Walking The Walk?
A Multi-Level Comparison of CSR Practices
Between France and The UK

By

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September 2017

A thesis submitted in the partial fulfilment of the requirements for the degree of Doctor of Philosophy.

TABLE OF CONTENTS

LIST OF FIGURES AND TABLES

LIST OF ABBREVIATIONS

CME	Coordinated Market Economy
CSR	Corporate Social Responsibility
EU	European Union
FDI	Foreign Direct Investment
HR	Human Resource
LME	Liberal Market Economy
MNC	Multinational Corporation
NGOs	Non-Governmental Organisations
OECD	Organisation for Economic Cooperation and Development
OLS	Ordinary Least Squares
RC	Rational Choice
SOE	State Owned Enterprise
UK	United Kingdom
US	United States of America
USSR	Union of Soviet Socialist Republics
VoC	Varieties of Capitalism

ACKNOWLEDGEMENTS

Firstly, I would like to thank my supervisors Professor Geoffrey Wood and Professor Keith Glaister for their invaluable and timely suggestions and feedback throughout the PhD.
I would like to thank particularly Professor Keith Glaister for giving some of his own research money towards the data collection. Without it, this PhD would have been very different.

I would like to thank Monash University, especially Professor Wendy Stubbs, for welcoming me as a visiting scholar.

A PhD is by nature a lonely exercise, I am therefore very grateful for having met amazing friends at Warwick University with whom I share great memories- in particular Ila, Victoria, Ali, Ivan, Iram and Miranda. A warm thank as well to my friends back home, especially Lisbeth and Sophie.

I am extremely grateful to my sister Marie-Clémence Leguy for always being there, despite the distance and the time difference. These four years were quite a rollercoaster and her unconditional support and encouragements were priceless.

Finally, I would like to thank my partner Bianca for her unconditional love and support. I'll always be grateful for encouraging me and believing in me, in particular during the most difficult times of this journey. Having you by my side helped me tremendously - as our dogs Cricket and Callie!

DECLARATION

This thesis is submitted to the University of Warwick in support of my application for the degree of Doctor of Philosophy in Strategy and International Business. It has been composed by myself and has not been submitted in any previous application for any degree at any other university. All the work presented here, including the data and analysis, was carried out by the author.

Part of this thesis has been presented:
'Comprehending French Capitalism: Yet Another Archetype or a Manifestation of an Existing Model the Present State of the Art and Future Directions.' SASE Conference, London School of Economics, UK, 2nd – 4th July 2015.

ABSTRACT

This study is an account of Corporate Social Responsibility (CSR) variations in firm level practices between two countries, France and the UK. This comparison is theoretically located in the comparative capitalism framework where the sampled countries differ substantially. This study confirms the existence of differences in CSR practices between these two countries and qualifies the nature and extent of these variations. UK companies appear more socially responsible than French companies, but the genuine character of this involvement is questioned. Besides, this study demonstrates how these differences are the results of a combined (but complex) effect of varieties of capitalism and firm level characteristics.

The study of CSR involvement and antecedents is worth pursuing because the question of CSR and the role of companies are still debated. Should companies be only interested in maximising their profits for the sake of their shareholders following Friedman's (1970) admonition? Or should they be more involved in the community, taking a greater part in solving societal problems? How far should they go in fighting global warming? In practice, companies have been held responsible for issues traditionally handled by the state, but not all of them engage in CSR (Gjølberg, 2009b; Kinderman, 2009). There is an increasing amount of companies engaging in CSR reporting and relying on sustainability jargon: sustainable, ethical, ethically sourced, environmentally friendly to name only a few. And yet, the last decade, for instance, has witnessed a global financial crisis, repeated business scandals (banking, tax, labour conditions, pays), rising inequalities in developed and developing countries, and worsened human-made global warming. So how are companies and national states behaving?

This study contributes to the existing literature at several levels. It is a unique cross-country analysis of CSR antecedents and CSR practices between France and the UK. It is based on a quantitative multi-level analysis of its antecedents combining the impact of national institutions, companies' characteristics and HR managers' perceptions. The comparative CSR literature tends to study CSR antecedents one level at a time. This study fills in this gap by providing a global picture of CSR antecedents, rooted in two main strands of literature: the comparative capitalism literature, and the comparative CSR literature. The study offers insights on the separate and combined impact of varieties of capitalism and company characteristics on the nature of CSR practices. France and the UK are particularly interesting cases for this study since they present significant differences in their type of capitalism. The UK is traditionally characterised as a Liberal Market Economy. France provides a comparison case as it is a country which is difficult to categorise, and does not easily fall into the traditional liberal or coordinated market categories.

Using a self-administered questionnaire, this study collected data from 162 respondents (95 French and 67 UK). This study shows variations in CSR maturity between France and the UK, with UK companies showing a greater involvement in all aspect of CSR. Importantly, CSR should not be treated as a homogeneous concept rather it encompasses four components: compulsory CSR, customers, suppliers and philanthropy, and the environment. The study demonstrates that each component does not have the same antecedents. The variety of capitalism plays a role when it comes to the general level of CSR and its compulsory aspect, whereas the economic situation of the companies plays a crucial part in the other components. This study presents a novel finding regarding HR managers' perception of CSR outcomes and rationale. While demonstrating the positive role of HR managers' perceptions on CSR practices, French and UK managers exhibit a contradictory picture of CSR. The former believes in the benefits of CSR in terms of improving the bottom line. UK HR managers are not convinced that CSR is beneficial, but more importantly they trust their managers to engage in it for ethical reasons. Finally, this study advances theory explaining the differences in cross-country managers perceptions of CSR relying on the theory of relative deprivation.

CHAPTER 1
INTRODUCTION

This study is an account of Corporate Social Responsibility (CSR) variations in firm level practices between two countries, France and the UK. This comparison is theoretically located in the comparative capitalism framework where the sampled countries differ substantially. This study confirms the existence of differences in CSR practices between these two countries and qualifies the nature and extent of these variations. UK companies appear more socially responsible than French companies, but the genuine character of this involvement is questioned. This study also demonstrates how these differences are the results of a combined and complex effect of varieties of capitalism and firm level characteristics.

The study of CSR involvement and antecedents is worth pursuing because in the current era, the question of CSR and the role of companies are still debated. Should companies be only interested in maximising their profits for the sake of their shareholders following Friedman's (1970) admonition? Or should they be more involved in the community, taking a greater part in solving societal problems? How far should they go in fighting global warming? In practice, companies have been held responsible for issues traditionally handled by the state, but not all of them engage in CSR (Gjølberg, 2009b; Kinderman, 2009). There is an increasing number of companies engaging in CSR reporting and relying on sustainability jargon: sustainable, ethical, ethically sourced, environmentally friendly, to name only a few. And yet, the last decade, for instance, has witnessed a global financial crisis, repeated business scandals (banking, tax, labour conditions, executive pay), rising inequalities in developed and developing countries, and worsening human-caused global warming. So how are companies and national states behaving?

CSR is not a new concept; it can be dated back to the XIX century, where companies were giving money to various causes in the name of philanthropy. CSR should not be looked at for itself but rather in connection with the evolution of capitalism itself. The interest in CSR has fluctuated over the centuries on a par with the evolution of the economic system. One thing remains certain though: the interest in CSR has not died out, quite the opposite. Over the last decades, CSR has proved even more topical due to the recent evolutions of capitalism. No matter what CSR is called – and it has received many designations over the years – the crucial element is that it repeatedly questions the role of business. This question is at the core of capitalism because the answer influences the direction of the economic system and the institutions created to support it.

The election of Margaret Thatcher in the United Kingdom (UK) (1979) and Ronald Reagan in the United States of America (US) (1981), combined with the fall of the USSR and the opening of China to a market economy, marked a turning point in the history of capitalism with the victory and further expansion of neoliberalism (Harvey, 2005). There are two major issues connected to that movement. The first one is: have all economies become broadly neo-liberal? And the second issue relates to the possible association between neoliberalism and a larger number of ethical scandals.
Neoliberalism is an ideology suggesting that '*human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterised by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices'* (Harvey, 2005, p. 2). In Anglo-Saxon countries, that ideology has led to the rise of neo-liberal capitalism where markets dominate every aspect of people's lives, where the state is considered with suspicion and profit-maximisation is the ultimate goal for companies. At the root of capitalism, for it to survive, capital accumulation needs to continue (Harvey, 2010). This ideology has rapidly spread across the world in parallel to globalisation with the opening of countries, free trade agreements, and free flow of goods and people. Despite its unrivalled presence, neo-liberal capitalism is contested due to its negative effects and is entitled by some as 'Disaster Capitalism' (Klein, 2014). In developing countries, for example, multinational companies (MNCs) have been accused of human rights violations, child labour and inhumane working conditions. In developed countries, inequalities between the 1% and the rest of the population have never been so acute (Piketty, 2013). Corporate scandals, elite excesses and the US-originated subprime crisis in 2008, leading to a severe economic crisis and austerity measures as a result, have resulted in increased anger towards the current economic system. The election of Trump in the US, Brexit, and far-right candidate Marine Le Pen accessing the second round of the French elections illustrate that anger and disenchantment. As if it was not enough, global warming and its consequences on our society and ultimate survival, add an extra-layer of distrust towards the efficiency of capitalism. Klein does not hesitate to speak of a war between capitalism and the climate: '*the battle is already under way, but right now capitalism is winning hands down. It wins every time the need for economic growth is used as the excuse for putting off climate action yet again, or for breaking emission reduction commitments already made'* (Klein, 2014, p. 22).

Since this study is situated in the comparative capitalism literature, examining the notion of institutions is necessary before presenting the objectives and scope of this study.

1.1 The notion of institutions

This thesis is not about institutions per se but relies a lot on the concept. Therefore, an initial clarification is necessary in order to avoid any confusion or misunderstanding in particular due to the abundant literature in this area. However, given the wideness of institutional theory, the purpose of this discussion is not to be exhaustive but rather to indicate what makes an institution in the context of this research.

Institutions and institutional theory is an old object of research (Dimaggio and Powell, 1991) and therefore has received numerous definitions depending on scholars' school of research (Scott, 1987; Streeck and Thelen, 2009). Questioning the concept of institutions, its creation, development or more generally adopting an institutional perspective has taken place in various disciplines such as politics, sociology, economics and business (Morgan and Hauptmeier, 2014). Considering the complexity and broadness of the notion, the institutionalist field is not a homogeneous one. It is classically admitted that four main strands constitute it: rational choice institutionalism, historical institutionalism, sociological institutionalism and constructivist institutionalism (Hall and Taylor, 1996; Morgan and Hauptmeier, 2014). Depending on the chosen approach, the definition of institution necessarily differs. It appears relevant for the study to examine the definitions provided as well as the approach adopted by each variant of institutionalism.

Rational choice institutionalism originates in a branch of economics where individuals are considered as rational beings and their individual preferences are governed by the maximisation of their utility (Morgan and Hauptmeier, 2014). The rational choice school traditionally conceives institutions in two ways: an exogenous way and an endogenous one (Shepsle, 2006). The former can be exemplified by one of its most famous writers, Douglas North, who provided the following definition '*institutions are the humanly devised constraints that structure political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights)*' (North, 1991, p. 97). From this definition, it is clear that institutions consist of exogenous constraints on individual and corporate behaviours thought of in a game theoretic way (Shepsle, 2006). The other conception sees institutions still as rules of the game, but this time they are directly, endogenously, the product of actors creating and implementing these rules themselves (Shepsle, 2006). Regardless of the exogenous or endogenous variation, rational choice institutionalism puts particular emphasis on private property rights, viewed as a key institution.

Historical institutionalism, also known as 'old institutionalism', (as in the variety of capitalism approach, which will be presented in Chapter 2) draws to a varying degree on rational choice institutionalism notably in terms of path dependency, cost calculations (Morgan and Hauptmeier, 2014). Generally speaking, institutions are seen as '*formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity or political economy'* (Hall and Taylor, 1996, p. 938). However it adopts a different approach, less micro (i.e. centred on individual agents) and more macro (positioning at the national level) in order to understand the creation, continuation and evolution of institutions (Sanders, 2006). Institutions are conceived as the results of specific and unusual historical circumstances. '*This attention to goals, collective action, outcomes, and persistence inevitably draws Historical Institutionalism to ideas, and ideas are different from the preferences or consciousness of rules which RC is concerned. Ideas are relational, and often embody normative a priori'* (Sanders, 2006, p. 42).
Historical institutionalism despite an approach in direct opposition to rational choice institutionalism suffers as well from a lack of homogeneity and deploys its understanding of institutions over a wide spectrum. At one end of that spectrum, the variety of capitalism approach shares multiple aspects with rational choice institutionalism in its understanding of institutions whereas at the other end the path followed by Streeck and Thelen for instance offers more room to actors (Morgan and Hauptmeier, 2014). Thelen and Streeck (2009) define an institution based on its enforceable power. An institution must be an obligation that applies to everyone: '*the institutions in which we are interested here are formalized rules that may be enforced by calling upon a third party. (...) it is the possibility of third-party enforcement that indicates whether a rule has legitimacy. As long as the breach of a rule or the violation of an expectation, informal or formal, leads to no more than a strategic response by the actors directly affected, we are dealing, not with an institution, but with a more or less voluntarily agreed social convention. We are dealing with an institution only if and to the extent that third parties predictably and reliably come to the support of actors whose institutionalized, and therefore legitimate, normative expectations have been disappointed'* (Streeck & Thelen 2009, p.106). What contrasts in this particular vision of institutions deals with the fact that individual preferences are not entirely pre-defined by institutions as other strands of historical institutionalism pretend (Morgan and Hauptmeier, 2014). '*In other words, institutions do not determine preferences: they may shape them in significant ways but actors can project a different future, leading them to act in new ways. Actors can also review*

the past, identify for themselves the origins of institutions in some specific set of conditions, and as a result decide, in the present, that these conditions no longer hold. They can therefore act, potentially successfully, against the inertial powers of existing institutions, creating new patterns of action' (Morgan and Hauptmeier, 2014, p. 6). In a nutshell, the VoC approach and the one formulated by Streeck and Thelen encapsulate two opposite views of institutions: on the one hand institutions form individual preferences, on the other they are resources freely used by actors (Morgan and Hauptmeier, 2014). According to Morgan and Hauptmeier (2014), works such as Amable's (2003) or Deeg and Jackson's (2006; 2008) try to build the bridge between these two extremes by providing more attention to questions of politics and power. As an example, Amable (2003, p. 36) offers a more social and political definition of institutions: '*Institutions will be defined as a set of rules that structure social interactions in particular ways. (…) Institutions are rules that provide information about how agents are expected to act in certain situations, and can be recognized by those who are members of the relevant group as the rules to which others conform in these situations. They structure the strategic choices of agents in such a way as to produce equilibrium outcomes'*. In his definition, Amable (2003) distinguishes formal and informal rules based on their codification and the existence of compliance mechanisms. Both formal and informal rules may be institutionally embedded.

