engagements considerably, but from the interview it became obvious that the company had yet not put much of an effort to implement NGO engagements to a large extent. E.g. neither of the representatives could not describe any particular NGO partner organization or engagement in detail.

However, as mentioned, both MNE 2 representatives had contemplated NGO relationships and were thus able to answer to the questions asked. The factors why the MNE 2 would select a particular NGO, the both representatives indicated locality and community-centricity as the two main factors. The representatives agreed that MNE 2 had chosen locality thus the decision makers within the company felt their services and products touch people on the grass root level, in people's day-to-day activities. I.e. ideally all MNE 2-NGO engagements should have been implemented on the grass-root level.

Within the same lines, the both representatives highlighted the small things done for the communities being very valuable and an internal part of MNE 2's company culture. As an example of locality and community-centricity, the MNE 2 had created a campaign through which the MNE 2 engaged with many locally operating small organizations (NGOs, retirement homes, small businesses and schools etc.) in Finland. The idea of the campaign was to help these organizations by giving them mainly product donations in form the organization were in need. The organizations supported through this campaign were selected by an application process where the organizations first applied for the support, and secondly, MNE 2 decision makers made the choice which organization to support.

For an interesting detail, the same themes, locality and community-centricity, guided marketing, and particularly, the sponsorships activities of the company. E.g. the MNE 2 had a guideline denoting the company would sponsor only team based organizations and not individual people such as artists or athletes. The company was sponsoring ice hockey teams and a local orchestra in Finland which as such could be equate to NGOs. The NGO engagements together with sponsorships needed to also happen in locations, locally, were

the MNE 2 had operations; “if we are not in China, we are not supporting Chinese things” (Brand Manager, Interview, Oct 30, 2013).

In addition to the two main factors, the other representative (Brand Manager) highlighted another key factor which stood up from the data; she did not embrace charity or as she called “only the money giving support” to NGOs. Repeatedly, she indicated frustration yielding from the numerous of contacts coming from different NGOs. According to her, different NGOs contacted her personally on a weekly-basis “without any concrete proposal for two-way collaboration” or “just to ask money”. According to her, these “not-thought-at-all contacts” forced her to “always say ‘no’” to potential NGO engagements. (Interview, Oct 30, 2013). These repeatedly stated examples emphasized strongly that the MNE 2 would prefer to find engagement forms on the higher involvement stages on the Extended Collaboration Continuum to be discussed in next section of this study. The other representative (Corporate Responsibility Specialist) also put the blame on the MNE 2 itself stating; “we are also sometimes lazy here” (Interview, Oct 30, 2013). This pointed out the company neither having the interest nor the resources to deal all the contacts coming from NGOs. The Brand Manager disagreed with ‘laziness’, however.

As a summary, MNE 2 had come across with different NGOs a lot and the representatives were able to highlight three important factors for NGO selections; locality, community-centricity, and non-monetary support. Although, the company was still in starting blocks regarding the MNE-NGO engagements, and the representatives were not able to describe any particular NGO engagement in detail (except the campaign described). E.g. only a few NGOs were called by their names, and the MNE representative were not able to tell about their international NGO engagement even though according the Brand Manager, MNE 2 had “some local NGO collaboration in Russia” (Interview, Oct 30, 2013). Illustratively, the other representative stated wanting to establish dialogical relationships with NGOs; “in my dreams, co-creation of products and services with a NGO would be great – however, we are only in the beginning” (Corporate Responsibility Specialist, Interview, Oct 30, 2013).

The biggest controversy in the data was that even though the monetary giving or support was not in favor of the MNE 2 representatives, and the locality and community-centricity were the ideal factors for selecting a NGO engagement/partner, the MNE 2 still made e.g. Christmas gift donations to well-known INGOs which supports children's' wellbeing mainly in parts of the world the MNE 2 had no operations.

4.1.3. MNE 3

Together with MNE 1, MNE 3 engaged with a great variety of different NGOs. In total, MNE 3 representative highlighted nine (9) NGOs the company had engaged with recently. Also as well as MNE 1, in general all of MNE 3's NGO engagements were selected to be supported due to them fulfilling a certain strategic aspect within the overall company strategy.

For MNE 3 the main factor for selecting the nine mentioned NGO partners was that there need to be an obvious business link between the company and the selected NGO. According to the representative, the NGO needed to be easily attachable to either the company employees, customers, and/or to the strategic business locations of the MNE 3. As well as MNE 1, the transparency yielding from the NGO engagements was the guiding principle why particular NGOs were supported in addition to the three possible links to business.

Among the three possible links, the NGOs link to the strategic location of the business was the most repeatedly described factor. E.g. two particular NGOs were selected as main partner NGOs because these NGOs were able to support the communities in one of the MNE 3's main strategic business locations. For an example of employee linked NGO engagement, the company supported local breast cancer association due to their employees being mostly women and because they are exposed to radiation through their work occasionally which in turn might increase the risk for having the cancer.

As well as MNE 2, MNE 3 donated money “reluctantly” to NGOs (Interview, Oct 31, 2014). Instead, MNE 3 wanted to embrace the visibility the company could give as an equivalent to the NGOs in the MNE 3’s own communication channels. E.g. MNE 3 used a lot of campaign type of engagements with NGOs in which the company customers could donate their money to the NGOs. This indicated that the NGOs selected as partners needed to support a cause which would catch the attention of customers. Yielding from that, the campaigns were advertised in the MNE 3 communication channels e.g. in company website and magazines where the customers could find out about them. These campaigns were described as the most successful and longest term MNE 3-NGO engagements.

In addition to the strategic aspects and ‘not money giving’ -approach, the MNE 3 representative stated the NGOs supported need to be for the most part large in-size because “the large NGO has the most resources to put into the engagement”. However, she also stated that some smaller NGOs can be in some occasions “great flexible” choices for NGO partners. She described one NGO engagement in which the company supported a small NGO; in this particular engagement there was, however, the mentioned link to the strategic business location. (Interview, Oct 31, 2014).

Overall, the MNE 3 had a relatively well-aligned strategy for selecting the NGO partners and the representative was able to justify why each NGO was selected. However some controversies could be indicated from the data. One of them was that MNE 3, even though the importance of strategic business location was highlighted, supported a NGO locally in a totally different region of the world where the company had no operations at all. This particular NGO project was selected and supported thus the representative felt the project being “already well-going” (Interview, Oct 31, 2014). As mentioned, there were no significant link between this particular NGO and the MNE 3’s business location which made the present author to feel uncertain about how important the strategic link to business really was for MNE 3. In this case, the same NGO, however, gave its knowledge through systematic dialogue to MNE 3.

4.1.4. MNE 4

Together with MNE 1 and 3 representatives, MNE 4 representative pointed out the greatest variety of NGOs the company had engaged with recently. In total, the representative described nine (9) NGOs engagements. In general, all nine described engagements had a strategic link to the MNE 4's business which was indicated the very first and the most important NGO selection factor.

For MNE 4, the strategic link to business could have attached to different parts of the operations. The most highlighted factor was that strategic business location of the MNE 4 and the NGO needed to align. The representative stated that because MNE 4 is mainly focusing to the Finnish market, even though operating widely in Sweden, Russia and the Baltics, all the NGO engagements need to cover the whole Finnish market. Therefore, most of the nine NGOs mentioned were large in-size national or international NGOs.

For another NGO selection factor, the MNE 4 representative stated "functional cooperation" being significant. By this the representative addressed its being valuable that the NGOs fulfills a certain function within the business strategy as it was the case with MNE 1 and 3 too. The most important function of the NGOs stated was keeping the MNE 4 aware of what is happening surrounding of the company. The representative stated that the NGO partners are selected due to the NGOs' capabilities to share their knowledge periodically. The MNE 4 representatives pointed out too that she tries to always answer to all NGO surveys and questionnaires in order to stay up-to-date. This way the knowledge can be accumulated while simultaneously retaining the relationships to the NGOs. (Interview, Nov 8, 2014).

For a third factor, MNE 4 representative highlighted, as well as MNEs 2 and 3, the non-monetary support being important and the representative stated the company making "very little donations". She stated that often particularly large INGOs have "high expectations for amount of money given by MNEs" which in turn limits some of the potential NGO engagements. For MNE 4 representative, it was important to value what is

given in return of the engagement from the NGO. E.g. events held together, education services, and expertise given in return of MNE 4's money were highlighted as some equivalents. (Interview, Nov 8, 2013).

In sum, MNE 4 had a well-structured strategy they followed when selecting NGOs. It became clear the NGOs supported fulfilled a certain strategic aspect within a company and thus MNE 4 and MNE 1, and in some cases MNE 3, seemed to be very similar in regard. For a small contradiction, as well as in case of MNE 1, also MNE 4 donated small amounts of money to small organizations and NGOs. These small donations contradicted the highlighted functional and strategic aspects of NGO partner selection but only by little.

4.1.5. MNE 5

MNE 5 representative highlighted the least number of NGO engagements and partners among the all interviewed MNEs. The representative stated that MNE 5 had supported only a couple of NGOs though out the company history. All in all, the representative described in detail two current NGO engagements, and from the interview, it became obvious the MNE-NGO engagement was not in high priority within this MNE's operations. Additionally and interestingly however, the MNE 5 representative was the only one describing an adversarial relationship with a NGO in this study.

Although the MNE 5 representative described only two NGO engagements in detail, three rather weak selection factors could be indicated from the data. The most obvious reason for the NGO selection was the value alignment. For MNE 5 representative, it was important that all the NGOs the company supported valued increasing youth's physical activity and wellbeing high thus those represented MNE 5's core values.

For another determining factor, and not surprisingly, long joint-history between the MNE and two NGOs was pointed out being important. Other engagement described had started

already in 2007 and because, “no one had questioned about the collaboration” it had continued to this date. When the present author highlighted the question why this particular NGO was selected in the first place, the MNE 3 representative answered: “Basically, it could be any other NGO too.” (Interview, Nov 12, 2013). The statement above made it quite clear the MNE-NGO relationships being not high in the priority list within MNE 5’s CSR and thus making the NGO selection factors rather weak.

For a third engagement factor, the MNE 5 representative stated that the company wanting to focus on just one big engagement; it being the engagement started in 2007. This indicated to the present author, again, that NGO engagement were not important, and due to lack of resources and interest, and the long-lasting relationship was rather a consequence than a factor for NGO selection. The representative also pointed out that this particular NGO supported had established a well-going development program and thus the Finnish Foreign Ministry supported the program, the NGO was an easy choice.

The lack of NGO engagements within MNE 5 could be also explained by “the whole CSR being quite new” to MNE 5 (Interview, Nov 12, 2013). Decentralized structure of the company could additionally limit the engagements; the representative stated the MNE 5 owning many brands and these brands being allowed to freely conduct their own NGO activities and engagements. As a Corporate Responsibility and Communications Manager, the representative was not, however, able to describe any of the brands’ NGO engagement in detail. Lastly, MNE 5 had an independent company foundation which supported a university in Finland which might limit the interest towards some NGO engagements.

As mentioned, MNE 5 representative was the only one who described an adversarial relationship with a NGO. In this particular case, a national NGO had posted a criticizing blog post about the MNE 5’s supply chain after the MNE representative had answered to the NGO’s questionnaire. According to the representative, this particular criticism was without foundation and had not yield to any further discussions between the

organizations. This particular incident had made the representative more aware of the importance of the NGOs' role within the society. She said that she tries to follow "what is on the NGOs' agenda" through media (Interview, Nov 12, 2013).

4.1.6. MNE 6

In the interview with MNE 6, also the representative from an INGO partner was present. Therefore, the data from this interview focused on this particular engagement. However, the MNE 6 representative described two other NGOs which the company had engaged with recently.

The key factors why the MNE 6 selected to support the INGO present in the interview was mainly due to the INGO's professionalism and operational scope. As well as the MNE 5 representative, the MNE 6 representative described that this particular INGO and their development program were easily supported thus the Finnish Foreign Ministry among other organizations supported the same well-established development program. The international operational scope of the INGO was also important factor thus MNE 6 representative stated the company selling most of its products to the global markets. "We wanted to have an international NGO partner" was the simple explanation for why this particular INGO had been selected. This, again, indicated the link to the company business location being an important NGO selection factor (Interview, Nov 14, 2013).

Together with the easily supported program and internationalism, the MNE 6 representative stated that the missions of the two organizations were matching. The both organizations' missions entailed people's wellbeing essential which additionally supported selecting this INGO partner. I.e. the value alignment was an important selection factor as it was important for all MNEs interviewed.

To the present author the mentioned factors sounded rather weak factors for NGO selection as it was the case with MNE 5 too. Firstly, the development program supported

thought the INGO focused on a small under-developed country in Far East and not directly to an important business location of the MNE 6, for example. Additionally, the MNE 6 representative stated that the contact from the INGO partner came “at right time just when the previous contract with another INGO partner was ending” (Interview, Nov 14, 2013). Additionally, the representative pointed out “wellbeing of people is important to many” (Interview, Oct 14, 2013). These particular statements highlighted that the MNE 6’s NGO partner could have been any other INGO supporting these rather general values.

For a third factor, long-term relationship was pointed out. Repeatedly, the MNE 6 representative said the company wanting to put their effort on one larger scale engagement rather than “many little projects here and there” (Interview, Nov 14, 2013). This particular INGO was MNE 6’s only partner NGO currently even though the representative also mentioned two other engagement NGOs. Another INGO mentioned had been selected for the same reasons as the current INGO partner; the other engagement was purely a co-marketing engagement with a NGO which was discontinued due to its being “business-wise insignificant” (Interview, Nov 14, 2013).

As mentioned and for an interesting detail, the MNE 6 representative stated that they had changed from another INGO partner to the interviewed INGO four years ago. When asked about why the company selected the other over another, the representative did not indicate any particular reason. The MNE 6 representative described that the company had scanned different potential NGOs partners after the previous contract was ending, and the contact from the current partner INGO “happened in the same time”. History with the previous INGO partner and a company celebrity employee being the ambassador to the previous INGO partner would have strongly supported continuing this engagement, but according to the MNE 6 representative MNE 6 “wanted to try quickly something new”. (Interview, Nov 14, 2013).

In sum, MNE 6 supported one INGO partner currently. The well-established INGO development program in Far East could be described as a straightforwardly and easily supported package which made the MNE 6 to select this INGO. Repeatedly, the MNE 6 representative stated the company being “passive partner” for the INGO which highlighted that a well-established NGO programs and organizations being important criteria for MNE 6’s NGO partner selection. (Interview, Nov 14, 2013). MNE 5 and 6 seemed to be very similar regarding the NGO selection factors.

4.1.7. NGO Insight

As well as the MNEs, also the NGOs were asked about factors why MNEs would like to select to engage with them. Over all, the NGO representatives highlighted their respective organizations brand image, history and position in the Finnish society being important factors why MNEs should selected to support them. These factors were rather self-explanatory because only large NGOs were interviewed. The interviewed NGO all had a strong foothold within the Finnish society and were experienced in company engagements.

For a more interesting detail, all the NGOs interviewed pointed out that the MNE-NGO engagement had become increasingly business-driven. All the NGO representatives stated that companies are not willing to support NGOs purely for altruistic reasons anymore, and therefore, the NGOs had developed too. As a proof of this, the NGOs interviewed stated employing one to three persons to take care of company engagements solely. As pointed out by the NGO 1 and 3 representatives, often the people working in a NGOs have business career behind them and so they understand the business world and logic too (Interviews, Sep 4, 2013 and Nov 7, 2013).

Related to NGOs’ development, the interviewed NGOs named and described many alternative engagement forms which MNEs and companies could utilize when engaging with their respective organizations. This together with increased human resources

supported the finding that the large NGOs in Finland have become more professionalized and willing to negotiate about different engagement forms to benefit the both parties. The MNEs preferred NGO engagement forms are discussed in the section 4.2.

4.1.8. Summary

In general, the Finnish MNEs indicated variety of reasons why they have selected to support particular NGOs. To summarize, all MNEs emphasized the value alignment and some strategic aspect being the two most important NGO selection factors. Most often, the NGOs fulfilled a certain gap within the company strategy or helped the MNE to reach some strategic goal. Particularly, MNEs 1 and 4 highlighted great alignment between the company strategic goals and the NGOs selected. These companies engaged with the greatest number of different NGOs through the greatest variety of engagement forms. MNE 1 and 4 representatives were also able to justify the selection of the particular NGOs the best. The representatives from MNE 2 and 3 were also able to point out the selection factors and link between the NGO selected and the business. On contrast, certainly not all MNEs interviewed had though the MNE-NGO engagement as strategically. Particularly MNE 5 and 6 based their NGO engagements on weak factors and no strategically significant gains were looked from the engagements. Value alignment between the organizations could be indicated as the strongest NGO selection factor for MNE 5 and 6.

In addition to sharing the same values and the strategic link to business, in general all MNEs wanted to engage with NGOs on long-term basis. This was mostly because learning how to engage was understood taking time and effort from the both sides. Also the lack of resources and interest, particularly in cases on MNEs 5 and 6, made the long term engagement the easiest option for engagements. However, the long-term engagements did have their problems; e.g. MNE 1, 5, and 6 representatives stated that communicating about the long-term engagements to stakeholders being hard thus there is nothing new to tell about the engagement after some time. Overall, however, the MNEs

were satisfied with little communications of the engagements. In most cases, the MNE representatives were afraid that NGO engagement would look hypocritical to the people, such as to the company customers, if the company would keep NGOs constantly in company communications. Hand-in-hand with long-term based engagement, the MNEs wanted to create large NGO engagement than small. By large, the MNEs pointed out that they would like to rather be NGOs' main partners than engaging on smaller scale.

For another common factor, all MNEs interviewed stated the non-monetary support as a significant engagement factor. Basically, this meant that MNEs disliked corporate donations. In-line with the data from the NGOs, all parties agreed that purely monetary support would be decreasing in the future and therefore the engagement should entail more than one-way resource allocations. However, this particular conclusion will be contradicted in the next section of this chapter.