The final (and relevant to this study) strand of institutional theory and the most recent is constructivist institutionalism, as explained by Schmidt (2010). This approach highlights the importance of discourses, ideas and their meaning in the understanding of institutional changes (Morgan and Hauptmeier, 2014). It relies on both concepts of path dependency and ideational dependency. As Hay explains '*such a formulation implies a dynamic understanding of the relationship between institutions on the one hand, and the individuals and groups who comprise them (and on whose experience they impinge) on the other. It emphasises institutional innovation, dynamism, and transformation, as well as the need for a consideration of processes of change over a significant period of time'* (Hay, 2006, p. 65).

As Hall and Taylor (1996, p. 955) conclude in their presentation of the first three institutionalism, '*none of these literatures appears to be wrong-headed or substantially untrue. More often, each seems to be providing a partial account of the forces at work in a given situation or capturing different dimensions of the human action and institutional impact present there'*. The same need for discussion between the first three institutionalisms can certainly be extended to the last one, namely constructivist institutionalism.

Based on this short presentation of the different strands of institutionalism, this research follows Amable's (2003, p. 36) definition where '*institutions are rules that provide information about how agents are expected to act in certain situations, and can be recognized by those who are members of the relevant group as the rules to which others conform in these situations. They structure the strategic choices of agents in such a way as to produce equilibrium outcomes'*. The advantage of this definition is that it connects two separate visions of institutions: on one hand institutions seen as resources and on the other institutions as forming individual preferences. The second advantage of this definition is that it acknowledges the role played by politics and power between actors in their relation to institutions.

From an empirical perspective, one might ask which institutions such a study should concretely examine. The institutions that matter are located at three distinct levels: state level, including for instance governments, legal systems, welfare systems, and educational systems; market levels, covering firms, networks and associations; and at the social, cultural level, encompassing aspects of religion, families and communities. This study will focus on the national level institutions, the ones identified in the making of a variety of capitalism by the comparative capitalism literature (as defined in Chapter 2).

1.2 Objectives and scope of the study

The degree of involvement of companies in CSR is the topic of this study. More specifically, this study is a cross-country analysis of CSR practices between two countries: France and the UK. It aims to contribute to the understanding of CSR practices and differences in CSR involvement between these two countries. As will be explained in further detail in Chapter 2, the choice of France and the UK is not trifling. By trying to understand better the variations in CSR involvement and practices, two main lines of explanation are examined: the impact of national institutions and the impact of companies' characteristics.

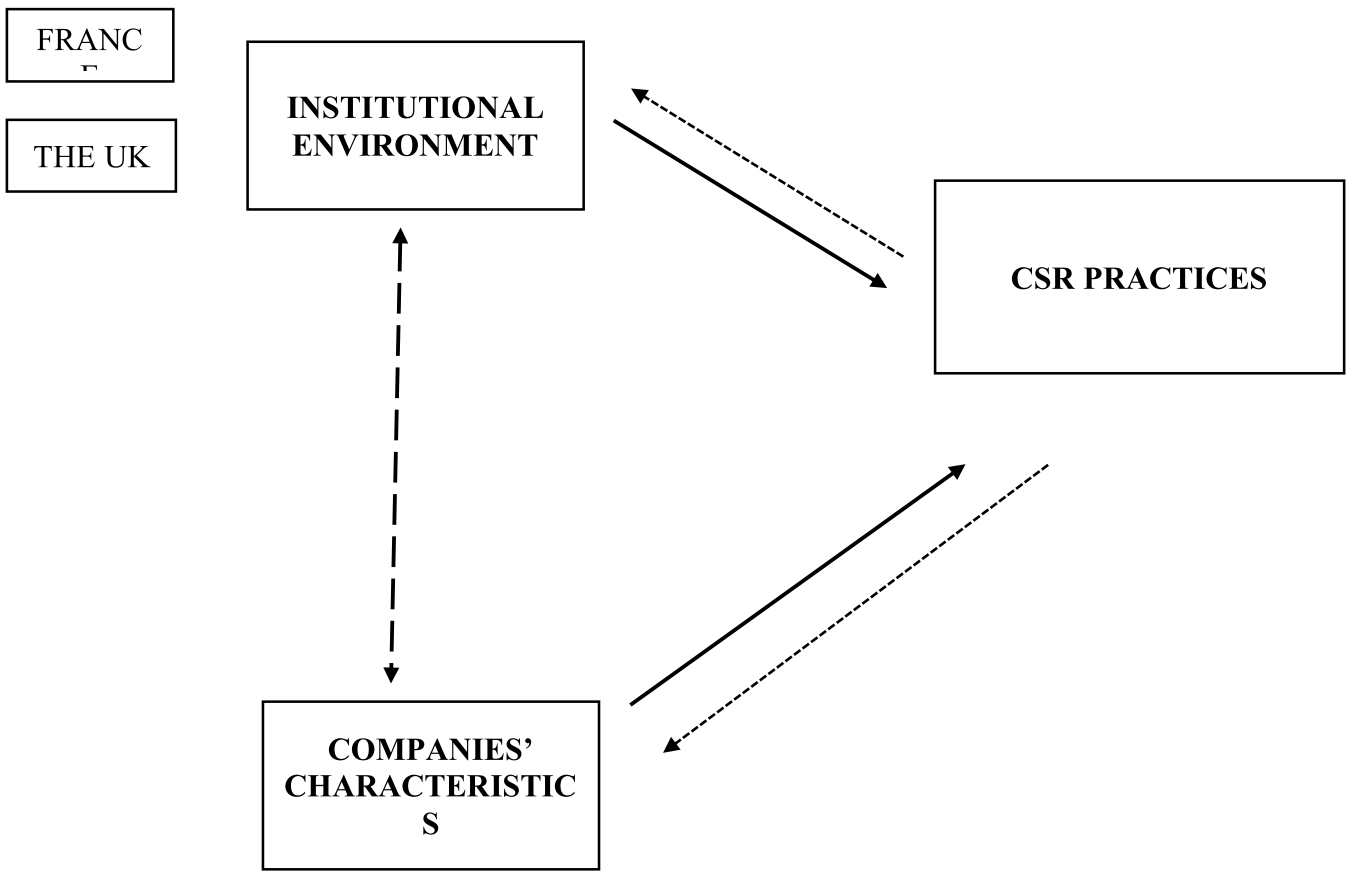
In order to accomplish its goals, the study focuses on the following main research questions:

- What types of CSR practices do we observe in French and UK companies? Are they different or do we observe a homogenisation of CSR practices?
- What is the impact of key institutional features on CSR practices? Do they differ between France and the UK?
- What is the impact of key companies' characteristics on CSR practices? Do they differ between France and the UK?

Figure 1.1 presents the model investigated in this study, namely the combined role played by the institutional environment and companies' characteristics on CSR practices. The following chapters focus on particular aspects of this figure.
It should be noted that national institutions and companies have an effect on each other as suggested by the double-headed arrow between them. Even though this study is not primarily focused on the connection between them, the link is acknowledged. We also appreciate the way in which CSR practices in turn can affect national institutions and companies. However, this aspect is far beyond the focus of this project and will not be touched upon.

The model investigated in this study relies on a quantitative analysis combining primary and secondary data. Secondary data is necessary to quantify country-level institutions to qualify the French and UK varieties of capitalism. Primary data is needed for the investigation of CSR practices, their determinants and firm level characteristics. A bespoke survey was created for that purpose.

Figure 1.1 Research model



This study adds to the existing literature in several ways.

From a theoretical perspective, this study provides a multi-level approach of CSR antecedents analysing the impact of institutional factors combined with companies' characteristics. It aims at gaining a better understanding of CSR antecedents, which have not been studied holistically i.e. combining several levels of analysis.

In the comparative CSR literature, there are many theoretical studies of the potential impact of the institutional framework on CSR practices (Jackson, 2005; Matten and Moon, 2008; Gjølberg, 2009b; Kinderman, 2009). This literature is essentially theoretical, empirical studies (such as this one) that measure the impact of institutional factors on CSR practices are missing. Furthermore, this literature is divided between two understandings of the relation between CSR and institutions. As Chapter 2 will explain, CSR is either seen as a mirror of the national institutions or it is viewed as a complement to them (Jackson, 2005; Matten and Moon, 2008; Gjølberg, 2009b; Kinderman, 2009). This study will shed some light on that debate, helping clarify the connection of CSR with the institutional framework.

From an empirical perspective, prior studies on CSR practices – in the comparative CSR literature and in the country-specific CSR literature – are for the most part US-centred (Garriga and Melé, 2004; Berthoin Antal and Sobczak, 2007). This research provides an empirical study of France and puts it in perspective with the UK. Many authors, in particular the regulationists, have indeed battled to develop a good taxonomy for French capitalism.

1.3 Structure of the thesis

The thesis contains a total of seven chapters and is structured as follows. Chapter 2 presents a review of the literature this research engages with, in particular the literature connecting CSR and national institutions, and the literature connecting CSR and companies' characteristics. Chapter 3 discusses the method used in this thesis. Because it is a quantitative analysis of CSR practices, primary and secondary data are needed to characterise both national institutions and company characteristics. This chapter elaborates on the data collection and the survey used for this purpose. Chapter 4 provides the first step in the analysis by exploring the existence of differences in CSR practices between France and the UK. The following chapter (Chapter 5) provides explanations to these differences by assessing the combined effect of national institutions and companies' characteristics. Chapter 6 adds another layer to the analysis by investigating the way HR managers - whose actions will have a direct effect on a central internal stakeholder, employees - view the role of CSR and its rationale. The thesis ends with Chapter 7, which summarises the main findings of the study, its limitations and suggests avenues for future research. Two appendices contain the questionnaire used to collect data, one in English and one in French. A third one contains complementary regression tables.

CHAPTER 2
REVIEW OF THE LITERATURE

2.1 Introduction

This is a study of comparative CSR from a comparative capitalism perspective. Pinpointing and characterising the impact of a type of capitalism and company characteristics on CSR practices requires a thorough investigation of two strands of literature: the comparative capitalism literature, and the comparative CSR literature. Nevertheless, the goal of this literature review cannot be to review both literatures in their entirety, as it would go beyond the scope of this study. What is of interest in this undertaking is to grasp how national economies in general, and the United-Kingdom and France in particular, are analysed and compared in order to evaluate the specificities of the UK and French variety of capitalism and its likely impact on CSR practices. The aim is not to produce another analysis of varieties of capitalism but to enlighten CSR practices from a comparative capitalism perspective.

The rationale behind this aim is twofold. First of all, France and the UK embody different varieties of capitalism (Hall and Soskice, 2001; Amable, 2003; Clift, 2004b). Therefore, one may consider whether these differences in the type of capitalism have an impact on CSR practices. But recognising that France and the UK exhibit different types of capitalism is not sufficient in order to better understand CSR practices. We need to unveil the impact of national institutional features on CSR practices, or put differently, the connections between national institutions and CSR practices.

Secondly, the UK and France benefit from an uneven research treatment. While the UK is the object of numerous studies, French capitalism suffers from a lower level of attention due mainly to the changes over the last decades rendering its model more complex to grasp. For the studies that actually focus on France, the analysis leads to contradictory conclusions as scholars consider France either as a liberal market economy in the making, a more coordinated market economy, or a new type of state organised capitalism. Such uncertainty does not affect the UK, as scholars indisputably agree that it presents all the characteristics of a liberal market economy. From a research perspective, the diversity of analysis cannot be satisfactory and demonstrates that the French model is, so far, not well captured by the literature. A clearer picture of the French model is missing. Therefore, this study may enlighten the classification of the French type of capitalism while looking at it with a CSR lens. For that matter, the comparative capitalism paradigm provides a helpful tool for comparing national institutional arrangements, which highlights and emphasises similarities, specificities and differences as well as evolutions from one model to another.

Finally, it may also be argued that national institutions are not the only factors or determinants of CSR behaviours (Fransen, 2013). In other words, the impact on CSR practices should not only be looked at from an institutional perspective but also take into account the firm level perspective with aspects of company size (Brammer and Millington, 2006), corporate governance (Harjoto and Jo, 2011; Jo and Harjoto, 2011; Ntim and Soobaroyen, 2013) or industry (Ziegler, Schröder and Rennings, 2007; Block and Wagner, 2010). Combining this analysis with one at the company level presents the advantage of cumulating two levels of analysis: the macro level (state level) and the micro level (company level). Companies, influenced by national institutions, keep some margin of action or at least interpretation when it comes to behaviours in general, and CSR in particular. The cumulative relations between institutions and companies' actions or agency should not be ignored for that reason. Consequently, considering the antecedents of CSR measures at the firm level plays a significant role in this study. What favours or hinders the adoption of CSR measures at the firm level may also have an impact on CSR practices.

The chapter is structured as follows. The first section presents the main strands of the comparative capitalism literature, presented with a particular emphasis on how this literature analyses the cases of France and the UK. In the second section, the focus is on the comparative CSR literature, including a discussion of its strengths and weaknesses. The last section is dedicated to the study of CSR antecedents at the firm level.

2.2 The comparative capitalism literature

The study of national economic systems is not a novel academic research pathway. Research in this domain has been going on for the last forty years at least, with scholars embracing various types of approaches from economics (Porta, Lopez-de-silanes and Shleifer, 2008), to political science (Hall, 1986; Boyer and Hollingsworth, 1997; Hall and Soskice, 2001). In this study, we are interested in characterising the French and the UK national economies resting on the comparative capitalism framework as a preliminary approach in order to reach a better understanding of its impact on CSR practices in a second step. There has been no unique answer to that query, insofar as the French case appears more difficult to grasp than the UK one. As noted the diversity of approaches leads to contrasting analysis of France, considered either as a liberal market economy in the making or a more coordinated market economy (Hancké, 2001; Amable, 2003; Goyer and Jung, 2011). The UK, on the other hand, presents a rather straightforward case for it unequivocally fits the liberal market economy category (Hall and Soskice, 2001; Amable, 2003). The difficulty comes therefore from the French case and its patchy consideration, which calls for a more in-depth investigation.

Before examining in detail how France and the UK are depicted and analysed, it is necessary to start with a general review of the comparative capitalism framework and the terms of the debate. The manner in which France and the UK are examined is directly dependent on the strengths, weaknesses and limitations of the comparative capitalism literature. In light of this literature, the cases of France and the UK are then developed.

2.2.1 The terms of the debate: the comparative capitalism framework

For more than a decade, the comparative political economy literature, as well as the comparative economics literature, have strived to explain the differences in national systems and its impact on countries' economic performance (Jackson and Deeg, 2006). Numerous theories have arisen yielding various narratives to explain the observed differences and similarities between political economies. The comparative political economy literature as well as the comparative economics literature have acknowledged the impact and role of institutions on economic performance while adopting opposite perspectives (Djankov *et al.*, 2003; Deeg and Jackson, 2006). The comparative economics focus is '*on how institutions help secure property rights'* (Jackson and Deeg, 2006, p. 6) together with issues of handling disorder, dictatorship and institutional efficiency, while the comparative capitalism literature investigates the link between institutions and individual or corporate behaviours (Djankov *et al.*, 2003; Jackson and Deeg, 2006). Consequently, the comparative capitalism literature appears to be more relevant and insightful to qualify and to measure the links between national institutional frameworks and corporate behaviours regarding a particular corporate phenomenon, such as CSR, than the comparative economics literature. In other words, the question is not about the general features of each national system but deals with the direct and indirect link between the French and British national settings and local implementations of CSR activities and outcomes. Indeed, the comparative capitalism framework facilitates connecting these two levels of analysis: the macro level where institutions operate and the micro level where firms are engaged in economic activities.