Before moving on, Tables 3 and 4 on the following pages summarize the findings regarding the first research question. The findings are divided to main and secondary factors. The division is made according to how frequently the factors they were stated in the data. After the two tables, section 4.2. explains which MNE-NGO engagement forms are preferred by the Finnish MNEs and why.

TABLE 3: *Summary of NGO Selection Factors: MNEs*

MNE	Main factors	Secondary factors	Comments
MNE 1	<ul style="list-style-type: none"> - Strategic business link - Value alignment 	<ul style="list-style-type: none"> - NGOs' expertise and knowledge - Large and long-term commitment 	<p><i>"We won't support Romanian street dogs because there is no link to our business. For us all the operations need to be transparent and strategically aligned. For that reason every NGO engagement has to have an absolute link to us and to our goals and business."</i></p> <p><i>"Value match is particularly important to us...this particular NGO is selected thus our values align."</i></p> <p><i>"It is important to us that the NGO offers us their expertise and help, NGOs kind of to help us to validate our company decisions."</i></p> <p><i>"In the big picture we look for long-term partnerships with NGOs. This is because it might take one whole year to learn how to collaborate...even though the contract says three years, the mindset</i></p>

			<i>it that the engagement lasts longer than that.”</i>
MNE 2	<ul style="list-style-type: none"> - Strategic business link (locality and community-centricity) - Non-monetary support 		<p><i>“We though first that maybe we could donate a big sum of money to one NGO, but we came into conclusion that is not what we really want to do. Instead, we chose to create our own campaign were we do little good things for the society.” (Brand Manager)</i></p> <p><i>“Give money to a NGO and in return we will get a little logo to somewhere – what do we get from it?” (Brand Manager)</i></p> <p><i>“That ‘give us money’ -attitude is so old-fashioned and gone.” (Brand Manager)</i></p>
MNE 3	<ul style="list-style-type: none"> - Strategic business link (business location, customers and employees) 	<ul style="list-style-type: none"> - Large and long-term commitment - Non-monetary support 	<p><i>“Through our NGO partners we support the communities and nature in our strategic business locations. This way we create opportunities there and learn more about the local people living there.”</i></p> <p><i>“Most of our employees are women and therefore we support this NGO.”</i></p> <p><i>“This [long-term] NGO campaign gets the most donations from our customers.”</i></p> <p><i>“We have given money to your main NGO partners, but nowadays, we give money reluctantly.”</i></p> <p><i>“For the most part, we engage with large NGOs. That is because they have most resources to put into the collaboration.”</i></p>
MNE 4	<ul style="list-style-type: none"> - Strategic business link (business location and operations) - NGOs’ expertise and knowledge 	<ul style="list-style-type: none"> - Large and long-term commitment 	<p><i>“We are located all over Finland and therefore all our NGO engagements needs to have visibility which covers the whole Finland... the engagement cannot happen only in Helsinki metropolitan area.”</i></p> <p><i>“NGOs are one of our main stakeholder groups. Therefore, we need to have a constant dialogic relationship with them, or if we want to develop something, we try to take NGOs into the development process.”</i></p> <p><i>“We have stated in the company CRS plan that we want to develop our products’ sustainability, therefore we collaborate with this NGO through two year contract.”</i></p> <p><i>“The partnerships with the biggest [in-size] NGOs look the best.”</i></p>
MNE 5	<ul style="list-style-type: none"> - Value alignment 	<ul style="list-style-type: none"> - Large and long-term NGO commitment 	<p><i>“All the NGO engagements should be selected according to the shared value-principle.”</i></p> <p><i>“One INGO came to talk with us, but we did not have the resources to start supporting them.”</i></p> <p><i>“Our NGO partner wanted enlarge the engagement to cover a bigger geographic area...unfortunately we could not agree to it because we don’t have the resources.”</i></p>

			<p><i>"Youths wellbeing...Healthy lifestyle is one of our values...that is important to our NGO partner too."</i></p> <p><i>"We aim for long-term commitment with NGOs."</i></p>
MNE 6	- Value alignment	<ul style="list-style-type: none"> - Strategic business link (business location) - Large and long-term NGO commitment - Non-monetary support 	<p><i>"We decided that we focus on one big engagement...within this engagement we know where the money goes."</i></p> <p><i>"Internationalism was one of the main criteria [for selecting the particular NGO partner]...we want to support a NGO which is international because 75% of our revenues also come from abroad."</i></p> <p><i>"The most important factors for selecting this NGO partner was that our missions matched...we both support people's wellbeing."</i></p> <p><i>"Our CEO had emphasized that we do not want to have a reputation of a money donator."</i></p>

TABLE 4: Summary of NGO Selection Factors: NGOs

NGO	Main factors	Secondary factors	Comments
NGO 1	<ul style="list-style-type: none"> - History, the NGO brand and position in society - Strategic business link 	<ul style="list-style-type: none"> - Long-term commitment 	<p><i>"Everyone knows us and we do not have to explain what we do...companies know who to support."</i></p> <p><i>"The natural link between us and the company and or their product yields the best results"</i></p> <p><i>"It just works [collaboration] with our long-term partners."</i></p>
NGO 2	<ul style="list-style-type: none"> - History, the NGO brand and position in society - Strategic business link 	<ul style="list-style-type: none"> - Many different types of engagement forms 	<p><i>"Our cause has always had its position within the Finnish society."</i></p> <p><i>"We need to offer the companies engagement forms which support their strategic business attributes."</i></p>
NGO 3	<ul style="list-style-type: none"> - History, the NGO brand and position in society 	<ul style="list-style-type: none"> - Many different types of engagement forms 	<p><i>"We are part of a global network...we have lived together with Finns for a long time."</i></p> <p><i>"Our purpose within the society transforms together with the society...we try to ease the social problems which are topical now."</i></p> <p><i>"If I remember correctly, we have divided the company engagements to 6-7 different categories, main partners being among the biggest companies in Finland."</i></p>
NGO 4	<ul style="list-style-type: none"> - History, the NGO 	<ul style="list-style-type: none"> - Many 	<p><i>"We have long tradition in Finland...when we came to Finland in 1990s, we invited the companies to join us and support our</i></p>

	brand and position in society - Strategic business link	different types of engagement forms	<i>cause.</i> ” <i>“In my opinion, the company engagements become more and more strategic. Doing something fun is not enough anymore.”</i> <i>“We have done all kinds of engagements from donations to co-creating products.”</i>
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4.2. Form of Engagement on the Extended Collaboration Continuum

The second research question set up for this study aimed to find out what forms of engagement with NGOs Finnish MNEs prefer and why. The literature review presented *the Extended Collaboration Continuum* which offered a list of potential MNE-NGO engagement forms. This chapter analyses which engagement forms the Finnish MNEs and NGOs practice and simultaneously, explains why particular engagement forms are preferred. This chapter follows the order of the Extended Collaboration Continuum from the low involvement forms to the high involvement ones as described in Figure 9 earlier. Dialogue is thus dealt first.

4.2.1. Dialogue

As explained in the literature review, dialogue is the simplest form of engagement between MNEs and NGOs. In general, all the interviewed MNEs agreed dialogue being an important engagement form for creating relationships with NGOs and for receiving knowledge about the issues going on within the society.

However, only MNEs 1 and 4 representatives highlighted using dialogue regularly. The both representatives stated that one of the main jobs is to listen and follow the environment around the company and thus meet and discuss about current topics with NGOs. The representatives e.g. stated:

“My job is to discuss with NGO representatives and I meet personally a lot of them. I think it is important to discuss with them and know what is doing within the local environment

even though the both parties know that we are not engaging in any other collaboration form. It is important to acknowledge what we could do in the future together.” (MNE 1 Interview, Oct 14, 2013)

“When we have the dialogue relationships to the NGOs, we can detect our weak signals and thus be able to react on time...dialogue is important because you never know when you need the NGO contact.” (ibid)

“Every two year we conduct our own survey which NGOs take part. If there is anything acute, we will ask NGOs’ opinion...we try to meet with different NGOs at least once a year in order to discuss what is currently on top of their mind...we try to answer to all NGOs questionnaires, always.” (MNE 4 Interview, Nov 8, 2013)

Even though the rest of the MNE representatives did not highlight the dialogue as detail, they recognized its importance. The MNE 2 representative (Corporate Responsibility Specialist) stated that the NGO dialogue is valuable in order to know how to keep NGOs “satisfied and happy” even though the company had not established any dialogic relationships (Interview, Oct 30, 2013). The MNE 5 representative pointed out that there has been “no need” for actual dialogic relationship, but via media, the representative follows what is currently on NGOs’ agenda (Interview, Nov 12, 2013). Also MNE 3 representative stated that dialogue particularly with environmental NGOs is important; she highlighted that the MNE-NGO dialogue need to consider the both sides and be critical and that way the companies can benefit from it (Interview, Oct 31, 2013).