After the fall of both the Berlin wall in 1989 and the socialist model embodied by the USSR, some scholars believed for a moment that history would come to an end and that we would witness the hegemony of the American model of capitalism (Fukuyama, 1992). However, this depiction of the end of the 20th and beginning of the 21st century is far from the truth. It cannot be ignored that globalisation and the creation of regional organisations such as the European Union may have a significant and long-lasting impact in terms of homogenising countries, their institutions, economic practices and potentially culture. Despite these powerful forces, the issue of how many varieties of capitalism exist is still a central one that occupies many economic, political and academic debates. Put differently, it boils down to the following query: are we facing a homogenisation of political economies towards a single model or are we observing the conservation of national specificities? Behind that question lies a heated debate on economic performance and growth sustainability. In other words, as long as we observe differences among national economic performances with countries performing much better than their neighbours, is this (relative) success rooted in specific national institutional arrangements? Moreover, can the success of one model be copied and implemented by other countries? This debate about homogenisation is paramount for our topic in the sense that the impact on CSR practices should be different dependent on whether France and the UK display a similar or dissimilar model of capitalism. However before even considering the impact on CSR, it is necessary to first consider whether France and the UK present a similar or dissimilar model of capitalism.

From a general perspective, this query is relatively easily answered in the current literature. The existence of multiple political economies is widely accepted by scholars even though some authors still claim the supremacy of one model over the others, namely the supremacy of the American liberal model (Panitch and Gindin, 2005). In this perspective, globalisation has been blamed for establishing and reinforcing the domination of the American model of capitalism, which is a model of liberal market economy, over all the others (Deeg and Jackson, 2006). Does that mean that studying varieties of capitalism is pointless? It is not. The study of the variety of capitalism is still relevant today as convergence towards this unique capitalist model seems unlikely: diversity among countries remains and is likely to grow even stronger based on specific institutional arrangements and national comparative advantages (Hall and Soskice, 2001; Boyer, 2002b, 2005b). Furthermore, much of the comparative capitalism literature is very focused on coordinated markets. This means that problems with liberal markets are often neglected. Given the ongoing nature of systemic change - and entropy- we therefore still need to demonstrate where France and the UK are presently located in the varieties of capitalism framework , between the LME, CME, (possibly deregulating) étatisme and compensating state categories (Hancké, Rhodes and Thatcher, 2007).

In order to classify countries based on their model of capitalism, the comparative capitalism scholarship has looked at and compared national economies in different ways following contrasting methodological approaches. Most of the theories explore varieties of capitalism in terms of ideal types to contrast with real cases that are then ordered among these ideal types.

Others observe empirical cases to deduce ideal categories (Amable, 2003; Crouch, 2009; Streeck and Thelen, 2009). Both positions suffer from obvious limitations that are discussed later. The diversity of approaches also comes from the fact that authors do not necessarily identify the same institutional areas and factors. And even if they do, they tend to disagree on the linkages or complementarities between institutions leading to many typologies (Deeg and Jackson, 2006). Beyond this diversity of approaches among its various strands, the comparative capitalism literature has widened its analysis over the years. From a rather static description of institutions and then models, some authors gradually introduced dynamic elements, in particular with a reflexion on institutional and model change (Deeg and Jackson, 2006; Hall and Thelen, 2009). Such an evolution might prove helpful to capture countries like France, which has undergone critical changes over the last decades.
Though very broad, this literature adopts a particular stance as it concentrates on the relations between the firm's actions and a specific national institutional framework (Wood, Dibben and Ogden, 2014). Constrained by the shortness of this literature review, we focus on two main strands of the comparative capitalism literature, to wit the varieties of capitalism approach and the regulation approach. Albeit acknowledging a link between firms' behaviours and the national framework where they operate, each approach emphasizes different explanatory variables and highlights different core institutions.

2.2.1.1 The Varieties of Capitalism approach

Initiated by Hall and Soskice (2001) with their seminal book 'Varieties of Capitalism', the VoC approach, as developed in the introduction of the book, orients its analysis on the firm and its presence in various markets (product market, labour market, financial market) (Hancké, 2009). Such a level of analysis contrasts with previous studies, which tended to position themselves at the macro-level. Hall and Soskice's analysis is considered as a landmark in the comparative capitalism literature and cannot therefore be ignored.
The VoC approach draws extensively from historical institutionalism, itself inspired by rational choice institutionalism, as it relies on common concepts, as well as on a rather determinist view of institutions (Morgan and Hauptmeier, 2014). The initial function of VoC is to explain differences in firms' competitiveness and strategies. In that respect, the firm is viewed at the centre of a web of economic and social relations (Hall and Soskice, 2001). Firms in other words do not operate in a vacuum, they are embedded in a specific environment where information is essential to perform their economic activities. Obtaining the correct information is therefore crucial and intricate and may be the source of asymmetries of information (Hancké, 2009). Firms are embedded in an institutional framework allowing, or restraining, coordination mechanisms in five essential areas (Hall and

Soskice, 2001). These areas are: industrial relations; vocational training and education; corporate governance; inter-firm relations; inner-firm relations (Hall and Soskice, 2001). Depending on the coordination mechanisms put in place, Hall and Soskice (2001) divide national systems into two ideal types: liberal market economies (LMEs) and coordinated-market economies (CMEs). The authors do not favour one model over the other; both models are believed to be equally economically efficient (Amable and Palombarini, 2009). They represent typical cases of institutional arrangements and complementarities in the search for competitiveness. In LMEs, "*firms coordinate their activities primarily via hierarchies and competitive market arrangements*" (Hall and Soskice, 2001, p. 8). On the other hand, firms in CMEs "*depend more heavily on non-market relationships to coordinate their endeavours with other actors and to construct their core competencies*" (Hall and Soskice, 2001, p. 8). For instance, LMEs are characterized by stock market systems of finance, short-term relations with employees, inter-firms arms-lengths relations, whereas CMEs favour a bank-based financial system, long-term relationships with employees, and cross-shareholdings (Culpepper, 2008).

Each model, whether it is an LME or a CME, is strictly organised around three fundamental concepts: path dependency, institutional complementarities and comparative institutional advantage (Hall and Soskice, 2001). Path dependency is not a new concept; Hall and Soskice (2001) borrowed it from the traditional institutional theory literature. The concept of path dependency builds bridges between previous institutional forms and arrangements within political economies and their current form. Put differently, the notion of path dependency limits the options of a country in terms of institutional changes, as the country is very likely to remain on the path inherited from past institutional arrangements.

The notion of complementarities comes from economics and the relations between two goods. Applied to institutional arrangements, '*two institutions can be said to be complementary if the presence (or efficiency) of one increases the returns from (or efficiency of) the other. The returns from a stock market trading in corporate securities, for instance, may be increased by regulations mandating a fuller exchange of information about companies'* (Hall and Soskice, 2001, p. 18). In other words, complementary institutions are supposed to improve national economic performance. Yet, Hall (2005) warns that institutional complementarity does not provide an answer to the question of institutional creation and evolution. One of the difficulties of the concept of complementary institutions lies in the fact that most of the time complementarities are discovered afterwards (Hall, 2005; Streeck, 2005). Institutions were not created for the specific reason they are complementary and therefore to voluntarily increase the overall economic performance. Complementarities may not come out entirely randomly but they are at least the results of institutional trials and failures. The last core concept connecting the VoC approach deals with comparative institutional advantage.

Ricardian in its wording, it is the result of institutional complementarities and reflects the idea that countries become more efficient at specific production activities based on their institutional combinations. '*Firms can perform some types of activities, which allow them to produce some kinds of goods, more efficiently than others because of the institutional support they receive for those activities in the political economy, and the institutions relevant to these activities are not distributed evenly across nations'* (Hall and Soskice, 2001, p. 37). In support to their theory, Hall and Soskice provide the example of innovation that would differ based on the mode of coordination. Firms in LMEs would therefore come up with radical innovations whereas firms located in CMEs would tend to produce incremental innovations (Hall and Soskice, 2001). This positive account of institutional complementarities has nonetheless been softened by recognising that complementarities can also be the result of flawed or weak institutions (Lane and Wood, 2009). Similarly, Lane and Wood (2009) argue that sets of institutions may co-exist within a national institutional setting without displaying specific complementary.

The VoC approach is considered as a milestone in the socio-economic analysis of capitalism models and provides crucial guidelines for the analysis of France and the UK. It is nonetheless not the first research project that questions the reasons for the varieties of capitalism. From the 1970s, the regulation approach has also tried in a second wave of research agenda to provide an account for the diversity of national economies by adopting another perspective and initially situating its research ambition in Althusserian discourses (Boyer and Hollingsworth, 1997). The comparison of the two approaches will enrich our understanding of France and the UK.

2.2.1.2 The Regulation approach

The regulation approach, contrary to its UK translation (which would suggest formal laws/regulations), is concerned with modes of capitalist production and social relations. It is not only about regulation in the sense of rules, but also informal conventions (Jessop, 2001; Boyer, 2002b). As opposed to the VoC approach, the regulation approach adopts a macro-level perspective on institutions. Opposed to the theoretical foundations of neoclassical economics and in particular its assumption of homogeneity, regulationists believe that economic actors are situated within a specific type of framework, defined by its institutions, rules and conventions (Aglietta, 2000). The regulation approach gravitates around three main concepts of increasing levels of abstraction: modes of regulation, accumulation regimes and institutional forms (Boyer, 2002b). Aglietta (2000) provides a complementary wording where the institutional forms are depicted as mediation tools between individuals and society.

Modes of regulation, a concept holding up the whole theory, are analysed from a comparative historical and geographical perspective. In other words, modes of regulation are embedded in historical institutional arrangements that determine the way modes of production and social relations take place (Boyer, 2002b). Boyer defines more specifically a mode of regulation as '*a construct comprising all the individual and collective procedures and behaviours that reproduce basic social relationships, guide active growth regimes, and ensure the accounting of a myriad of decentralized decisions – without actors necessarily being aware of these system-wide adjustment principles'* (Boyer, 2005b, p. 512). As highlighted by Aglietta (1999), a mode of regulation is deeply embedded into national identities, explaining why a similar growth regime entails various modes of regulation across countries. National identities mirror local beliefs, symbols, and values.

Regulation theory was originally a temporal theory focused on capitalism's stages before introducing an element of scale (Boyer, 2005b). Initially the regulation approach exclusively explored the Fordist mode of regulation as Aglietta (1979) forcefully demonstrated in his thesis 'A Theory of Capitalist Regulation', which takes the example of the United-States to characterise the Fordist mode of regulation. This analysis of the United States was quickly followed by an analysis of the French system. Regulationists soon realised that not only are there various Fordist modes of regulation but also different institutional arrangements triggering a variety of institutional regimes (Boyer, 2005b). As Regulation theory concentrates on five explanatory variables or institutional forms, namely "*the wage-labour nexus, the forms of competition, international relations, money, and public authorities*" (Amable, 2003, p. 75), regulationists elaborate dissimilar varieties of capitalism than the VoC approach. Although the explanatory variables are quite close to the VoC ones, the regulation approach comes up with very different conclusions. Regulationists look at national institutional coordination with a wider perspective allowing more institutional combinations to take place. For instance, the market is not considered as the only coordination mechanism that could function alone. The other institutions are as necessary as the market (Boyer, 2002b). For instance, the state, whose role is almost entirely ignored by the VoC approach, can be another useful coordination mechanism. Its role should not be theorised in pure opposition to the market coordination; on the contrary, they both work together. Among the five institutional forms, a particular emphasis is placed on the labour market institutions as well as the national systems of social protection (Boyer, 2005b). As the institutional forms considered are wider and more inclusive, the forms of coordination envisaged are themselves also more numerous. Besides the classical state and market coordination mechanisms, they include lay networks, alliances and communities.

The regulation approach usually agrees on at least four models of capitalism, namely market-led, meso-corporatist, social democrat and state-led capitalism (Boyer, 2005b). Countries belong to the same category if they have in common the '*same regulation mode and accumulation regime'* (Boyer, 2005a, p. 521) highlighting the linkages between institutional arrangements and economic performance. The market-led category covers principally English speaking countries such as the United-States and the United-Kingdom, where the mechanisms of coordination are mainly market-oriented. Continental Europe countries, such as France and Germany, tend to belong to the state-driven capitalism category, as the role of the state is predominant in coordinating economic activities.

Two elements contribute particularly to the specificity and relevance of regulation theory. First in trying to explain changes over time, they assume that variability is an inherent characteristic of modes of regulation (Boyer, 2002a). As Aglietta (2000, p. 62) states clearly, '*capitalism is a force for change that has no inherent regulatory principles'*. Changes are mainly considered as endogenous contrary to the assumptions of institutional stability and exogeneity displayed in the VoC approach. They provide a classification of the possible types of crisis giving less emphasis on '*exogenous or cyclical crisis'* (Boyer and Saillard, 2002, p. 43). On the contrary, endogenous crisis, that is a crisis rooted within a specific mode of regulation, are analysed depending on their seriousness and their ability to transform the mode of regulation. Second, they admit the role of politics in the diversity of capitalism (Boyer, 2005b). Politics, in the form of social struggles and conflicts, is believed to impact on the formation of institutional displays, rejecting any form of determinism. The types of struggles and their impact differ from one country to another, from one institutional arrangement to another. There is space left for politics to play a role as regulation theory adds to the well-known institutional complementarity, extensively present in the VoC approach, an aspect of institutional hierarchy. The predominance of one institution over another is the result of political struggle (Boyer, 2002b).

Although drawing on the regulationist tradition and combining it with historical institutionalism (Wood and Wilkinson, 2014), Amable (2003) goes a step further with a social systems approach. The name social systems is not new though as it was borrowed from a 1997 study by Boyer and Hollingsworth (Boyer and Hollingsworth, 1997). Instead of starting with ideal models and then examining institutional arrangements and complementarities, he focuses on institutions and their complementarities. From comparing a broad range of social and economic indicators leading to a cluster analysis, he derives the existence of five types of capitalism. The institutional areas under scrutiny are: '*product-market competition; the wage-labour nexus and labour-market institutions; the financial intermediation sector and* *corporate governance; social protection and the Welfare State; and the education sector'* (Amable, 2003, p. 14). The five types of capitalism are:

- the market-based model
- the social-democratic model
- the Continental European model
- the Mediterranean model
- the Asian model

This approach is praised by Crouch and considered as '*by far the best and most sophisticated approach to a 'post-dualist' typology'* (Crouch, 2009, p. 88) based on '*a genuinely scientific approach'* (Crouch, 2009, p. 89). One could argue though that as Amable derived his categories from a cluster analysis of a range of societal features, it is more descriptive than meta-theoretical.

Finally, Amable and Palombarini (2009) also support the need to introduce political factors in the apprehension of varieties of capitalism and its changes. Institutions are viewed as the results of political compromises between unequal actors fighting for different needs, contrary to a dominant vision in the comparative capitalism literature that conceptualises institutions as the product of rational equal actors (Jackson and Deeg, 2006).