On the NGOs side, the representatives wanted to create dialogic relationships with companies too. E.g. NGO 2 representative said that he wants to meet different “company people” because he wants to hear what is “going on” (Interview, Oct 15, 2013). NGO 1 also highlighted that they discuss with many companies and governmental organizations often. What comes to looking for new potential company partners, NGO 2 and 4 representatives highlighted that their organizations needs to have meetings booked in order to be able to prospect potential new partners.

In sum, the Finnish MNEs interviewed practiced little dialog with NGOs thus the dialogue was a preferred engagement form only for only MNE 1 and 4. The dialogic relationships were, however, recognized being valuable even for companies not practicing so that the companies are aware of their own environment.

4.2.2. *Philanthropy and Strategic Philanthropy*

Dialog stage on the Extended Collaboration continuum is followed by two philanthropic stages. According to the data, the Finnish MNE-NGO engagements belong mostly on these two stages. It became obvious that most of the mentioned NGO engagements were based on money and/or product donations to variety of NGOs and no significant gains were sought out from the engagements. To the present author this was the most significant finding of this study.

What made this finding the most significant was the interviewed MNEs and NGOs both indicated philanthropy being rather an old way to conduct MNE-NGO engagements, but yet still, it remained the most preferred engagement form. In addition, philanthropy was practiced even though the MNE representatives all were aware of other engagement forms. Particularly, the MNE representatives highlighted the shared value (introduced in the *Literature Review* earlier) being important, but the data did not show precisely what the philanthropy gave to the MNEs. Additionally, the interviewed highlighted the non-monetary support to NGOs and strategic link to business being important engagement factors (*See: previous section 4.1.*) which could have supported the MNE-NGO engagement reaching the higher involvement stages on the Extended Collaboration Continuum more often.

When going to the deeper analysis of the data, it became also clearer that most donations were not strategically made yielding to the philanthropy, rather than strategic philanthropy, being the most preferred engagement form. Next, philanthropy and strategic philanthropy are discussed separately.

Philanthropy: As mentioned above, philanthropy was the most preferred engagement form between the Finnish MNEs and NGO thus all the interviewed MNEs described philanthropic engagements. The data indicated that philanthropy was practiced in form of corporate donations which occur on both one-time and continuously. Both seasonal (e.g. Christmas donations to NGOs) and contractual donations were done by the interviewed MNEs. In addition to money, many philanthropic donations entailed product or service donations. Employee volunteerism, where MNE employees donate their own work time to a NGO, was not popular among the interviewed; only the MNE 2's campaign some donations were made as a service completed by the MNE 2's employees.

A particular form of small donations to the NGOs was mentioned in some interviews. This was called *NGO support initiative* (In Finnish: *'kannatusilmoitus'*) where a MNE is mentioned supporting the NGO/cause in the NGO's own publication. Even MNEs 1, 2, 3 and 4 mentioned this type of support even though they simultaneously highlighted the strategic importance of linking the NGO to the business being valuable. The same companies also donated products to different NGOs. MNEs 5 practiced philanthropy only; MNE 6 had practiced other engagement forms too but currently only philanthropy.

Strategic Philanthropy: In few cases, the MNEs indicated that the donations are done strategically aligned with some company strategy which is the precondition for strategic philanthropy (Porter & Kramer 2002). In order to be considered "strategic", the business link together with the value link should have been indicated; previously mentioned donations supporting a strategic business location being one example. As e.g. the MNE 3 representative noted; MNE 3 wanted to support a NGO at their strategic business location so that the environment would become more viable for their business there (Interview, Nov 31, 2013). Again, however, the same MNE supported another NGO program at a location which they have no operations whatsoever which in turn indicated the overall company philanthropy is not fully strategically aligned within the MNE's business.

From the data, it could be pointed out too that some initially strategic NGO engagements form, such as Transactional CR engagements lowered to philanthropy due to the missing links between business, values and strategy, or simply because of poor engagement implementation/utilization. For example, MNE 5 highlighted the one particular NGO engagement where the company values and the NGO values matched great. But when the representative stated that “it could be any other NGO too” and “we could be more active”, the statements spoke for themselves indicating that the engagement has not been strategically thought at all and thus pure philanthropy (Interview, Nov 12, 2013).

For NGOs, philanthropy seemed remained also quite preferred engagement form thus all the NGO representatives stated companies giving their respective organizations donations. As NGO 1 representative described: “if I could choose, I would only like to have donations” (Interview, Sept 4, 2013).

4.2.3. Transactional Engagement

Half of the interviewed MNEs indicated implementing Transactional CR engagement forms making it the second most popular engagement form. To recap, at the transactional stage, the MNE-NGO engagement should start to look like a strategic collaboration and thus become increasingly mutually benefitting (Austin 2000). According to the data, the Finnish MNEs contemplate cause-related marketing campaigns, co-hosted events, and education/expertise services as the more specific engagements forms at this stage. Also sponsoring was another form of engagement meant to belong to this stage.

Cause-related marketing campaigns was the most commonly practices engagement form at the transactional stage. In most common campaign type of engagement, the NGOs received royalties as a percentage or fixed amount of a certain product sales and the MNEs, on the other hand, collected the rest of the sales revenues. MNE 1, 4 and 6 had implemented these type of campaigns. The MNEs preferred cause-related marketing campaigns because they were easily to be communicated and conducted. The results of the campaigns could be measured straightforwardly too. However, as MNE 6

representative stated the MNE 6 ended its co-marketing campaign its being “business-wise insignificant” (Interview, Nov 14, 2013).

While the cause-related marketing was quite popular among MNEs, the NGOs interviewed did not find cause-related campaigns groundbreaking. This was because sometimes the link to the actual product and the NGO (link to business) was too weak (NGO 1 Interview, Sep 4, 2013). In addition, there might be an imbalance between the money donated to the cause versus e.g. the campaign media budget (NGO 3 Interview, Nov 7, 2013). To avoid this, a fixed fee was in many cases paid in addition to royalties to the NGO so the both parties were guaranteed an equivalent and thus making the engagement benefit the both.

Co-hosted events were another Transactional CR form described. Often the event was only held once and had not developed into any other engagement form. Most often, the events were seen as way to engage NGO/cause to the MNE’s employees. However, not all NGOs found the co-hosted events great; two NGOs mentioned that they do held those type of events (NGO 1 and 3). Reason being that it is hard to engage the company employees to the event and that the events take a lot of effort to organize and succeed.

Lastly, some MNE and NGO interviewees pointed out the educational and service related collaboration forms (MNE 3 and 4, NGO 3). In these cases, the NGO offered a MNE a service which was paid by the MNE as products, visibility at companies’ marketing channels or money. Again, these engagement forms fulfilled the mutually-benefitting situation; e.g. MNE 3 supported the breast cancer association and in return the association gave education about the cancer to the MNE 3 employees.

Sponsoring seemed to be a puzzling word for both MNEs and NGOs. The interviewed agreed that sponsoring should entail two-way actions. But particularly, the MNEs were not sure how sponsoring a NGO is benefitting them. E.g. when mentioning sponsorships

the MNE representatives noted themselves that sponsoring a NGO might not yield the marketing awareness level gains aimed:

“We do basic sponsoring. If you watch TV, our company logo is shown quite a lot particularly in sports. How much that benefits us is debatable. How much the sponsoring give us brand or marketing wise, not a lot.” (Brand Manager, MNE 2 Interview, Oct 30, 2013)

The NGO side did not like the word *sponsoring* anymore:

“In Finland, the word sponsoring carries connotation of one-way money donations and philanthropy. That is why we want to talk about ‘company partners’.” (NGO 2 Interview, Oct 15, 2013)

These statement suggest that initially sponsoring deals might became philanthropy. Showing a NGO logo on a company website or one-time co-written newsletter mentioning a NGO project sponsorship did not either qualify as transactional engagement. As mentioned in the literature review (Kourula & Halme 2008), the sponsoring, even if described as transactional CR fell, under either strategic philanthropy or pure philanthropy stage in this study too.

4.2.4. Systematic Dialogue and CR Integration

When the philanthropy was the main form of engagement, not many MNEs indicated implementing any engagement forms on the Integrated CR stage. To recap, integrated CR is the integrative collaboration focuses on the companies’ existing business and conducting it more eco-friendly and sustainable ways (Kourula & Halme 2008). Among the MNEs, the systematic dialogue was the most common form of engagement belonging to this stage.

The systematic dialogue among Finnish MNEs was conducted as contractual based collaboration with environmental NGOs. The reasons for systematic dialogue stated were threefold; 1) to develop MNE’s supply chain, 2) to gain network benefits (e.g. being a member of extended industry network), and 3) to gain knowledge about the

environmental trends and future outlooks. MNEs 1, 3, and 4 described utilizing systematic dialogue with environmental NGOs.

Outside of the systematic dialogue, only the described MNE 1's engagement with a national NGO which supports youth's employment could be placed belonging to this stage. This type of engagement links directly to the core business by utilizing affordable work force when simultaneously easing the youth unemployment and increasing the youth involvement. However, this special example does not expand the core business so it cannot be considered belonging to CR innovation. The present author still finds this particular case very innovative way to combine the NGO's networks to business so that the both parties together with the society benefit.

4.2.5. *CR Innovation*

The data of this study suggest that the Finnish MNE are far away from CR innovation stage. As mentioned by e.g. Kourula and Halme (2008), CR innovation requires the company and the NGO to co-create something totally new when simultaneously the cause and the business are helped. However, this was not the case with the Finnish MNEs and not a single MNE representatives indicated any NGO engagement fitting to this stage. This emphasized strongly that although the Finnish companies interviewed for this study are among the largest in Finland, they do not invest in innovative CR in collaboration with a NGO. Why CR innovation is not invested in might be due to lack of resources. As illustrated by the NGO 4 representative:

“There has been only one company in Finland which has budgeted, invested and put so much resources on NGO collaboration...According to my knowledge, this company have been and still is in its own class.” (NGO 4 Interview, Nov 11, 2013)

4.2.6. *Summary*

This section 4.2. aimed to explain what MNE-NGO engagement forms the MNEs prefer and why. Quite surprisingly, the Finnish MNEs preferred philanthropy among all the other engagement forms even though they recognized the other potential engagement

forms. Also surprisingly, neither the MNE representative described any engagements forms belonging to the CR innovation stage.

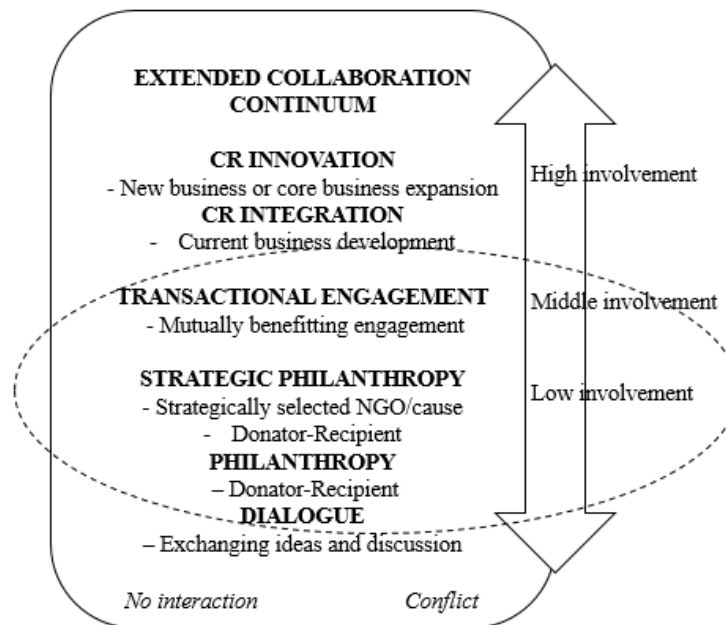
Why philanthropy was the most common engagement form can be explained by many aspects. For example, as the NGO 4 and MNE 5 representatives stated CSR being is still in its infancy in Finland yielding to that the simplest way to practice NGO engagements might be the most common ones. Additionally, because the CSR and NGO engagements are new and not fully integrated to the company strategies, the outcome of the engagements are not followed and the engagements are not therefore communicated. As stated by MNE 1, 2 and 5 representatives, the companies did not want to overly communicate about the engagements. This might however lead to that the philanthropy will remain strong thus all the other engagement forms require more resources, also communication. Why philanthropy remained the preferred form of NGO engagement will be discussed more deeply in the Conclusions –chapter later.

Table 5 and Figure 13 describe the findings according to this cross-case analysis. Table 5 illustrates the total amount of the NGO engagements described in each interview, and according to each engagement's characteristics, they are placed in the Extended Collaboration Continuum by marking 'X' to the respective column. In some instances, one NGO engagement might belong to two different stages on the continuum e.g. in case of MNE 3, the engagement with an environmental NGO was simultaneously systematic dialog but also philanthropy. The case of MNE 2, the seasonal donations and the own campaign created as treated as two separate engagements. Also the small donations given to variety of organizations are treated as philanthropy.

TABLE 5: Finnish MNEs NGO Engagements on the Extended Collaboration Continuum

MNE	Number of NGOs described	Low involvement			Middle involvement	High involvement	
		Dialogue	Philanthropy	Strategic Philanthropy	Transactional Engagement	CR Integration	CR Innovation
MNE 1	10	X X	X X	X X X	X X	X X	-
MNE 2	2	-	X	X	-	-	-
MNE 3	9	X	X X X X	X X X X	-	X	-
MNE 4	9	X	X X X	X	X X	X X X	-
MNE 5	3	-	X X	-	-	-	-
MNE 6	3	-	X X	-	X	-	-

FIGURE 13: Current Standing of MNE-NGO Engagement on Extended Collaboration Continuum



4.3. Summary of Findings

This chapter presented the main findings of this study. To summarize the findings, they can be at this point divided into two. Firstly, the Finnish MNEs engage to variety of NGOs for different reasons, but in general, the Finnish MNEs' and the selected NGOs' values need to align in order the NGO to be considered an organization to be supported. In addition to the values, the findings show the strategic link between the MNE and NGO has become increasingly important selection factor. In other words, the NGO engagement need to fulfill a certain strategic gap or fit to the existing company strategy in order to be selected as a NGO to be engaged with. Both the MNEs and NGOs representatives pointed out the strategic linkage being important and NGOs had created many forms for companies to engage with them. In addition, NGOs had increased the personnel taking care of company relationships and engagements.

For the second finding, this study shows that the Finnish MNEs seems to prefer engagement forms on the lowest involvement stages on the Extended Collaboration Continuum. Even though, the NGOs have professionalized during the years and are now able to provide companies many type of engagement forms, surprisingly philanthropy, and particularly donations made in money and/or products, remain strong. The NGOs' increased human resources could help with reaching higher involvement MNE-NGO engagements, but yet still the MNEs select to engage though philanthropy. This might suggest that there are too few people taking care of NGO or other stakeholder relationships on the MNE side. Moreover, Finnish MNEs have realized the NGOs potential and different engagement forms, the simplest way to engage with NGOs - philanthropy - remains as the main engagement form between the parties.

Next, Chapter 4 will complete these findings and aims to put together whether there are common decision making patterns between the case MNEs and their NGO and engagement form selections.

5. CONCLUSIONS

The previous chapter introduced the main findings of this study and the chapter followed the order of the two research questions set. This chapter, on contrary, aims to complete the findings and analyze whether there are common paths which the Finnish MNEs follow when the decision makers select the supported NGOs and the engagement forms. This cross-case analysis is done by following Gavetti and Levinthal's search and choice framework (2000) to be able to find similarities and differences among the case companies. After this part, Implications -chapter summarizes the findings and ends this study by analyzing the future of the MNE-NGO engagement in Finland together with managerial implications and recommendations. Some future research topics within the field will be highlighted additionally.

5.1. Offline, Online or Offline-Online NGOs and Engagement Form Selection?

To briefly recall, Gavetti and Levinthal's (2000) framework stated that the search and choice decisions can be made either online, offline or through combining the both approaches. Online approach is guided by decision makers' previous experiences and feedback, whereas offline approach bases on cognitive aspects such as evaluating different options according to their greatest benefits and outcomes (ibid).

In this study, the MNEs' decision makers selected the NGOs and the engagement forms through all of the mentioned approaches. The data did not indicate one single path the Finnish MNEs would have followed when deciding on their NGO engagements. However, it seems to be that MNEs emphasizing and showing the strongest strategic linkage between the business and the NGO/cause seem to select the NGOs through offline approach (MNE 1 and 4). On contrary, the companies basing their NGO and engagement form selection mostly to aligning values seem to follow the online approach (MNE 5 and 6). This leaves the offline-online approach to the rest of the MNEs (MNE 2

and 3) thus they indicated using the both approached quite equally. Following three sections elaborate on this concluding finding.

5.1.1. Online Approach

According to the data, the MNE 5's selection of a NGO partners was purely based on online approach. As described earlier, MNE 5 engaged with only two NGOs currently from which the other had continued for a long time. No one within the company had criticized this engagement and thus it had continued to this date. The outcome or the goals of the engagement were not carefully considered, and it can be generalized that the company made the decision to start supporting or to continue to support the same NGO because of the accumulated feedback and previous experiences. Because the data did not indicate any cognitive aspects e.g. evaluation of the results of the NGO engagements, it is fair to state MNE 5 followed online approach.

In addition to MNE 5, MNE 6 seemed to base their decision to start supporting the interviewed NGO to the past experiences. MNE 6's current INGO partner, which was also present in the interview, could be described as a competing and similar organization to the previously supported INGO, thus making the decision to switch done online. To support this claim, the MNE 6 used the same engagement form with both INGO partners and because the switch happened because the MNE wanted to something new quickly, the cognitive aspects were insignificant in the decision. The mentioned and ended co-marketing engagement could, however, be described as done offline thus obviously it did not bring the results wanted and the co-marketing campaign was therefore ended, or not used as an engagement form afterwards.

5.1.2. Offline Approach

According to the data, the MNEs justifying carefully thought NGO engagements utilized mostly offline approach. As mentioned many times, MNE 1 and 4 showed the best alignment between why the particular NGOs were selected and which engagement form used. In addition, these decision were made in aligned to the overall company strategies.