2.2.2 Limitations of the comparative capitalism approach

Despite its innovative and encompassing character in appraising national systems, the comparative capitalism literature has been accused of shortcomings and vagueness in its analysis. In relation to the present topic, three general criticisms are of particular interest and must inform the analysis of France and the UK. The first one deals with the notion of variety itself and questions the rationale behind any type of classification. The second challenges a specific aspect of this literature, namely its theorisation of institutional changes. Even though this study is not a study of change, we cannot ignore this aspect as France has undertaken so many institutional changes in the last decades, which need to be accounted for. The way the comparative capitalism literature captures change is then relevant as depending on its definition of change, theories might analyse differently where France stands today. The last general criticism touches the level of analysis. The comparative capitalism literature has regularly been accused of neglecting lower and sub-levels of analysis, in order to measure the impact of the local, regional level or the impact of the European Union and globalisation more generally. We conclude with remarks specifically targeted at the VoC approach as it has attracted over the years a greater part of these criticisms.

How many varieties?

The first difficulty with comparative capitalisms' theories lies in the classification itself. What would be considered as an accurate, relevant classification? In other words, a typology distinguishing two types, such as the VoC approach, can be accused of being too general and unable to capture the variety of national economies. Where can a fine line be drawn between a too general and a too specific classification? Crouch (2009) for instance highlights the limits of a dual system of political economies. As explained by Howell (2003), a dual approach such as the VoC approach has difficulties dealing with countries such as France, Italy or Spain as the divide between LME and CME does not apply to them. The limitations inherent in a dual typology, force scholars to come up with theoretical plasters in order to cover what they call hybrid countries. As an example, Hall and Soskice (2001) come up with a third model of capitalism, entitled 'Mediterranean' countries. Although valuing the try, Howell (2003) finds the effort not convincing enough. Pontusson (2005) is even more disparaging when he strongly questions the relevance of grouping Germany, Japan or Sweden in the same CME group. By only looking at labour unions in these three countries, the classification is deemed nonsensical. Behind this example, Pontusson (2005) raises the argument whether the mere existence of two ideal types pushes countries to be grouped together only because they cannot fit the other group.

At the other end of the spectrum, a taxonomy of dozens of political economies would ruin the initial advantage of any type of classification to understand and compare systems. A classification, containing as many groups as there are countries, would lose any explanatory power. Some authors opted for middle-way classifications, recognising on average from three to eight varieties of capitalism. As an illustration, Schmidt's (2002a) categorisation is grounded on business, industrial and state relations, which distinguishes three varieties of capitalism: market capitalism, managed capitalism and state capitalism. These models are respectively epitomised by the UK, Germany and France in Europe. In another vein, business systems, developed by Whitley (1999), articulated around eight features, such as governance aspects or coordination within and across firms, yields eight ideal-types namely fragmented business systems, project network systems, industrial districts, financial conglomerate, integrated conglomerate, compartmentalised system, collaborative system and highly coordinated system.

Beyond the very number of models, building up a classification may induce a methodological problem as highlighted by Crouch (2009). He argues that as Hall and Soskice try to construct ideal types, they pick up empirical characteristics that will later on match their ideal types. In other words, '*the authors are not building their theory deductively, but are reading back* *empirical detail from what they want to be their paradigm case of an LME – the USA- into their formulation of the type'*(Crouch, 2009, p. 83).

These criticisms do not entail any theoretical consequences in the case of the UK. Whether there are two or ten categories, the UK remains a liberal market economy as does the US. On the other hand, they turn out to be crucial when it comes to France, as depending on the number of categories in the classification France may be analysed as a coordinated market economy, a state enhanced country or even a liberal market economy.

Static description: how to capture changes?

The very existence of ideal types grouping of real political economies based on similar institutional arrangements and complementarities and path dependencies bears the risk of a static description, unable to identify and take into account changes, and in particular gradual changes. This point is key when it comes to classifying a country because some countries, such as France but not only, have implemented dramatic institutional changes impacting on their classification. Even though this study is not a longitudinal one, the historical and institutional changes France and the UK have witnessed over the last decades should, to a certain extent, be accounted for.

Aware of that risk, Hall and Soskice wish to elaborate a '*dynamic conception of national political economies in the sense that it anticipates change in them and contains specific propositions about the processes through which it will occur'* (Hall and Soskice, 2001, p. 62). However, scholars tend to agree that they fail to capture changes. This static picture of each system comes notably from the use of the concepts of path dependency (Coates, 2005) and institutional complementarities (Blyth, 2003). As defined previously, path dependency tends to pave the way of a national economy in a manner restricted by previous institutional combinations. What has been created and implemented in the past reduces the present and future institutional pathways in a rather drastic way. Therefore, the more a comparative capitalism approach relies on this concept, the more caught the theory is in a deterministic understanding of the model in question. This static perspective prevents observing and evaluating changes over time. Deeg and Jackson (2006) point out specifically to four types of changes that the comparative capitalism literature has trouble capturing and explaining: '*transnationalisation, growing heterogeneity across firms within national economies, functional change in institutions despite their formal stability and systematic shifts in national business systems (typically from one subtype to another within a broader typology of capitalist systems)*' (Deeg and Jackson, 2006, p. 150). There is an uneasy compromise to find between a stable and a flexible institutional model. As Hay (2005) argues, this structural approach provides a steady account of national institutions over time. The notion of institutional complementarity increases the risk of a static picture insofar as institutions reinforce each other in terms of returns (Blyth, 2003). So there is a limited window left for institutional changes.

Coates (2005) warns comparative capitalism scholars of the risk of 'institutional determinism' and the factors reinforcing this danger. According to Coates, some elements are likely to increase the level of determinism of the classification. Some classification relies too heavily on ideal types as the best way to capture the reality of a system. This reliance may lead authors to ignore some critical institutions or factors. For that purpose, Coates (2005) provides the example of the US. When considered as a typical LME, authors tend to forget the role played by the state with the military industry. This criticism is particularly acute when it comes to evaluate the VoC approach as Hall and Soskice (2001) put the concept of path dependency at the core of their model. 'Institutional determinism' is also reinforced when national systems are depicted from the standpoint of the institutions at the macro level and their influences on the micro level (corporations and individuals). The same limit could be applied to France, where scholars are still obsessed by the role of the state and suffer from a certain type of myopia. We may wonder to what extent the French state is still in power in 2016 France, especially with the waves of decentralisation, the impact of the European Union and various forces coming from globalisation.

This methodology tends also to disregard the way institutions are lived and sometimes fought against by individuals. It also risks carrying out a sort of institutional fetishism whereby the institutions are studied for their own sake no matter what results they produce. Kinderman (2005) illustrates this risk by examining the employer institutions in Germany. Contrary to one of the VoC claims, he tries to demonstrate that the preferences of German employers are not qualitatively different from a typical LME country. He therefore concludes that '*the continued existence of institutions should not be conflated with a continuity of outcomes or results'* (Kinderman, 2005, p. 455). The ultimate consequence of this deterministic and static view of institutions is the propensity to analyse change as slow and cumulative. Therefore, if an expected change comes along, it will be deemed caused by an exogenous shock. This methodological limit should call for a more regular assessment of countries' variety of capitalism. This reason partially justifies the study of France's variety of capitalism since it has dramatically evolved over recent decades.

National level of analysis

The majority of the comparative capitalism approaches theorise systems at the national level within the boundaries of national states leaving aside other level of analysis whether it be sub-national or supra national. For instance, for some countries the impact of the supra-national level may be crucial. This is typically the case with countries influenced by the European institutions. As Hay (2005) notes this is particularly peculiar as many analysts explore European countries, such as Germany, France or Italy, without questioning the impact of the European Union. Conversely, the level of the region or the firm may also be particularly relevant in order to understand and grasp varieties of capitalism (Hay, 2005). Pontusson (2005) applies this same criticism to the VoC approach which is accused of being too state focused and also unable to subtly measure the influence of globalisation on the one hand and the European Union on the other. This weakness accounts for the voluntary inclusion in this research project of the company level in order to better appreciate the impact of a variety of capitalism at the company level.

Against the VoC approach

Dedicating an entire sub-section to the shortcomings of the VoC approach is justified because when the literature starts connecting the national institutional framework and CSR activities or forms, the primary framework used is the VoC one. Some weaknesses or limitations of the VoC approach are of course shared with the general comparative capitalism literature. Some are specific and deserve attention.

Over the years, many criticisms have blossomed specifically against the VoC approach. Scholars have highlighted the generality of the model and the absence of empirical investigations, the simplicity of a two-systems approach leading to ignore regional diversities or national variations and finally its rigidity in handling changes (Amable and Hancké, 2001; Hancké, Rhodes and Thatcher, 2007; Wood, Dibben and Ogden, 2014). The regulation approach strongly opposes the too simplistic formulation of the VoC approach, which contrasts market coordination with non-market coordination and so provides a picture where the market is the main coordination mechanism. However, other mechanisms exist such as companies, the civil society, the state or intermediate actors (associations, networks) (Boyer, 2005b). The mere domination of market coordination does not prevent other mechanisms from taking place (Boyer, 2005b).

Scholars also lament the underplayed presentation of the role of the state (Howell, 2003). The state is described in strict opposition to the role of the market. Schmidt (2002b) deplores this theoretical absence of the state in analyses such as VoC that are too focused and therefore obsessed by firms' mechanisms. The state is an actor that cannot be ignored, notably in countries that display a state capitalist form despite recent evolutions undermining its presence. This drawback affects specifically the categorisation of France, where the state used to play a huge part in the economy and still manages to intervene quietly. This can also have an impact on the UK, as will be demonstrated later the British state has not entirely disappeared. Minimising the role of the state goes hand in hand with an absence of focus on political activities, such as political power games within the countries under study. Based on the concept of institutional complementarities, the influence of the state would therefore be limited within the complementarities and the coordination already existing in a specific country.

Based on this criticism, Hancke, Rhodes and Thatcher (2007) expand the range of capitalist archetypes from two to four, allowing for a more subtle depiction of the role of the state. Their analysis looks at the relations between the state and companies on the one hand, and organised interest organisations on the other. In addition to the traditional LME and CME categories, the categories of étatisme and compensating state are added. The former is close to France pre-1990s where ' *the sate controlled the strategic levers of the economy through outright ownership of many companies and control industrial credit'* (Hancké, Rhodes and Thatcher, 2007, p. 25). This category captures a reality where the state plays a central part in the organisation of the economy. They leave the question somewhat open ended as to the present status of France, although Brewster et al. (2017) point to an abiding statism, which interpenetrates the investment ecosystem with direct implications for employees. The compensating state category envisages the state as a '*compensator for coordination deficits and provider of political consensus and legitimacy'* (Hancké, Rhodes and Thatcher, 2007, p. 27), as observed in Italy or Spain.

More generally, while focusing on coordination mechanisms, the VoC approach ignores aspects of conflicts, in particular class conflicts, and power distribution as Pontusson (2005) argues. Watson (2003) also adds the neglect of race and gender differences as a way to promote a better socially rooted study of varieties of capitalism. Such an approach is by definition rendered impossible in VoC terms because of the national-level lens.

In another vein, the question of heterogeneity within countries remains. Heterogeneity comes from a variety of coordination mechanisms at levels lower than the state that influence corporate behaviours. Deeg and Jackson (2006) highlight the fact that due to globalisation and transnationalisation of companies, the constraining power of national institutional settings may decrease leaving more space to sub-national institutional flexibility and experimentation. Crouch (2009) formulates an ever more specific criticism towards the VoC approach when he regrets the distinction between organisations and markets. As a consequence, the differences among firms within countries, another form of heterogeneity, are totally ignored. Aspects of managerial techniques, corporate culture and corporate strategies are left aside. As there are ideal-types at the national level, the VoC approach considers an ideal-type company at the firm level. The same criticism can also be addressed to the regulation approach as Boyer wonders '*how to preserve hypotheses of institutional complementarity and isomorphism between firms' organisations and institutional architectures while abandoning the postulate of an emblematic firm, one that has been clearly rejected by observing the modern distribution of firms (and in a succession of industrial surveys*)' (Boyer, 2005b, p. 546).

When it comes to describing each ideal type, the VoC approach mainly resorts to two countries as typical examples: the US for the LME group and Germany for the CME group. Some authors challenge the authenticity and usefulness of the model itself. From a methodological point of view, some authors argue that looking at only two countries at the same time does not provide an enlightening comparison. It would be more beneficial to compare simultaneously multiple countries (Boyer, 2005b). Doubts for instance are raised in terms of the veracity of the accounts provided for each ideal type. These descriptions are usually supported by empirical data, such as trade union density, in order to demonstrate the institutional arrangements and complementarities. Nevertheless, scepticism is for instance raised in relation to Germany. Blyth (2003) strongly questions the accuracy of the VoC model and in particular as far as employers and collective bargaining are concerned. This apparent lack of truth makes him wonder more generally to what extent the VoC model can teach us anything about varieties of capitalism. He observes another serious flaw of the model itself. In its empirical account, the VoC approach only turns to one sector, the manufacturing sector, while disregarding the service sector. From there, the theory develops the differences in terms of workers' skills between LME and CME. Therefore, it '*ignores the fact that manufacturing needs less workers the more skilled they are, and that the majority of service occupations, a sector that constitutes over 60 per cent of advanced country GDP, does not need skills, just workers, seems rather to miss the point'* (Blyth, 2003, p. 224). In other words, how can the VoC model theorize the evolution of the post-industrial economy? Directly answering his criticism, Hall and Soskice (2003) refute the manufacturing bias and its consequences in terms of skilled work. First of all, they reaffirm that their analysis applies to both the manufacturing and service industries. Furthermore, they reject the idea that only high-skill workers are present in the manufacturing sector, leaving low-skill workers to the service sector. Nonetheless they concede that '*the field needs more work on how nations adjust to* *the rise of the post-industrial economy'* (Hall and Soskice, 2003, p. 243). This post-industrial evolution criticism resonates particularly strongly in relation to the UK because the country went through a strong deindustrialisation.

Finally, Clift (2014), while admitting the embeddedness of national varieties of capitalism, advocates the need '*to recognize a range of rationalities, rooted in societal norms surrounding economic activity, and traditions of political economic interventionism at play in the reproduction and evolution of embedded market relations. These ideational dimensions (and the more nuanced conception of micro-foundations they generate) help to explain comparative capitalisms and their on-going particularities'* (Clift, 2014, p. 211). Put differently, the analysis of varieties of capitalism needs to go to the roots of each system and adopt a more encompassing view.

Following this review of two of the main strands among the comparative capitalism literature, it appears clearly that they share in common elements of analysis. Behind a different wording, they tend to analyse the same institutional factors. Yet the main difference comes from a different way of organising these factors together leading to a more or less complex picture of the French and British model of capitalism. The limitations of this literature cannot be overlooked and should be overcome. It might therefore be questioned to what extent this literature is able to provide a relevant and convincing analysis of the French and British model of capitalism.

2.2.3 The UK variety of capitalism

France and the UK are analysed with a different degree of success by the literature on capitalism varieties. France tends to be under-analysed compared to the UK, certainly because France is less easy to categorise. When it comes to classifying countries and analysing single national characteristics, such as corporate governance, the financial system or CSR, as previously mentioned, the literature interestingly refers back to the simple LMEs/CMEs divide. What this dual typology gains in simplicity of description, it lacks in precision of analysis, which can become detrimental when it comes to comparing a particular phenomenon across nations. Typically, the problem France faces is that it does not fit the LME/CME divide.

The classification of the UK is rather straightforward. Whether it be the varieties of capitalism approach or the regulation approach, they reach the same conclusion, that is the UK, like the US, displays all the attributes of a liberal market economy where market coordination is the rule (Hall and Soskice, 2001). In Amable's (2003) terminology, the UK belongs to the very homogenous market-based capitalism group. Since the 1980s and the three conservative Thatcher mandates (1979-1983; 1983-1987; 1987-1990), the UK has shifted towards liberal capitalism putting aside Keynesian politics (Konzelmann and Fovargue-Davies, 2012). Initially and since the Second World War, the succession of Labour and Conservative governments put into effect similar Keynesian policies dominated by demand-oriented policies and incomes policies to reach full employment (Hall, 1986). This consensus on the necessity of Keynesian policies started to erode after the first oil shock and the severity of the economic crisis that hit the country; the seriousness of the crisis happened to be stronger than in other Western economies. Some commentators even raised the possibility of a crisis of the UK system itself rather than a general crisis of the model of capitalism (Gamble, 2004). Faced with a growth of the unemployment rate, an increase of the inflation rate and a stagnation of both the growth and productivity rates, political parties provided opposite explanations and solutions. The Conservatives blamed Keynesian policies and advocated a return to liberal capitalism, whereas Labour called for an increased role for the state (Gamble, 2004).

With the victory of Margaret Thatcher in 1979, the former option took precedence and lead to a drastic shift to liberal policies and monetarism. Aligned with a similar move in the US with the Reagan administration, the UK put in place neoliberal politics inspired by the works of Adam Smith, Friedrich Von Hayek and the Chicago School. In that perspective, the state is considered as an allowing actor rather than an active economic actor resulting in a decreased role of the central government (Konzelmann and Fovargue-Davies, 2012). Margaret Thatcher vigorously attacked the immoderate presence and role of the state, doomed to be inefficient and responsible for tax increases (Hall, 1986). The focus has been on measures favouring supply-side economics, deregulating labour and financial markets (Schmidt, 2003). Along with these, the Thatcher administration severely weakened trade unions and largely privatized public companies. Since the reforms conducted by the Thatcher government, the UK model has intensified its move towards liberalism from market capitalism towards an intensified market capitalism (Schmidt, 2002b). As both the varieties of capitalism literature (Hall and Soskice, 2001) or Amable (2003) generally insist on the same features to qualify a national type (namely the role of the financial market and its relation with business; corporate governance mechanisms; the organisation of labour), the only difference between the two relates to the role of the state. The varieties of capitalism literature tends to overlook the role of the state. As a consequence, when it comes to the UK, the following features are classically heralded to characterise the UK variety of capitalism: arm's length financial market; maximisation of shareholder value; dispersed ownership; importance of equity funding and notably institutional investors. The labour market is as deregulated as the financial one, ease of hiring and firing, weak labour contract protection, and absence of centralised salary formation. Wage bargaining takes place at the individual level where employers and employees negotiate together. Trade unions do not possess the power to centrally and nationally negotiate wages anymore because of their lack of power and presence in companies. The education system forms unspecialised workers with general skills, able to move from one company to the other according to companies' needs and markets' reactions. Finally the nature of the state has been transformed in its role to a regulatory state (Gamble, 2004). These features have been accentuated under both the pressure of globalisation and the European Union.

Compared to other types of capitalism, the LME or market-based capitalism countries are presented as an extremely homogenous group. The literature tends to overlook differences among these countries. According to Amable's (2003) cluster analysis, the US, the UK, Canada and Australia share the highest number of common traits, in comparison to other countries. Such homogeneity is yet put into question by a few authors. Some of them for instance challenge the Anglo-Saxon variety of capitalism regarding the handling of the 2008 financial crisis leading to a division between the UK and the US on one side and Canada and Australia on the other (Konzelmann and Fovargue-Davies, 2012). These differences are rooted in the shift from Keynesianism to liberalism in the 1970s and 1980s. Konzelman et al. (2012) maintain that the US and the UK on one side, Canada and Australia on the other, have apprehended market liberalism in contrasting ways and therefore differently implemented it into policies. These variations have impacted on the role and place of financial markets as well as on the respective roles of the state and the private sector. At the company level, Aguilera et al.(2006) highlight differences in companies' corporate governance where the UK system presents a less dispersed ownership, more constraints on CEOs and higher commitment of institutional investors than its US counterparts. Also based on a comparative and historical analysis of corporate governance mechanisms, Siepel and Nightingale (2014) similarly conclude that the 'Anglo-Saxon capitalism' category (only limited to the US and the UK) should not even be considered as a homogeneous one. The US and the UK present strong differences where the US displays its own variety of capitalism. The extreme apparent financialization of both countries does not suffice to mix them up. Even though close, the differences visible in their corporate governance systems entail contrasting managerial behaviours, unalike agency role as well as divergent relations to corporate and financial risks. Konzelmann et al. (2012) indicate a similar contrast in terms of financial market regulation and oppose an 'integrated approach' on the one hand to a 'diffused' system on the other. Financial regulation is concentrated in the hands of a unique institution in charge of the whole system in the UK, whereas the American federal constitutional organisation leads to multiple levels and bodies of regulation.

However straightforward and easy this description of the UK case is the reality might be more complex. The picture seems largely to rely on the institutional theory used to analyse the UK case. Put differently, the analysis of a national institutional framework depends on the way institutional theories grasp change for instance. As explained earlier, VoC, regulation theory or Amable (2003) provide different accounts of institutional change entailing dissimilar narratives of the UK's post-war and present institutional framework. Two main narratives dominate the historical analysis of the UK. On the one hand, some institutional theorists insist on dividing up post-war UK into periods of stability and crisis with two main shocks in 1945 and 1979 (Howell, 2007). On the other hand, a VoC approach, due to its myopia on structural exogenous changes, comes up with a rather stable evolution of UK institutions (Howell, 2007). Howell criticises both approaches and argues that '*the British case, in short, presents an image of institutional development at odds with the one that dominates the varieties of capitalism approach'* (Howell, 2003, p. 119). He suggests two possibilities to enrich the analysis of the UK case. Considering that the narrative is deeply influenced on the institutions resorted to in order to ground the analysis, taking into account the co-evolution of institutions should allow a less continuous or crisis/stability picture. Furthermore, following a general criticism of VoC, the role of the state needs a better understanding as its role cannot be ignored in the institutional construction and evolution of the UK, no matter how liberal it is (Howell, 2007).

Beyond the inherent ontological limitations of the institutional theories applied, categorising the UK as a liberal market economy relies on an assumption of homogeneity across the country. In other words, that would mean that each region of the UK, from the North to the South, has been applying the same model of capitalism whatever its historical, sociological, cultural, geographical and even demographic disparities. Such an assumption is strongly criticised and fought by Hudson (2012). According to him, this assumption is linked to the predominance of a state-based analysis of varieties of capitalism. This level of analysis bias leaves aside any form of uneven development across a specific country. More specifically, in terms of capitalism classification, it demonstrates how uneasy a classification exercise is even for a country that looks as easy and homogeneous as the UK to analyse. The level of heterogeneity is an empirical question that cannot be determined theoretically. Moreover, from this perspective, the interactions between the national and regional level are of utmost importance insofar as each level can influence the other. '*In recognising the potential significance of the regional it is also important to acknowledge that relationships between* *national and regional influences are two-way: if the national shape the regional, so too do regionally specific forms and tendencies help shape national trajectories and institutions*' (Hudson, 2012, p. 191).

The final factor that can play a role in the UK model of capitalism was the role of the European Union until the Brexit vote in June 2016 (Froud, Johal and Williams, 2016; Le Galès, 2016; O'Reilly *et al.*, 2016). By pushing countries towards tighter degrees of integration and harmonization, national varieties of capitalism can therefore be affected and altered in one way or the other. As Gamble (2004) points out, the UK model is the one that is likely to lose its own specificities and start gradually resembling continental Europe countries. So far the preservation of the pound against the euro supplies an efficient rampart to the remaining distinctiveness of the UK variety of capitalism compared to its European counterparts (Gamble, 2004). This distinctiveness should be preserved since the UK voted to leave the European Union. Despite the Brexit vote, we should not ignore in the analyses changes to the model, even if they seem incremental. Changes can be in the direction of a stronger liberalisation or in the borrowing of more continental Europe traits under the influence of the European Union.

2.2.4 The French variety of capitalism

The case of France is by contrast more complex and illustrates one of the weaknesses of the comparative capitalism literature, to wit the diversity of typologies and the difficulty in accounting for national model change (Deeg and Jackson, 2006). A dual typology, such as the VoC one, encounters difficulties in envisaging countries that fall behind the two categories, and assumes in between countries will be impelled in one direction or the other (Boyer, 2005b; Wood, Dibben and Ogden, 2014). France went through drastic institutional changes in the 1980s-1990s leaving uncertainties regarding its new capitalism model (Hancké, 2001; Schmidt, 2003). The literature is debating the classification of France and is undecided between two hypotheses. On the one hand, France would be converging from a more coordinated market economy towards the liberal market model. On the other hand, it would be displaying another type of capitalism in between LME and CME (Schmidt, 2003). This latter hypothesis, if true, would entail another inquiry regarding the characteristics of this distinct type of capitalism. According to Schmidt's study, ' *while internationalization is pushing all countries toward a more encompassing form of market-oriented capitalism, Germany and France each face distinct sorts of adjustment problems and follow their own independent pathways of change'* suggesting a new way (Jackson and Deeg, 2006, p. 28).

Since the seminal analysis of Crozier in the 1960s, France is depicted as a state centred political economy where '*French business is caught in a vicious circle of low trust and therefore hierarchical workplaces, high state involvement to overcome the problems that result from this workplace set-up, and therefore an endemic incapacity of economic actors - firms, associations, and trade unions – to change without central state intervention'* (Hancké and Goyer, 2005, p. 61). Hancké and Goyer (2005) refute nonetheless this all too common analysis, which ignores the ability of firms to adapt to a globalised environment, of a system said to be doomed by the overwhelming influence and role of the state.

On the one hand, the convergence hypothesis posits that France is shifting towards the LME model, notably in terms of financial system and corporate governance (characterised by the presence of independent directors among board members; specialized board committees; large use of stock options; ownership dispersion) (Cieply, 2001; Goyer, 2001; Hancké, 2001). Some authors contend that France's financial system has been implementing the characteristics of Anglo-Saxon capitalism with the end of the cross-shareholdings system from 1996 onwards, the rise of the French stock market and more importantly the wide presence of foreign institutional investors into the capital of French firms (Morin, 2000; Djelic and Zarlowski, 2005). These traits that make France closer to its British neighbour would, according to that view, automatically transform the nature of its capitalism model. In parallel that move is reinforced by a shift from an insider towards an outsider governance system (Goyer, 2001; Goyer and Jung, 2011). This transformation is, for instance, analysed by Morin (2000) as the consequence of the growing presence of Anglo-Saxon institutional investors, in particular pension funds, which took over from the state and the banks in financing companies. Institutional investors bring with them the implementation of the shareholder value system and management practices (Morin, 2000).

However, one might ask if this convergence is total or partial. As far as the diffusion of the shareholder system is concerned, Djelic & Zarlowski (2005) insist that it is very present in CEOs' communication or discourses but they doubt its complete translation into practices. Amable and Hancké (2001) also argue against a complete identification to the Anglo-Saxon model, insisting on the retained specificities of the initial French model.

At the other side of the analytical spectrum, and arguing against any level of convergence, Culpepper (2008) contends that neither large French companies nor political parties support this alignment towards a liberal market economy. The idea of a third way is directly embedded in the inadequacy of the VoC approach. France would not fit into any category, as it seems to display a particular '*mode of coordination, which encompassed elites in the state,* *business and finance*' (Hancké, 2001, p. 308; Clift, 2004a). Trying to correct this particular inadequacy of VoC, Hancke, Rhodes and Thatcher (2007) include France into a new category, etatisme.

Following its 1980s shift in model from a state-led economy, scholars are torn between a new firm-led economy (Hancké, 2001) or '*state-enhanced'* capitalism (Schmidt, 2003, p. 527). The French state has indeed significantly withdrawn from the economy notably through business and financial market deregulation, privatizations of public companies, removal of capital control and the decentralization of the labour market (Schmidt, 2003; Goyer and Jung, 2011). The role of the state in this shift is yet contested. Based on historical events, the shift seems to have been decided by the French government as a solution to the economic crisis. However, Culpepper (2008) posits that the French state has not even been responsible for the 1990s drastic change, the European Union has. France is sometimes described as an '*institutionally hybrid market economy*' (Goyer and Jung, 2011, p. 563) alongside with Italy and Spain. This characterization is constructed against the VoC framework (Hall and Soskice, 2001). The main institutions founding the economic life (to wit corporate governance, employment relations, and skill training) lack institutional complementarity (Goyer and Jung, 2011). '*France, alongside Italy and Spain, constitutes the key representative of advanced capitalist economies in Europe where the domestic institutional configuration does not enable companies to rely on supporting institutional complementarities across the spheres of the economy to coordinate activities'* (Goyer and Jung, 2011, p. 563). In VoC terms, it means that this hybrid system supports neither market coordination nor strategic, non-market coordination. This absence of a coordination mechanism leads to a state of uncertainty, detrimental to each economic actor (Culpepper, 2008). Hybridity also results from the on-going state coordination of economic activities (Goyer and Jung, 2011). Along with the VoC analysis, this hybrid institutional configuration would lead to a sub-optimal economic performance.

Facing such a diversity of analysis, examining more closely the changes that France underwent since the Second World War might help to highlight the essential characteristics of its capitalist system. What is striking about French capitalism is that, in comparison to the British or the German, it is one that has dramatically evolved over the years. The question yet remains one of intensity: to what extent has the French model evolved? Has it entirely transformed itself or has it kept some of it initial features? Its contemporary evolution can be split up in two periods: before and after 1983, a year that represents a landmark in French history. As Schmidt (2002a) describes this evolution, France was characterised before 1983 by a large and wide intervention of the state. This *Etatiste* state reached prominence with the advent of the Fifth Republic by directly intervening in business affairs with the apparatus of the Plan and in the handling of wage bargaining leaving no power to unions but the one to go on strike (Hall, 1986). Hall (1986) provides a multilevel definition of the *Etatiste* state where two attributes are particularly striking. First, the state is above society and distinctly separated from it. Secondly, the state is the only entity able and allowed to represent the public interest, leaving behind associations or any other organisation that could represent divergent interests. This extreme involvement of the French state lead scholars to label it a *Dirigiste* state (Clift, 2004b). Interestingly enough, what the state managed to build in terms of good relations with business, it never succeeded in doing so with labour, where relations remained highly contentious (Schmidt, 2002a). These close-knit relationships between the state and business were notably grounded on nationalised industries, the different tools the state put in place to finance industrial investments and the specificity of the French *Grandes Ecoles* system (Clift, 2004b). Large companies were managed by CEOs that went to the same *Grandes Ecoles* after serving as high-ranked civil servants. Combined with a game of cross-shareholdings across large firms, these elite literally dominated the French economy without having to worry about threats of takeovers or shareholder pressures.