Thus, the decision makers within MNEs 1 and 4 considered the possible outcomes of the NGO engagements more than other MNEs these MNEs showed utilizing the offline approach greatly.

In the same token, these two MNEs practiced the greatest variety of engagement forms. This highlights to the present author that these MNEs wanted to engage with NGOs on different strategic levels. E.g. MNE 1 and 4 were the only ones emphasizing the importance of systemic dialogue which as such explains that the NGO expertise was important resource to the companies. To highlight the strategic linkage, the MNE 1 representative noted that she preferred all NGO engagement to begin within the company by realization of an issues which together with a NGO could be helped.

It need to be however addressed that certainly not all NGOs supported by MNE 1 and 4 were selected through offline approach only. E.g. the long term engagement of MNE 1 and their 40 year long relationship with a NGO had continued surely partly because of the long history. But for the most of the part, MNE 1 and 4 selected the NGOs offline comparing the benefits from each engagement and trying to utilize the engagements as it was planned to.

5.1.3. Online and Offline Approach

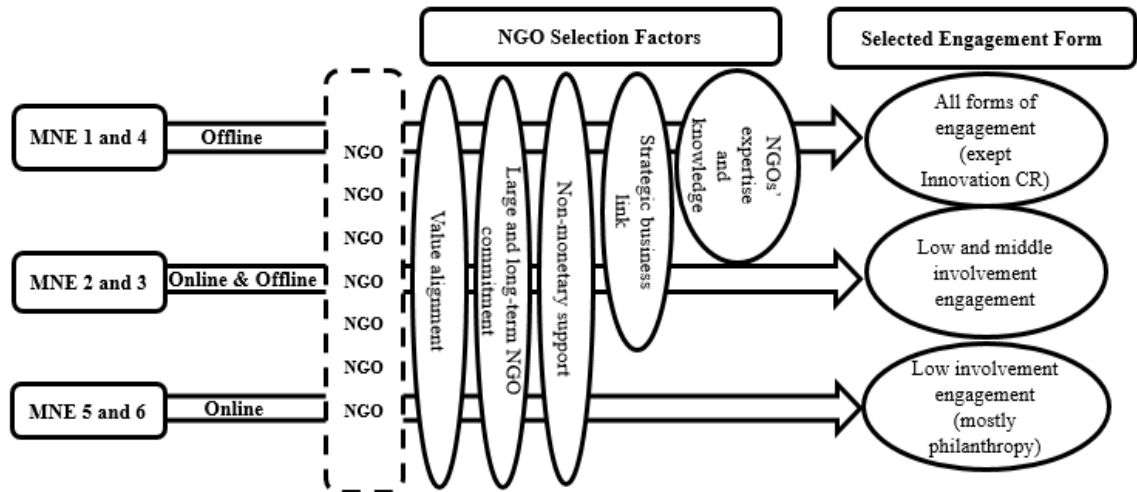
According to the data, MNE 2 and 3 indicated to utilize the both approaches quite equally. As described, the MNE 3 did not describe any particular NGO engagement in detail, but when analyzing the campaign they had implemented, it reflected the offline search (the MNE selected to create their own campaign because they thought it would bring better results than supporting a particular NGO). Simultaneously, however, the MNE 2 did donate money to large INGOs, and the representatives were not able to justify why. To the present author this indicated that the Christmas donations were just supposed to give somewhere and thus one of the most well-known INGOs were given the donations according the previous experiences.

The MNE 3 did also a lot of NGO decisions based on both offline and online approaches. The long-term engagements with their main NGO partners indicated that the company's continuing these because it had done for a long. Also because the MNE 3 was using the same type of campaign based donations (where the customers could donate money) with a few NGOs, it suggested that decisions yielding to those campaign were done online thus campaign had worked previously and the feedback from the customers and employees had been positive before. On contrary, MNE 3 did offline decision e.g. when deciding to support the local breast cancer association thus female employees were given education about the cancer through the engagement.

5.1.4. Summary of Decision Making Patterns

When cross-analyzing the case companies through the decision making patterns, it can be concluded the Finnish MNEs utilizing all the decision making patterns described. As mentioned the MNEs engaging with the greatest variety of NGO and engagement forms used mostly the offline approach, and therefore based their NGO and engagement form selection on cognitive aspects. In addition, these MNEs also reached the higher involvement stages on the Extended Collaboration Continuum than the others. On contrary, the companies practicing philanthropy only seemed to base their decisions to online approach by utilizing the engagement forms they had previously experienced. In the middle, the MNEs engaging though middle and low involvement engagement forms use both of the approached quite equally. Figure 14 on the next page present this conclusion in graphical terms.

FIGURE 14: *MNEs Decision Making Patterns, NGO Selection Factors and Engagement Form*



As highlighted in Figure 14 above, MNEs 1-4 indicated almost the same NGO selection factors. I.e. it seems that MNEs, which appreciate the strategic link between the NGO engagement and the business high, are also the ones utilizing the offline approach. This finding makes sense thus it was simultaneously indicated that these companies also utilized or wanted to create the engagement forms e.g. systematic dialogue which aims to develop the companies supply chains in a collaboration with a NGO partner. However, as it can be concluded too, the MNEs emphasizing the NGOs' knowledge and expertise are also the ones reaching the higher involvement stages more frequently, and therefore also utilize the greatest variety of engagement forms.

Because the findings still showed that philanthropy is the most common engagement form, the next sections 5.2. discusses this finding more specifically.

5.2. Why Philanthropy?

The existing literature suggested strongly that the business-NGO engagements have moved to a more strategic meaning and businesses and NGOs have created high involvement engagements together. According to this study, this is not the case among the Finnish MNEs. Thus, the low involvement engagement and particularly philanthropy has remained the most preferred engagement form, the present author decided to devote this section to discuss why it might be so.

The present author argues that philanthropy is preferred by the Finnish MNEs mostly for following three reasons; the lack of resources, the newness of CSR and NGO engagements, and misinterpretation of shared values. In addition to the mentioned reasons, a special case of New Children's Hospital 2017-project is highlighted in this section. This is because all the interviewed representatives brought this particular case up during the interviews and the case highly relates to the shared values mentioned.

5.2.1. *Lack of Resources*

The findings showed the Finnish MNEs are not implementing high involvement NGO engagement thus the data did not show any CR innovation forms and only just a few CR integrated engagements. As illustrated by Austin (2000) in Figure 8, the resource allocations from the companies and NGOs should increase if the business-NGO engagement is on the higher involvement stages on the collaboration continuum. Therefore, the lack of resources might be one of the reasons why the Finnish MNEs and NGOs engagement has not reached the higher involvement engagement forms to a larger extent. E.g. the NGO 4 representative pointed this issue when stating that the resources the Finnish MNEs put for NGO engagements are often small. She argued that even the companies coming from other Nordic countries allocate a lot more resources to NGO engagements than their Finnish counterparts. She also knew only one company in Finland which had allocated its resources extensively for NGO engagement (Interview, Nov 14, 2013).

The lack of resources claim can be supported by the finding which states that Finnish MNEs' emphasis of the non-monetary support being an important NGO selection factor. This finding indicates the MNEs wanting to find other methods of payment for the NGO engagement than money. The MNEs showed using other equivalents; a good example of this was the MNE 3's campaigns where they encouraged their customers to donate their money to the NGOs, and the MNE 3 itself only offered the visibility for the campaign. Rather than money, MNEs 1, 4 and 5 practiced philanthropy by donating products. These examples are well-aligned with Kotler and Lee (2005) who noted that in-kind services can be often less costly (for the company) options than money donations. This in turn might explain the philanthropy being the most preferred MNE-NGO engagement form.

The lack of resources might also be one of the reasons why the MNEs cannot utilize the existing NGO engagements to their fullest potential. E.g. the lack of communication about the engagement was often highlighted in the data. The NGO 3 representative, for example, stated that the MNEs need to be encouraged and reminded to communicate about the NGO engagements. On the other hand, the MNE representatives were very careful with communications which might yield to that the philanthropy will remain strong thus it has not need to communicated if not wanted. As mentioned by Halme and Laurila (2009) philanthropic activities often happen outside of the company's business and no business driven benefits are sought out from them, therefore no communication is not required necessarily either.

5.2.2. Newness of CSR and NGO Engagements

From the literature, it became clear that neither CSR nor NGOs are new to the business world. Additionally, the business-NGO literature has been expanding pointing out the increased potential of business-NGO engagements and its forms. In general, all the MNEs and NGOs interviewed acknowledged the importance of CSR and NGO relationships, but yet still, reflected them being relatively new concepts. E.g. most of the companies did not publish a CSR report, neither did they have a CSR program or comprehensive company guidelines for CSR/NGO issues. In some MNEs, the head office

did not either know what type of CSR activities or NGO engagements their subsidiaries or other departments are implementing (MNE 4 and 5). The MNE 5 representative said directly that CSR is new to the company (Interview, Nov 12, 2013). As pointed out in the Research Method –chapter, some MNEs contracted for this study declined participation the topic being under development. These all might indicate that the topic being new and under development in many companies.