Strongly hit by the economic crisis in the 1970s, the French state-led system was not economically sustainable anymore and required substantial changes. Contrary to the economic and political shifts in the US and the UK, the election of François Mitterrand, head of the Socialist party, in 1981 did not bring about the supremacy of liberal market capitalism but, rather, shifted the reforms compass towards Keynesian policies rather than the American or British capitalism model. As promised during his electoral campaign, François Mitterrand launched neo-Keynesian measures embodied by a wave of nationalisation, the increase of the minimum wage and reflation policies in the area of monetary policy. These reforms exacerbated the dire state of the economy so that from 1983 onwards the government had to pull back and reorient its politics towards market-oriented policies. According to Schmidt (2002a) , the choice of these reforms with a clearly liberal nature has not turned France into a liberal market economy as the implementation was done with the input of the state or as she describes them, the reforms were '*state-led and state-cushioned'* (Schmidt, 2002a, p. 191). The privatization movement illustrates a typical example of the state involvement and customization, as it did not let market actors buying former state-owned shares. Conversely, the state appointed the buyers illustrating its control over the French economy and business (Schmidt, 2002a).

The reforms had multiple effects; to describe a few of them, they impacted the relations between finance and business, between business and the state as well as on labour. The financial markets were largely opened up and deregulated with the increasing presence of international investors and notably American pension funds leading to a change in business financing strategies. Henceforth, rather than systematically resorting to public loans or bank debts, companies have more and more turned to equity funding with the risk of an intensified pressure of shareholders, notably foreign ones with different profitability expectations. The status of French firms, or at least the largest ones, has been transformed from national companies to international ones with a refocusing on the activities providing them with a comparative advantage (Schmidt, 2002a). Put differently, large companies have directed their strategy towards their core activities. This international rise of French firms accompanied by an improved competitiveness has notably been allowed by successive waves of privatizations carried out by the state (the main ones took place between 1986 and 1988 and between 1993 and 1997). As a result of these diverse reforms and influences, Schmidt considers that '*French business had grown tremendously in size, scope, competitiveness, and profitability'* (Schmidt, 2002a, p. 189).

Deregulation, that symbolises one of the LME traits, also affected labour and industrial relations (Baccaro and Howell, 2011; Palpacuer, Seignour and Vercher, 2011). Wage bargaining obeys more to market principles while unions have carried on losing power due to privatizations, the increase of unemployment and higher skilled workers (less sensible to unions) (Schmidt, 2002a). However, the deregulation of the French labour market is not complete and cannot be conformed to the one in a liberal market economy. For instance, laws constrain the extent of market coordination by providing rigidity to hiring and firing or supervising the types of existing employment contracts. For instance, in order to be lawful firing an employee must be justified either by an economic reason, such as downsizing, or a personal reason (all the reasons being scrupulously listed by the labour law code) (Palpacuer, Seignour and Vercher, 2011). Put differently, as deregulated as the French labour market is, there is still a substantial gap between France and a liberal market country, in particular the UK.

Finally, the reforms also touched the omnipotent French state which has had to let some of its power to other actors such as business. Since the Second World War, it is particularly the role of the state that makes the French model so special. We could therefore assume that as soon as its involvement diminishes dramatically, France would join either the CME group or the LME group. Certainly, due to its initial power, the state has not entirely left the French scene. Even though, the French state is not what it used to be during the post-war era, it has not completely abandoned its relationship with business notably through many connections with the elite clique and support for companies thanks to local or regional agencies or aid. Schmidt

(2002a) demonstrates how the state makes use of social policies and benefits to maintain its presence in the education and training areas for instance. The passing of the Aubry laws in 1998 and 2000 instituting the 35 hour week (but paid for 39 hours) is another illustration of the intervention of the state (Clift, 2004b). Its role is therefore subtler but not inexistent, contrary to a liberal market country. More generally, the French state intervenes also in order to render business and labour relations more ethical (Schmidt, 2002b). If the state manages to have a moralising impact on the French economy, what would that mean in terms of CSR? Is this fact a sign that France and French business display a specific sense of responsibility and morality? In other words, the state is still very involved in organising France's economy (Hancke, Rhodes and Thatcher, 2007) and needs to be accounted for. However, the role of the French state has evolved alongside the adoption of a certain degree of neo-liberalism. As Gualmini and Schmidt argue (2013), France offers an interesting combination of moderate neo-liberalism (as opposed to a purer version of neo-liberalism in LME countries) and an activist state. Gualmini and Schmidt (2013, p.370) conclude that '*this "statist liberalism" paradoxically violates - in its aspirations as much as in its actions - not only the classical neo-liberal ideals of laissez-faire but also the ordo-liberal ideas of rules-based state action. This further demonstrates that there are many "liberalisms", some more neo-liberal than others, but all - for the moment at least - highly resilient'*.

The way France is depicted by the comparative capitalism literature, whether it is by its VoC strand or by the regulation theory approach, is not entirely convincing. Many questions can be raised in terms of the degree of institutional borrowing, of the remaining specificities of its initial model. For instance, Clift (2004a) argues that institutional convergence is not all, one should also question the interpretation behind the mere copying or borrowing of an institution from one country to another. In other words, can we still talk of convergence if the role and meaning of the borrowed institutions change in the process? Generally speaking, the analysis of France suffers from fragmented approaches, which underline some but not all of its features. For instance, the historical analysis of the evolution of French capitalism tends to focus only on large firms. Even though our focus is on large firms, we may ask to what extent this analysis is relevant for small and medium size firms. In line with this fragmented argument, the same criticism could also apply when scholars conclude that France has moved towards a liberal market model only based on its corporate governance system or financial markets characteristics.

Therefore, going a step further than these analyses, one may wonder whether the French model presents other features able to characterise it in a more precise and convincing way. For instance, the literature on comparative capitalism ignores the root of social cohesion as it only accounts for modes of economic coordination. This line of inquiry, largely indebted to sociology, could be a promising avenue of research especially if combined with CSR. CSR questions to a certain extent the very root of social cohesion. In that respect, looking at what constitutes the social foundation of the French society may be an enlightening avenue for research. There might be indeed a specificity of the French society. Social foundation touches upon social solidarity or cohesion. Or in other words, how is the French society, as well as its members, tied and interconnected? What are the grounds and the degree of interconnectedness among French citizens creating social unity and solidarity? In trying to understand the foundation of social ties, Durkheim (1960) is still relevant today. He observed at the beginning of the 20th century a contradicting evolution of modern societies. As individuals grow more and more individualistic, they become more and more dependent towards society itself. From a historical point of view, in his first works Durkheim (1960) explains that the nature of social solidarity has changed, shifting from mechanical solidarity to an organic one. Mechanical solidarity happens with similar individuals in a group, whereas the organic one takes place with individualised, autonomous individuals. The first one tends to take place in primitive societies. This change is, according to Durkheim (1960), the result of the division of labour, which renders people, in their social and working environment, increasingly specialised. In other words, the division of labour, as a reflection of a rising social complexity, entails a new type of solidarity. When it comes to the French model, the type of solidarity or social ties differs from a liberal market economy such as the UK. Social solidarity encountered in a society is a long-lasting feature. In VoC terms, it is highly path dependent. It is the product of history, evolution of the legal environment, formal and informal rules, and social values. Durkheim (1960) believes that the way to witness social ties consists of looking at the presence of legal rules, as an indirect indicator. The differentiation between repressive law from restitutive law allows him to judge what type of solidarity is at stake in a society. More specifically, repressive law or criminal law with the aim of punishing the offender would characterise mechanical solidarity. Conversely, restitutive law (encompassing civil, commercial and family law to name just a few) indicates an evolution towards organic solidarity. Even though, he abandoned in later works this distinction between mechanical and organic solidarity, Durkheim's ideas represent an enlightening perspective to consider social solidarity (Johnson *et al.*, 2015).

To summarize, the literature on comparative capitalism provides a helpful insight to characterise the French and UK models of capitalism. The limitations of this literature cannot be overlooked and in particular in relation to the French case. The French account remains patchy and needs additional research in order to be able to evaluate the links between varieties of capitalism and CSR practices.

2.3 Comparative CSR

As previously underlined, this research project investigates the links between national institutional frameworks and CSR practices. More specifically it tries to evaluate the impact of a variety of capitalism, the French and the British one, on CSR practices at the company level. The literature on CSR is particularly abundant since the emergence of CSR as a popular topic in the 1950s. The literature has dealt with the subject from various angles. It has for instance looked at its possible definition (Davis, 1960, 1973, Carroll, 1979, 1991; Jones, 1980); its relation to firm value (Waddock and Graves, 1997; Margolis and Walsh, 2003; Weber, 2008; Carroll and Shabana, 2010); the notion of corporate citizenship (Waddock, 2001; Matten, Crane and Chapple, 2003; Moon, Crane and Matten, 2005; Scherer and Palazzo, 2011); and the potential relation between responsible and irresponsible behaviours (Clark and Grantham, 2012; Stokes, 2012).

Even though the aim of this project is not to study CSR for itself, it will contribute to the notion of CSR, as it is a concept still in the making. The first characteristic of CSR deals with its ambiguity. Many debates surround its definition and meaning as it will be presented in the following section.
After assessing the terms of the debate around CSR, we will discuss the literature on comparative CSR in order to gain a better understanding of the relationships between CSR and national institutional settings. Finally, we will gauge the merits and limitations of the existing comparative CSR literature.

2.3.1 The notion of corporate social responsibility

CSR is neither an easy nor a clear concept. It is a complicated one because, despite decades of study, its definition has not reached a satisfying level of clarity and agreement among researchers. We are facing here a conundrum. For the purpose of this research, we need a relevant and succinct working definition of CSR in order to be clear on the terms of the study. On the other hand, examination of the existing literature renders the task of displaying a unique definition close to impossible. Moreover, as we adopt a comparative approach on CSR, the variations of CSR practices are entirely part of our research topic and possible findings. The definition that we will base our work on cannot compromise the study of various manifestations of CSR. Therefore, we have to find a definition among the ones available that fit the requirements and objectives of our research questions as well as the aims without jeopardising the objectivity of our research project. Table 2.1 summarizes some of the existing definitions of CSR among the abundant literature on the topic.

Table 2.1 Definitions of CSR

Reference	Definition
(Bowen, 1953)	CSR refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society. (p.6)
(Frederick, 1960)	Public posture toward society's economic and human resources and a willingness to see those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms. (p.60)
(Davis, 1960, 1973)	The firm's consideration of, and response to, issues beyond narrow economic, technical, and legal requirements. (p.312)
(McGuire, 1963)	The idea of social responsibilities supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations. (p.144)
(Committee for Economic Development, 1971) Committee for Economic Development	Defined as "three concentric circles" The inner circle includes the clear-cut basic responsibilities for the efficient execution of the economic function – products, jobs, and economic growth. The intermediate circle encompasses a responsibility to exercise this economic function with a sensitive awareness of changing social values and priorities. The outer circle outlines newly emerging and still amorphous responsibilities that business should assume to become more broadly involved in actively improving the social environment. (p.11)
(Steiner, 1971)	Business is and must remain fundamentally an economic institution, but… it does have responsibilities to help society achieve its basic goals and does, therefore, have social responsibilities. The larger a company becomes, the greater are these responsibilities, but all companies can assume some share of them at no cost and often at a short-run as well as a long-run profit. (p.164)
(Manne and Wallich, 1972)	To qualify as socially responsible corporate action, a business expenditure or activity must be one for which the marginal returns to the corporation are less than the returns available from some alternative expenditure, must be purely voluntary, and must be an actual corporate expenditure rather than a conduit for individual largesse. (pp. 4-6)
(Eells and Walton, 1974)	In its broadest sense, corporate social responsibility represents a concern with the needs and goals of society which goes beyond the merely economic. Insofar as the business system as it exists today can only survive in an effectively functioning free society, the corporate social responsibility movement represents a broad concern with business's role in supporting and improving that social order. (p. 247)
(Sethi, 1975)	Social responsibility implies bringing corporate behaviour up to a level where it is congruent with the prevailing social norms, values, and expectations. (p.58)
(Carroll, 1979)	For a definition of social responsibility to fully address the entire range of obligations business has to society, it must embody the economic, legal, ethical and discretionary categories of business performance. (p.499)

Reference	Definition
(Jones, 1980)	CSR is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Two facets of this definition are critical. First, the obligation must be voluntarily adopted; behaviour influenced by the coercive forces of law or union contract is not voluntary. Second, the obligation is a broad one, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighbouring communities. (pp.59-60)
(Wood, 1991)	A business organisation's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships. (p.393)
(Carroll, 1991)	It is suggested here that four kinds of social responsibilities constitute total CSR: economic, legal, ethical, and philanthropic. Furthermore, these four categories or components of CSR might be depicted as a pyramid. (p.40)
(McWilliams and Siegel, 2000)	Actions that appear to further some social good, beyond the interests of the firm and that which is required by law. (p. 117)
(Blowfield and Frynas, 2005)	An umbrella term for a variety of theories and practices all of which recognize the following: (a) that companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance and the liability of individuals; (b) that companies have a responsibility for the behaviour of others with whom they do business (e.g., within supply chains); and (c) that business needs to manage its relationship with wider society, whether for reasons of commercial viability or to add value to society. (p.503)
(Matten and Moon, 2008)	CSR (and its synonyms) empirically consists of clearly articulated and communicated policies and practices of corporations that reflect business responsibility for some of the wider societal good. (p.405)
(Aguinis and Glavas, 2013)	Embedded CSR relies on an organization's core competencies and integrates CSR within a firm's strategy, routines, and operations. In contrast, peripheral CSR focuses on activities that are not integrated into an organization's strategy, routines, and operations. (p.315)
(Donaghey and Reinecke, 2017)	CSR is typically seen as a corporation's voluntary engagement with its stakeholders, including consumers and civil society actors to work towards the improvement of social and environmental standards. (p.2)

These definitions have the following aspects in common. From an historical perspective, the first striking feature about CSR relates to its presence under the spotlight since the 1950s and the seminal work of Howard Bowen (1953), *Social Responsibilities of the Businessman*. It would, however, be erroneous to believe that the underlying concept only appeared at that time. The idea of businessmen, trying to improve their employees' well-being, to curb child labour, to establish welfare systems or giving money to charities had not waited until 1953 to bloom but rather can be dated back to the 19th century and the industrial revolution (Carroll, 2009). John D. Rockefeller, for instance, provides an excellent illustration of the rise of philanthropy and the involvement of businessmen as soon as the 19th century. Nevertheless, as Carroll (2009) points out, it was already back then difficult to distinguish the core activities of these corporations from actions that could be regarded as more social, as well as to identify the reasons behind these actions. The development of the idea of social responsibilities for businessmen and its conceptualisation, by academics notably, cannot therefore be confused. There is a time lag between the two. We owe to Bowen (1953) one of the first theorisations of the term and attempt to define it. From the 1950s, CSR has been the subject of countless studies both in the academic and business world.

The second noticeable feature about CSR is characterised by its debated nature. Despite its popularity in the academic world, CSR remains both a challenging and challenged concept as it lies at the frontier between businesses and society. It questions the essence and perimeter of corporations as well as its purpose(s). Controversial in its nature, there has been an on-going debate on its definition, its relevance and its purpose. CSR can be considered as a smoke screen used by companies in order to increase their profits. Companies would not resort to CSR in order to improve their employees' working conditions, especially in developing countries, or to be more environmentally friendly in an era of severe global warming. They would engage in CSR only for the sake of their shareholders, provided that it is proven that the company's share value will increase, or to attract more customers due to an enhanced brand image. Conversely, CSR can bear the potential to make things better, within and without the company and in particular for employees (Aguinis and Glavas, 2013). A few scholars even consider CSR as a necessary remedy to the drawbacks of globalisation and a tool for the creation of a global governance system where multinational corporations would live up to their political potential (Scherer and Palazzo, 2011).

Faced with the vagueness of the notion and the area (Garriga and Melé, 2004), CSR has been tackled from various angles by the literature. Uncomfortable with its relative and ethical components, academics have mainly avoided a straightforward definition of CSR. As mentioned earlier, the first one who tried to define CSR was Howard Bowen as he wrote ' *It*

(Social Responsibility) refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society' (Bowen, 1953, p. 6). The generality and imprecision of the definition illustrates how uneasy academics are when it comes to defining CSR. For instance, what does Bowen imply by 'objectives and values of our society'? A few years later, among many others, Davis (1973) provides his definition by highlighting where CSR starts: '*the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm'* (Davis, 1973, p. 312). Carroll (1979) partially disagrees with this definition as he states that '*The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organisations at a given point in time'* (Carroll, 1979, p. 500). These two definitions typify the numerous debates around the notion. As an illustration of these debates, should CSR only be recognised beyond the limits of the law? Or is a company socially responsible when it abides by the law? What does a society expect from a company? Where should we draw the boundaries of corporate responsibility? They also exemplify the relativity and the embeddedness of CSR to a specific point in time and space: the societal expectations towards companies naturally vary across decades and countries (Sethi, 1975).

In order to avoid the troubles of a precise and encompassing definition, the literature has instead concentrated its efforts on corporate duties, to wit the 'components of CSR' (Garriga and Melé, 2004), and their recipients. Corporate obligations change according to the role granted to companies. They range from a pure economic profit-maximising vision (Friedman, 1970) to a more philanthropic view of businesses (Davis, 1960; Carroll, 1979, 1991). The former considers that companies have a sole goal to maximise profits in the interest of shareholders, whereas the latter includes a social goal on top of the economic role of business. In that sense, CSR is particularly problematic and challenging as it questions the social role of business in society. Such a question has become even more critical with the acceleration of globalisation since multinationals have gained more and more power; some even say that they are now handling actions that used to belong to nation states (Matten and Crane, 2005). CSR or its corollary term Corporate Citizenship (CC) is a medium to extend the functions of companies beyond their exclusive, traditional economic role.

This uncertainty regarding the role of business within society spills over to the groups targeted by CSR actions. The literature has not managed to reach an agreement on the recipients of CSR as their identification varies depending on the role attributed to companies. At one end of the spectrum, the limited economic vision of the firm limits its recipients to its shareholders (Friedman, 1970). At the other end, the encompassing view leads to a wider account of corporate beneficiaries. Based on Freeman's stakeholders theory (see Wood, 1991), a company should be responsible towards its workers, customers, suppliers, local communities and the society in general. This debate cannot be resolved without first providing a clear answer to the role of business in society. Put differently, should businesses care only about their economic activity and performance or should they care also about societal issues?

From this short review of the existing conflicted literature, we can reach the conclusion that CSR deals with corporate behaviours that are not limited to a purely economic goal and that incorporate considerations of social and environmental issues. It appears clear from what precedes that CSR presents a relativist nature, in the sense that its definition depends on time and space. The expectations towards companies are embedded in a specific society and therefore one might argue institutional framework. For instance, companies are expected today to act in a responsible way towards the environment in order to limit gas emissions. We can safely assume that these expectations were less stringent in the 1970s as the dangers of global warming and climate change were not publicly known. The awareness of global warming also varies depending on whether a company is located in the US, in Europe or in China for instance. This relativist component of CSR prevents us from providing a too specific definition as it would erase the impact of the national institutional framework on the expectations companies face when it comes to CSR. Put differently, as CSR forms, expressions and outcomes are part of the research matter, we follow the line of Matten and Moon (2008) who limit themselves to a general definition. '*CSR (and its synonyms) empirically consists of clearly articulated and communicated policies and practices of corporations that reflect business responsibility for some of the wider societal good*' (Matten and Moon, 2008, p. 405). In other words, within a specific country, CSR practices are actions by companies that improve the lot of direct and indirect stakeholders, or at very least, helps reduce preclude a worsening of their circumstances. From a utilitarian perspective, the rationale for these actions would be irrelevant, although virtue theories would pose a 'good intentions' test (Mellahi et al. 2011); this thesis follows the former path, and simply explores the existence of CSR policies, holding that they represent the outcome of institutional features and associated patterns of decision making. It can be for legal reason, ethical reason or economic reason. The only thing that matters is that these CSR practices exist. These practices can be about employees, shareholders, customers or the local community. They are targeting towards direct and indirect stakeholders as illustrated by Dyllick and Hockerts (2002, p. 131): '*corporate sustainability can accordingly be defined as meeting the needs of a firm's direct and indirect stakeholders (such as shareholders, employees, clients, pressure* *groups, communities ect), without compromising its ability to meet the needs of future stakeholders as well'.*

The areas covered by CSR are therefore broad given the recipients of CSR. Caroll (1979, 1991) classifies them into four categories: economic, legal, ethical and philanthropic. The legal category means that '*business is expected to comply with the laws and regulations promulgated by federal, state, and local governments as the ground rules under which business must operate'*(Carroll, 1991, p. 41). Ethical activities are defined as '*standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights'* (Carroll, 1991, p. 41). Finally, Carroll defines philanthropic actions as those promoting human well-being providing the following examples: '*contributions to the arts, education, or the community'*(Carroll, 1991, p. 42).

Such a conception of CSR presents the advantage of not giving too specific guidelines and details on CSR activities and implementations. It recognizes variations according to country specificities as well as companies and managers' creativity in that area. Furthermore, it does not elaborate on the societal expectations borne by companies. More importantly this definition illustrates that CSR is still a concept in the making. Because of that, CSR is an ideological concept whose definition varies depending on the perspective and school of thought. This conception allows CSR flexibility at the country and company level. However, and it is its main disadvantage, it does not provide a universal and specific definition of CSR. It reflects its relative nature as it was explained earlier in this section. Carroll's dimensions remain highly theoretical. But from a practical perspective, a classification listing every CSR practices is impossible; such a list is by nature non-exhaustive.

How has the literature tackled the links between CSR and varieties of capitalism? This question is dealt with in the next section.

2.3.2 CSR and national institutional frameworks

The core of this study is to investigate the dynamic between national institutional frameworks and CSR practices. Questioning the relations between national institutional frameworks and CSR practices implies a two-steps inquiry examining first the existence of a connection between institutions and CSR, and then qualifying this relation. The following two subsections look at the role of institutions in relation to CSR and the ambivalent relations between the two.

2.3.2.1 The role of institutions in relation to CSR

In contrast with the more general academic interest in CSR, the study of the role of national institutions on CSR is relatively recent. Despite this recent line of study it is already widely accepted in the literature that the national institutional framework has an impact on the antecedents and forms embraced by CSR (Matten and Moon, 2008; Kinderman, 2009, 2012).

The literature came to the conclusion on the role of institutions in two stages. Looking at the reasons for undertaking CSR, Aguilera et al. (2006) provides a multi-layered analysis of the different motives for the adoption of CSR. These authors identify three levels, the employee, the organisational and the national level. Each level is dominated by the combination of three motives, instrumental, relational and moral, that push actors towards CSR. At the national level, Aguilera et al. (2006) focus on the types of law and conclude that legislation and governments play an influential role in pushing companies towards CSR. It is however interesting to notice that at the national level they do not mention the role of the institutional framework as an influencing factor of regulation. National institutions are only introduced in the theoretical framework at the organizational level in order to justify the variety of corporate governance models influencing stakeholders' expectations when it comes to CSR (Aguilera *et al.*, 2007). Drawing conclusions from this analysis, the different models of corporate governance, understood as the '*relationships within the firm and between the firm and its environment'* (Aguilera *et al.*, 2006, p. 148), are presented as one explanation of the variations of CSR (Aguilera *et al.*, 2006). What does this mean for this study? The authors implicitly recognise a role for institutions in the adoption of CSR even though they do not clearly mention the words 'national institutional framework'. They imply them when analysing the models of corporate governance as a direct consequence of national institutions. The impact of institutions becomes clearer in connection with previous work of Aguilera specifically on corporate governance. Indeed in this work, Aguilera and Jackson (2003) seek to explain the diversity across countries of corporate governance practices by filling in the gaps in both agency theory literature and comparative institutional theories. For that purpose, they make sense of this diversity by connecting corporate governance systems with national institutional frameworks. In other words, they offer a framework where institutions at the national level shape the needs and behaviours of firm-level stakeholders, i.e., financiers, workers and management. Such an interconnection between levels of analysis, in particular the firm level and the national level, have been highlighted later in a more explicit way to explain the role of institutions on CSR companies' involvement and practices.

Campbell (2007) applies a similar multi-level analysis when looking at the reasons why corporations act in a responsible way. Despite a limited focus on the determinants of CSR, he develops a two steps argumentation where the internal and external economic conditions are paramount in order to explain the adoption of CSR practices. More precisely, he recognises the role played by institutions while admitting that economic conditions cannot be ignored. Resorting to a definition of institutions similar to that provided by North - institutions as constraints on individual behaviours (North, 1991) – he concludes that the presence of specific institutions, such as state regulation, provide a more or less favourable framework for the adoption of CSR. However, the decision to implement CSR practices is highly dependent on the economic conditions of both the country and the company. Put in slightly different terms, institutions such as national regulation, work regulation or the presence or absence of NGOs, consist of mediating factors rather than automatic triggering factors (Campbell, 2007). What is of interest in this approach in relation to our study is the risk borne by an institutional approach that would turn a blind eye to firm level characteristics such as the economic success or failure of a company.

Following from this, national institutions have a certain impact on the adoption by companies of CSR practices. Nevertheless, it remains so far unclear to what extent CSR is influenced and shaped by institutions. The literature has tried to answer that question but offers a divided front as far as the answer is concerned.

2.3.2.2 An ambivalent influence of national institutional frameworks on CSR

When it comes to CSR practices as shaped or at least influenced by national institutional frameworks, there is an underlying question that orients the literature. Is there a national system that provides better results in terms of CSR? Could it be assumed for instance that in coordinated market economies, because of their non-market coordination, CSR is stronger? Or is it the contrary?

As it was observed in the previous sub-section, the first step in the literature was to connect CSR and institutions by referring to a limited notion of institutions and to specific types of institutions. The connection with a variety of capitalism comes in a second phase. The turn taken by the literature presents helpful, though partial, insights for our research since it has been convincingly demonstrated that a variety of capitalism shapes the forms embraced by CSR at the firm level (Matten and Moon, 2008). However, the literature is incomplete since it disagrees on the nature of the connection between variety of capitalism and CSR forms. A strand of the literature argues that CSR merely mirrors the existing institutional framework

(Matten and Moon, 2008; Kang and Moon, 2011), whereas another strand views CSR as a complement to national institutions (Kinderman, 2009, 2012; Jackson and Apostolakou, 2010). In other words, as the former claims that CSR is widely developed in coordinated market economies, the latter contends that CSR is stronger in liberal market economies. The implications of this debate for our research are crucial for the following reasons. We are interested in characterising the link between a variety of capitalism and CSR outcomes in a specific geographical context, in France and in the UK. These two countries, as aforementioned, embody different varieties of capitalism. The UK is a typical LME, while France presents a debated variety of capitalism, in between a LME and a CME. Unveiling the connection between a variety of capitalism and CSR will allow us to make assumptions regarding the level and extent of CSR observed in France and in the UK. Before examining in detail the question of CSR in these two countries, we analyse the general literature on the link between national institutional framework and CSR.

2.3.2.2.1 CSR: an institutional mirror?

The first study that explicitly connects varieties of capitalism and CSR is the one conducted by Matten and Moon (2008) where they strive to explain the variety of CSR across countries as the result of national institutional frameworks, and in particular as the result of institutions such as '*industrial relations, labour law, and corporate governance'* (Matten and Moon, 2008, p. 409). The authors resort to the LME/CME distinction and the business system approach (Whitley, 1999) to explain the varieties of CSR forms. The business system approach precedes the VoC approach. In order to understand better the theoretical angle Matten and Moon adopted, one should recall the definition of a business system. Whitley, defines it as '*distinctive patterns of economic organization that vary in their degree and mode of authoritative coordination of economic activities, and in the organization of, and interconnections between, owners, managers, experts, and other employees'* (Whitley, 1999, p. 33). A business system is organised around four key institutions whose characteristics vary across them: the role and actions of the state; the type of financial system (market or bank-based); the nature and type of skill development and control; the norms and values creating trust and authority. According to that firm centred theory, the relations with and among a firm's stakeholders are central. It is one of the reasons why this theory has been selected in the first place. Matten and Moon (2008) assert that CSR expectations from each stakeholder varies depending on the variety of capitalism.

After observing diverse CSR forms based on corporate language and intent, Matten and Moon (2008) categorize two distinct forms of doing CSR: an explicit way and an implicit one. This divide follows the separation between the United-States on the one hand and European countries on the other. The former has historically developed an explicit form of CSR founded on '*corporate decisions, rather than reflecting either governmental authority or broader formal or informal institutions'* (Matten and Moon, 2008, p. 409) whereas the latter has witnessed an implicit form of CSR. Implicit CSR rests on obligations, rules that companies have to abide by (Matten and Moon, 2008). However, this division between countries conducting implicit or explicit CSR is moving; countries would adopt a more and more explicit way of doing CSR.

Nevertheless, the explanation provided, that is the distinction between explicit and implicit CSR, is less convincing and is actually criticised by some authors. Kinderman (2009), for instance, believes the divide to be useless. Arguing that one form of CSR is implicit would make believe that companies agree with these practices, whereas they are only compelled to apply them (Kinderman, 2009). This criticism is somehow rooted in the definition of implicit CSR provided by Matten and Moon (2008) where CSR seems to be limited to its purely legal component. In other words, companies engage in CSR not because they have a choice, but only because the law obliges them to do so. This definition of CSR is problematic and seems to run counter the initial definition given by Matten and Moon (2008, p. 405) of CSR as '*clearly articulated and communicated policies and practices of corporations (...)*'. Is not implicit CSR the actual opposite of such visible and unambiguous corporate behaviours? The study of Matten and Moon is also questionable in the way they use the comparative capitalism literature, as we will contend in a forthcoming sub-section.