In general if CSR and NGO engagements are still somewhat new to the Finnish MNEs, it can be argued that the most straightforward way is to select engagement forms which do not require large contributions from the MNEs. This might explain the popularity of philanthropy thus e.g. donations can be described as a risk free solution to practice CSR and simultaneously NGO engagements. As explained in the previous section; if the MNEs are unwilling and lack resources to communicate about the NGO engagements, philanthropy is viable form when no actual benefits are sought out of the engagements. Within the same lines, in some instances the companies (MNE 3, 5, and 6) supported well-established NGO development programs. These could be described as easily supported NGO engagements and a one way to overcome the newness of CSR and NGO engagements.

5.2.3. Misinterpretation of Shared Values

For the last argument, the present author suggests that the philanthropy is strong among the Finnish MNEs due to highly expressed shared values. All MNEs and NGO interviewed acknowledged the shared value principle was guiding their NGO selections. However, there seems to be a misinterpretation between the shared values as the Finnish MNEs see it compared to the original idea by Porter and Kramer (2011).

For the Finnish MNEs, sharing the same values with the NGO supported seemed to equal to alignment of the same values. Sharing values in the case of the Finnish MNEs was that if the NGO supported the same values than the company itself, the NGO could be supported. In contrast to the idea of Porter and Kramer (2011), these authors address not

sharing the values per se, but the outcome which is creating the shared value. I.e. Porter and Kramer point out that the shared values are the starting point for something new which in turn will ease some societal issues while simultaneously increasing the company's profits. In most of the MNE-NGO cases researched in this study, the MNEs saw the sharing values too narrowly and did only base their NGO engagement on the values and not to the outcome at all. This highlights the previous finding stating that the MNEs using the online approach based their NGO engagements on values and not to the outcome of the engagement. The problem with seeing the shared values narrowly is that it might yield to a situation where basically anything personally or company level important could be supported. The present authors then concludes that the large INGO are then strong thus they have the resources to sell their values to the MNEs.

As mentioned, philanthropy comes without any concrete equivalents from the NGOs' side (Halme & Laurila 2009). Reasons, which however were not explicitly stated during the interviews, might include aspects just as building company goodwill and reputation as mentioned by e.g. Kotler and Lee (2005). According to this study, for the most parts the philanthropy and the goodwill aspects are enough of equivalents for the Finnish MNEs. The goodwill was also a key point in the interviews when the company representatives brought up the new Children's' Hospital 2017-project which is very topical in Finland currently. The project is thus discussed briefly next.

Case New Children's Hospital 2017 – project: For an interesting case, all MNE and NGO representatives interviewed mentioned the New Children's Hospital 2017 –project during the interviews even though it was not questioned by the present author. To describe the case shortly, the project supports a new hospital facility to be built in Helsinki. The new hospital will be replacing the old children's hospital facilities which have been in poor condition for several years. Not-for-profit support association behind the project collects private funding from both company and individual donors which has made the project remarkable in the Finnish society where the public sector usually funds this type of infrastructures. The target of the project is to collect 30 million Euro funding

from the private sector while the total cost of the hospital is estimated to be around 160 million Euro. (Source and for more information: www.uusilastensairaala2017.fi).

In general, all the interviewed acknowledged the New Children's Hospital 2017 –project being very successful. The interviewed e.g. mentioned that media attention and exposure the project has received being remarkable in Finland pointing out the urgent need for new hospital facilities. The interviewed agreed too that the project does not come without controversies. Fundamentally the biggest issue raised was whether the companies should be financing the project at all. As two of the MNEs interviewed argued:

“The Children's hospital project is very current topic now. I think the funding for the project can be collected partly from the private sector. However, the private sector cannot ever lead this type of project; it should strongly be in hands of the public sector. I'm not saying it is not, but this case is not trouble-free.” (MNE 1 Interview, Oct 14, 2013)

“I think that the Children's Hospital should be built with public funding. It is gratuitous project - money giving for a project which should be covered by tax revenues...This type of project should be on top of priority list of the government.” (MNE 4 Interview, Nov 8, 2013).

According to these and other arguments stated, it can be claimed that the Finnish MNEs are divided between the traditional view to see the building of a new hospital as a government's duty and the newer trend of raising explicit CSR in Europe (Matten & Moon 2008). In addition, the extensive media attention pointing out which companies have supported the project might cause extra pressure for companies in favor funding the project which, again, is aligned with implicit CSR where the pressures coming from variety members of society makes the companies to practice CSR – in this case support a hospital building.

Additionally when relating back to the value alignment and the lack of communications Finnish MNEs like to conduct, the New Children's Hospital project supports those

findings greatly. As mentioned, the interviewed Finnish MNEs tend not to communicate about the good things done for the society which makes the project fit to MNEs because the only equivalent the project can give in return is “good reputation but nothing concrete” as mentioned by MNE 4 representative (Interview, Nov 8, 2013) . The MNEs, however, saw the value link – MNEs being a part of the society and health of the children – important. In this case, the value link is so strong that it does not require the business link to be established. As a proof of it, most of the MNEs interviewed has already funded or supported the project in a way or another. Also the current figures from the project state that almost the whole 30 million funding from the private sector has been already collected (as it is in July 2014).

5.3. Summary of Conclusions

This chapter went deeper into the findings and discussed the decision making patterns and why philanthropy has remained the main form of engagement between the MNEs and NGOs in Finland. In addition the chapter highlighted the New Children Hospital 2017 case which is very topical in the Finnish society currently.

To summarize, this chapter made the point that philanthropy has remained the most preferred MNE-NGO engagement stage due to three reasons; the lack of resources, the newness of CSR and NGO engagements, and the misinterpretation of shared values which all were discussed in detail. In addition, the New Children’s Hospital highlighted the implicit CSR which seems to be the way the Finnish MNEs practice philanthropy as mentioned by Matten and Moon (2008) in the literature review earlier.

Last chapter of this study will focus on the implications of this study and will also highlight the potential further research topics.

6. IMPLICATIONS

This last chapter of this study summarizes the findings of this study and turn the focus to the future of the MNE-NGO engagement in Finland. The chapter is divided into three sections. Section 6.1. summarizes the whole study by highlighting the main findings. Next, section 6.2. takes a look to the managerial implications and recommendation and the future of the MNE-NGO engagement particularly in Finland. Finally, the last part of this study suggests potential business-NGO engagement research topics and the limitations of the study.

6.1. Summary of the Thesis and the Key Findings

The purpose of this study was to shed light to the increasing phenomenon of MNE-NGO engagement in the context of Finnish society. Particularly, the present author aimed to find out factors which determine why particular NGOs are selected as the NGOs to be supported. In addition, the study aimed to find out all the possible MNE-NGO engagement forms known by the literature and find out are which ones of them are preferred by the Finnish MNEs.

In order to make sense of the overall topic of the study, the present author decided to first use the funnel approach to the literature by first familiarizing herself with the MNE and CSR literature and then moving on to the NGO and business-NGO engagement literature. Later on, multiple-case study research method was used in order to answer to the research questions and objectives of this study. Moreover, semi-structured interviews were used in order to understand the phenomenon. Interviewed people included directorial or managerial level directors from both Finnish MNEs and NGOs.

Regarding the first research question; *what factors influence a MNE's decision to support a particular NGO*, the data revealed that the Finnish MNEs' company values need to be aligned with the NGO's values, the engagement need to be long-term and rather larger

scale engagement and not to be based on one-sided money donations from the MNEs. In addition, in the most cases, the engagement need to be ideally strategically linked to the MNE's business. In most of the cases, the link between the MNE's strategic business location, customers or employees were mentioned as the strategic linkages.

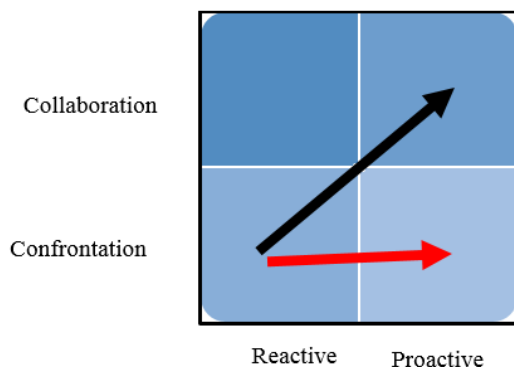
Regarding the second research question; *what form of engagement between a MNE and a NGO the MNE prefer, and why?*, the main finding was that the Finnish MNEs prefer the low involvement engagement forms such as philanthropy. Why this is so can be explained partly by the Finnish MNEs lack of resources put into the engagement, the newness of CSR and NGO engagements, and the misinterpretation of the shared values concept. For these reasons the most straightforward way to engage with the NGOs remained philanthropy. However, the Finnish MNEs did not find the NGO engagement insignificant thus all the MNEs pointed out supporting a variety of NGOs.

This study was not able to draw one decision making pattern the MNEs follow when making decision about the NGO partner and the engagement form. However, when using the cross-case analysis, it became clearer that more strategically thought and more diversified the MNE-NGO engagements are, more the MNE decision makers base their selection to offline approach, i.e. evaluating the possible outcomes of the engagement according to their cognitive aspects. As mentioned by MNE 1 representative; in an ideal situation, the MNE 1-NGO engagement should always start within the company by the company realization of an issue which could be solved by using a NGO's help. On contrary, the MNEs practicing only philanthropy tend to use online approach meaning that the previous experiences and feedback from similar situations guided the decisions.

6.2. Managerial Implications and Recommendations

The managerial implications of this study are the following. Firstly, this study shows the Finnish MNEs understand that the NGO are an inseparable part of societies around the world and thus their existence need to be acknowledged in business. All the Finnish MNEs interviewed were engaging with NGOs and they understood that the engagement with different NGOs can support the overall company strategy. However, Vernis et al. (2006) described pattern where the companies have moved from NGO confrontation to collaboration is not as it has happened in Finland according to this study. Rather the Finnish MNEs have moved away from the confrontation to proactive engagement. As this study shows, proactive engagement is done via philanthropic and transactional engagement forms than well-thought actual collaboration or engagement. This development in shown in Figure 15 below with a red arrow. The black arrow shows the global trend as stated by Vernis et al. (2006).

FIGURE 15: *Development of Finnish MNE-NGO engagement*, Adapted from: Vernis et al. (2006) in *Figure 6*.



For a second managerial implication, this study shows that there are many engagement forms to be utilized, and particularly the large NGOs are willing to engage with MNEs through several of engagement forms. Therefore, the presented Extended Collaboration

Continuum offers a comprehensive lists of potential engagement forms for Finnish MNEs and NGOs. However, it might be that the biggest barrier for the high involvement stages is lack of resources on the MNE side. Co-creating new business models together with NGOs require extensive amount of resources, involvement and commitment which the Finnish MNEs do not currently show possessing. However, the present author would encourage the Finnish MNEs to try other engagement forms than the preferred philanthropy and transactional forms.

Thirdly, this study points out rather self-explanatorily that the starting point for each NGO engagement is a value alignment between the MNE and the NGO. The shared values are and should be highly appreciated when the Finnish MNEs select NGO to engage with. However, the shared values should only be the foundation for the engagement and the engagement lead to the company benefitting too. It is because if only values are shared, the NGO selection seems to be based on goodwill and therefore concrete benefits from the engagement are hard to be achieved. That combined with the lack of communication and other resources might also diminish the philanthropic gains just as the better company reputation. More strategically aligned the MNE-NGO engagement decisions are compared to the overall company strategy, the more the MNEs can benefit from the engagement as it was shown in the cases of MNE 1 and 4 particularly.

Lastly and related to the previous point, even though the main purpose of this study was not to evaluate which MNE-NGO engagements were the most successful ones, the data indicated that the long-term well strategically-aligned NGO engagements were the most successful MNE-NGO engagements. E.g. the MNEs 1, 3 and 4, which showed strategic alignment between the NGO selections and the overall company strategies, seemed to be highly satisfied with the NGOs supported. Even though these companies did not reach the CR innovation stage, they were in many cases still fulfilling the win-win-win situation which was in the beginning of this study stated the ideal outcome of business-NGO engagement. On the other side, the MNEs basing their NGO selection only to their

previous experiences and values find it hard to communicate about the engagement and often forgot to win on their own side, e.g. MNEs 5 and 6 which only focused on giving donations to a NGO but were not able to describe what did they get from the engagement.

6.3. Suggestions for Future Research and Limitations of the Study

As this study and the literature suggest, the business-NGO engagement is here to stay. None of the interviewees neither the literature suggested that the engagement would be decreasing in the future. As mentioned many times, international business and CSR literature knows many different forms for business-NGO engagement and more innovative the engagement is, the more it has the potential to ease some societal or environmental problems. It became obvious that the Finnish MNEs are not exploiting the MNE-NGO engagement potential at the fullest and thus there are plenty of research potential within this field.

First of all, one of the fruitful research topics could be finding out why the Finnish MNEs are struggling to take the NGO engagement to the more advantaged stages on the Extended Collaboration continuum. As pointed on in this study, one of the potential factors hindering the other engagement forms might be the lack of resources and interest put into the engagement by the Finnish MNEs, but certainly there are other reasons too. Finding out what would be needed in order to take the philanthropy to the CR innovation could be researched. As mentioned in the literature review, the CR innovation is not anymore new to the business world, but why the Finnish MNEs have not taken it seriously could be researched.

This study focused on these two party engagements between the MNEs and NGOs. However, as hinted by a couple of interviewees, the future of the business-NGO engagement might be multiparty collaboration between other members of society. This implies that many MNEs and NGOs together with governmental organizations are

coming together to solve common problems together on a frequent pace. As indicated by some of the interviewees, the force getting the parties together could be a NGO who have the best knowledge of a certain field or issue. This type of multiparty collaboration would help the companies to overcome their own individual lack of resources. Examples of this type of collaboration are existing already e.g. in humanitarian relief areas where many organizations work together for an urgent help. Also some natural/environmental issues have gathered a multiparty collaboration forms (e.g. the case of Baltic Sea Action Group researched by Ritvala and Salmi 2011). However, this type of broad base collaboration could be implemented on a national or international level more. In the same token, the current hot topic of the New Children's Hospital 2017 –project offers a lot of research potential for a case study for example. Why particular organizations and individuals have decided to support this project could be researched. From the company perspective, it would be interesting to find out whether companies supporting the project have gained philanthropic benefits in forms of increased awareness levels or reputation. Also in general, it would be beneficial to know how the companies supporting the project felt about it and would they be ready to support/fund another this type of 'government duty'.

For a last point, this study focused on large MNEs and NGOs. The SMEs and their engagement with NGOs could be researched. Also small NGOs and how they approach companies could be another potential topic.

Limitations of this study were described in the beginning of this study and there are no additional limitations to be noted. To the present author the biggest limitation was the amount of companies interviewed which yield to that the data saturation point might not be entirely met.

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8. APPENDIXES

A. INTERVIEW QUESTIONS FOR THE MNEs (the interviews were conducted in Finnish)

INTRODUCTION AND WARM-UP QUESTIONS:

Interviewer: tells the basics of the research (anonymity, permission to recording and possible other aspects).

1. Introduction and position of the interviewee in MNE
2. How does the topic of this study relate to your job?

NGO in FINLAND and MNE-NGO COLLABORATION

3. Which NGOs do you engage with?
4. How would you describe the engagement form you have established with the different NGOs?
 - a. Which forms is the most popular?
5. How did you end up with engagement with the mentioned NGOs?
 - a. How NGOs contact you regarding the collaboration?
 - b. Do you [company] contact NGOs regarding NGO engagement?
6. What do you expect from the NGO regarding the engagement?
 - a. What the NGOs can give your company?
 - b. How do you use equivalents given by the NGOs (internally/externally)?
 - c. Does the engagement highlight the company's CSR?
7. What the NGOs expect from your company regarding the engagement?
8. How would you describe the most beneficial/successful engagement with a NGO? What about the most unsuccessful engagement?
9. How do the company decide regarding the engagements? Who makes the decision to support a particular NGO?
10. Why a NGO would like to have your company as a partner?
11. Tell about the duration of the engagements.

FUTURE OUTLOOK AND FINAL QUESTIONS

12. How would you like to the NGO engagements to change and why?
 - a. Now
 - b. In the long run
13. How do you see the future of the NGOs?
 - a. In Finland
 - b. Internationally
14. Anything else you would like to add regarding the topic.

Final notes and thank you.

B. INTERVIEW QUESTIONS FOR THE NGOs (the interviews were conducted in Finnish)

INTRODUCTION AND WARM-UP QUESTIONS

Interviewer: tells the basics of the research, asks permission to recording and possible other aspects.

1. Introduction and position of the interviewee in the NGO
2. How does the topic of this study relate to your job?

NGO SIDE BASICS

3. Funding
 - a. How big part of the funding comes from MNEs?
 - b. Which party is the biggest funder of your NGO?
4. How do you call the companies you engage with?

MNE-NGO Engagement

5. How do you contact potential partner companies? Do the companies contact you?
6. What type of engagement forms you have established with companies?
 - a. What is the most common engagement form?
7. What the companies expect from your NGO regarding the engagement?
 - a. What can you offer for the companies?
 - b. How the companies utilize the engagement/form you have established?
8. What does your NGO expect/require from the companies?
9. How would you describe the most successful engagement/form? What about the most unsuccessful one?
10. How do you decide on the engagement within the NGO? Who decides/makes the final decision regarding the engagement?
11. How do you utilize the collaboration with the companies? (in marketing, internal, external communications...)
12. Why the companies want to support your NGO and/or cause?
13. Duration of the engagement.

FUTURE OUTLOOK AND FINAL QUESTIONS

14. How would you like to the engagement with companies to change and why?
 - a. Now
 - b. In the long run
15. How do you see the future of the NGOs?
 - a. In Finland
 - b. Internationally
16. Anything else you would like to add regarding the topic.

Final notes and thank you.