Once the hypothesis of a link between varieties of capitalism and CSR has been supported by the data, what does that actually imply for CSR? Answering this question requires clarification of the actual nature of that link. The literature is divided on that nature since part of it argues that CSR is a mirror of a country's institutional framework (Gjølberg, 2009b; Kang and Moon, 2011). Another strand believes the contrary, that is, CSR is a substitute to a country's institutional framework (Jackson and Apostolakou, 2010). Even though, Matten and Moon (2008) do not plainly elaborate on the connection between national institutional frameworks and forms of CSR, it is suggested that the form embraced by CSR, whether it is an implicit or explicit one, is the result of the variety of capitalism. Going a step further and utilising corporate governance as the missing link between the institutional framework and CSR, Kang and Moon (2011) defend the theory according to which in both LMEs and CMEs, CSR motivations are a complement to the corporate governance model. The notion of complementary institutions is borrowed from institutional theory. '*CSR complements* *corporate governance systems by a logic of similarity (a link based on similar properties)*' (Kang and Moon, 2011, p. 87). For instance, LMEs are dominated by a shareholder system where CSR is motivated by competition and market-based solutions. On the contrary, CMEs are led by non-market logic as induced by their stakeholder system. Evidence seems to support that complementarity in the case of France – if considered as a traditional CME - where the state (central and regional) has strongly influenced the CSR debate and from an early stage regulated CSR reporting (Delbard, 2008; Sobczak and Martins, 2010; Sobczak and Havard, 2014).

By looking at CSR motives and success for companies, Gjølberg (2009b) offers two different but cumulative explanations. The first one explains the rise of CSR by global factors, namely the degree of anti-globalisation feelings in countries. CSR behaviours would mirror the degree of globalisation of a country. The other one, based on comparative capitalism, defends another form of mirroring but this time through social embeddedness, rather than corporate governance. In Gjølberg's (2009b) view the degree of social embedding can be represented by the presence and development of the following three institutions: welfare state, corporatist arrangements and political culture. According to her conclusions, CSR is not only a product of national institutions, but also the result of global forces that can limit or stimulate the development of CSR and therefore its effectiveness (Gjølberg, 2009b). In other words, another explanatory variable is added to explain the link between a country's situation and the development of CSR.

In a nutshell, the mirror theory indicates for the present study that CSR is a complement to existing institutions. It acts as a complement in the sense that the current institutions are already supportive of social concerns or corporate social behaviours. Linked to varieties of capitalism, that would mean that countries closer to a CME would engage more in CSR. Germany, for instance, a typical CME according to VoC, would be a champion of CSR. Conversely, the US or the UK, symbols of the LME category, would not possess the institutional environment suitable for the development of CSR.

2.3.2.2.2 CSR: an institutional substitute?

This strand of the literature is contradicted by other studies promoting the idea that CSR fills the voids of national institutional frameworks. It tends to demonstrate how CSR is a substitute of the institutional framework in LMEs and in parallel how it does not mirror the institutional settings in CMEs (Jackson and Apostolakou, 2010). More specifically, Jackson and

Apostolakou (2010) study CSR practices across various European institutional frameworks in order to pinpoint the impact of institutional factors both at the national and sectoral levels. Based on a quantitative analysis, the authors conclude that CSR practices are principally a substitute of existing liberal capitalist institutions. More specifically, the study shows a correlation between the model of corporate governance and the rise of CSR. In countries where corporate governance mechanisms are oriented towards the satisfaction of shareholders, such as the UK, CSR practices are widely developed in order to respond to stakeholders' demands. Contrarily, countries promoting strong stakeholders' rights observe lower levels of CSR practices. CSR would therefore work as a substitute mode of social coordination. Based on that explanation, how can the shift from an implicit to an explicit mode of CSR be explained, or in other words, a shift towards an American way of doing CSR (Tempel and Walgenbach, 2007; Matten and Moon, 2008)? Indeed, according to the literature on comparative capitalism, varieties of capitalism do change and evolve. It seems that countries, such as Germany, which offer the characteristics of a CME, have been borrowing more and more features of LMEs. This shift in model towards the LME type followed by a change in the nature of CSR, seems to support the argument according to which CSR is a substitute to national institutions. What does this mean in practice? The more a country relies on market coordination, the more explicit CSR will become.

If these findings are put in perspective with the present study, they lead to a completely opposite picture to the one previously mentioned. According to the substitute argument, in LMEs CSR would be more present because it fills in an institutional void in terms of social coordination. In CMEs, as social coordination already exists through other forms and institutions, the need for CSR would not be that acute, hence a lower level of CSR behaviours.

In conclusion, the comparative CSR literature underlines three main points about CSR. First, national institutions influence and shape the reasons why companies engage in CSR as well as companies' practices in the area of CSR. Second, the literature is divided on the actual link between these institutions and CSR practices. CSR acts either as a substitute of the existing institutional framework or as a mirror. Finally, from a theoretical perspective, it was noted earlier, in relation to the Matten and Moon (2008) study linking CSR and institutional framework, a limitation concerning the definition of CSR. There seems though to be an evolution in the definition of CSR in the comparative CSR literature, where CSR should also include corporate behaviours that merely follow the law (Matten and Moon, 2008; Gjølberg, 2009b; Brammer, Jackson and Matten, 2012). Indeed, initially CSR was considered as only encompassing voluntary behaviours, going beyond the national legal requirements (Davis, 1973). It appears relevant for a study linking CSR and institutions accordingly to widen the definition of CSR, and not to exclude corporate behaviours that would simply abide by the law. It can be argued that the extent of a legal corpus represents another aspect about the institutional environment of a country. That fact cannot be left aside. Whether a country legislates a lot, or not, such as France, is not insignificant and should be taken into consideration. As a final point, the following caveat needs to be noted. These studies do not provide any information on the efficiency of CSR practices. The connection between the extent of CSR practices and their social efficiency and effectiveness is not clear.

2.3.3 Critical evaluation of the comparative CSR literature

The literature on comparative CSR is not exempt from limitations and gaps, which can be divided into theoretical and practical ones. From a theoretical perspective, three limitations can be identified: in relation to the literature on comparative capitalism, the real mechanisms between the company level and the national level, and the question of agency. When it comes to the practical limits of the comparative CSR literature, the aspect of CSR outcomes is rarely mentioned. Furthermore, the literature has not provided specific comparative studies comparing CSR practices.

2.3.3.1 Theoretical limitations

When CSR is explained by varieties of capitalism, two limits are particularly striking and shared in common with the literature on comparative capitalism. Whether the authors support the mirror or the substitute theory, they rely on ideal type categories, which are far from reality. There are pedagogical and theoretical advantages of resorting to ideal-types such as LME or CME. However, the use of such ideal-types in order to explain a corporate phenomenon and its consequences introduce too many uncertainties and unknowns in the explanation. Moreover, the comparative CSR literature fails to take into account the varieties of capitalism and the diversity within each category. For instance, the distinction between implicit and explicit CSR follows the divide between European countries on one hand and the USA on the other (Matten and Moon, 2008). Countries in Europe do not form a homogenous group with a similar variety of capitalism. Germany cannot be assimilated to Sweden or Italy. This limitation is even more acute for this study as two countries are to be investigated, one falling in between an ideal-types category (France). It may therefore be wondered whether the comparative capitalism literature can actually account for the link between varieties of capitalism and CSR considering this vagueness on one side of the model.

Moreover, despite emphasizing a link between the institutional framework and CSR, the literature fails to explain the real mechanisms whereby the institutional framework coupled with companies' characteristics yield CSR practices. Gjolberg (2009b) as well as Kang and Moon (2011) highlight precisely this limit as to the absence of research on the causal mechanisms between institutional framework and CSR. The studies so far suffer from being too descriptive. Kang and Moon (2011) tried to address this shortcoming, yet they fail to convincingly unveil the mechanisms between the macro level of analysis (institutions) and the micro level (firms). Their study remains in that respect too theoretical, without any quantitative or qualitative comparative analysis. Ioannou and Serafeim (2012) offers a quantitative analysis of the impact of national institutions but on CSR performance or outcomes. They found that the most influential institutions are the political system, labour and education and the cultural system.

Examining the real mechanisms implies questioning the following phenomena. At the company level, it may be argued that specific company characteristics are more prone to trigger CSR practices. The same could be argued at the national level. Some institutions may lead more efficiently to CSR practices. At both levels, these mechanisms need to be unveiled. It is not satisfying to contend that CSR is either a substitute or a mirror of national institutions. It is necessary to know what actually happen in practice. Moreover, the role of the sector can be raised as another explanatory variable. Put differently, within a specific industry, the behaviour of competitors might have an impact on a company's CSR practices. DiMaggio and Powell (1983, p. 148) defined an organisational field as '*those organisations that, in the aggregate, constitute a recognised area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organisations that produce similar services or products*'. Within this field, organisations become more and more similar. How far are these isomorphic pressures, whether they are coercive, mimetic or normative, active in the case of CSR? Caprar and Neville (2012, p.233) advise researchers to be cautious as a '*limited isomorphism'* would appear to take place in the case of CSR (Caprar and Neville, 2012, p. 233).

Finally, the relations between institutions and companies must be examined. Institutions define a perimeter of actions for actors. Recalling the New Institutional theory distinction between '*the presence of pressures and an actor's agency in responding to these pressures'* (see DiMaggio 1988; Caprar & Neville 2012, p.238), companies can display a variety of responses. In other words, the role of agency should not be ignored, as seems to be the case for the literature on comparative CSR. The approach adopted by Aguilera and Jackson (2003), though applied to corporate governance across national settings, could provide an interesting perspective in the present study. They indeed advocate for the combined application of both the institutional literature and agency theory literature in order to embed corporate practices in broader social settings. Putting back agency theory at the core of CSR studies could provide another perspective on companies' CSR behaviours and their interactions with the institutional framework.

2.3.3.2 Empirical limitations

The comparative CSR literature also suffers from empirical limitations. An evaluation of CSR outcomes on stakeholders is currently missing, as well as the right tools to measure them (Aguinis and Glavas, 2013). This lack leads to an incomplete picture of CSR insofar as it is not clearly assessed how beneficial CSR is to stakeholders. Similarly, studies comparing CSR outcomes across institutional settings are also missing. This gap leads to the impossibility of predicting which institutional framework, combined with companies' characteristics, is more conducive to CSR efficiency.

It cannot be argued that companies have no impact on society, in particular in the domains of employment, consumption, environment, social inequality as well as the making of culture (Brammer, Jackson and Matten, 2012). How far can specific companies' behaviours impact on society? Despite this impact on society and the growing number of studies examining CSR from a comparative perspective, only a few of them actually attempt to measure companies' CSR performance across institutional frameworks. When it comes to measuring CSR, as previously mentioned, the majority of the literature has tried to demonstrate a connection between CSR activities and companies' financial performance (Margolis and Walsh, 2003; Garriga and Melé, 2004; Barnett and Salomon, 2012). Regardless of the obvious difficulties of measuring outcomes, it is essential to investigate whether companies are actually doing any good when launching CSR activities depending on the national institutional framework in place. When CSR outcomes are mentioned, it can be helpful to refer to the concept of corporate social performance as defined by Wood (1991, 2010). Corporate social performance is '*a business organisation's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships'* (Wood, 1991, p. 693). For the first time in the literature, the notion of outcomes is introduced in the model of corporate social performance (Wood, 2010). There is then a manifest gap in the comparative CSR literature regarding the impact of CSR behaviours across national frameworks. Jackson & Apostolakou (2010, p. 387) highlight the fact '*that our article provides no evidence about the relative effectiveness of CSR or other types of institutions in delivering desirable outcomes'*. Gjølberg (2009b, p.

609) assumes, without demonstrating it, that '*stronger institutions for the social embedding of the economy will result in stronger CSR performance'*.
From an empirical perspective, the comparative CSR literature fails to present precise studies that compare practices and then outcomes across countries and would then support the hypothesis that the stronger the social embedding is, the wider CSR outcomes are.

There are a few studies focusing on a single country, usually displaying the characteristics of either a CME or a LME. For instance, some researches have surprisingly demonstrated that UK companies are considered as leaders of CSR in Europe, whereas Germany, for instance, seems to lag behind. It is a rather ironic finding as the UK is the symbol of market liberalism in Europe, where the mantra maximising shareholder value is at its peak (Kinderman, 2009; Jackson and Apostolakou, 2010). In order to explain the wide involvement of British companies in CSR, Kinderman (2012) defends the substitute argument. CSR would have appeared in the UK in the 1970s and 1980s to fill in the gaps created by liberalisation, privatisations and deregulations (Moon, 2004; Kinderman, 2012). Studies using in-between categories countries, such as France, cannot be found, not to mention studies comparing CSR outcomes across countries.

Finally, as highlighted by a recent study (Favotto, Kollman and Bernhagen, 2016), the overall impact of varieties of capitalism on CSR practices and reporting in companies might be overlooked, or call for further investigation, to clearly differentiate between CSR practices. Favotto et al. (2016) seem to indicate a difference between environmental issues, where no significant differences are noticed between LME and CME, and labour and human rights issues where CME offer a stronger case.

2.4 Companies' characteristics as drivers of CSR

In practice, companies, embedded in a particular national environment, decide to implement or not CSR practices. The following questions remain therefore: Why do firms make this decision? What are the antecedents of their CSR behaviours? Answering these questions requires examination of various factors as presented by different branches of the literature. As previously mentioned, a branch of the literature finds determinants in institutional factors (Matten and Moon, 2008; Kinderman, 2009; Brammer, Jackson and Matten, 2012). In other words, the general environment as constructed by institutions influence the firm level local practices of CSR. On the other hand, CSR is one of many companies' practices. The literature in that case refers in general either to strategic or moral motives (Udayasankar, 2008).

However, the motivations to engage in CSR practices are complex and cannot be limited to one only.

One might look at another level of analysis and question the impact of companies' characteristics on CSR behaviours. More specifically, is the presence of certain companies' characteristics such as company's size, organisation or activities a preliminary condition to CSR behaviours? Put differently, what are the company determinants of socially responsible practices?

A systematic study of the CSR literature reveals that the vast majority of the literature is preoccupied by the determinants of CSR reporting or disclosure, rather than determinants of CSR practices. For instance based on a systematic review of the existing literature, Fifka (2013) notes that between 1972 and 2011, 186 studies on the determinants of CSR reporting. A review of the literature shows that firms' size, industry, corporate governance and activity are relevant company level factors.

2.4.1 Influence of company size on CSR practices

A first company characteristic that should be examined relates to the company size. Does company size matter when engaging in CSR projects? A common assumption reveals that the larger a company is, the more visible it is and therefore constrained to engage in CSR (Udayasankar, 2008). In contrast, small companies would be less inclined to do so. Size itself is an important characteristic as it provides companies with other advantages such as greater resources that companies can decide to devote to non-productive activities (Brammer and Millington, 2006; Amann, Jaussaud and Martinez, 2012), or better internal organization (Brammer and Millington, 2006) that small companies lack. It has been argued that corporate philanthropy, a form of CSR activity, is influenced by size, corporate visibility and industry (Brammer and Millington, 2006). It must be underlined that this contribution only covers corporate charity expenses, which may constitute a significant limitation in terms of generalisation of the results. In other words, are the results applicable to other types of CSR activities? In his study, Udayasankar (2008) presents a more nuanced explanation of the relation between CSR participation and firms' size as he defends the theory of a U-shaped relationship. Because size would have an impact on three company attributes (visibility, resource access and scale of operation), the combination of these factors would make CSR engagement attractive for both small and large companies (Udayasankar, 2008). Nevertheless, Udayasankar's (2008) study must be accepted with some caveats, as it is not based on any empirical investigation of this U-shaped relation between CSR engagement and firm size.

Other studies also confirm that small companies engage in CSR practices (Lepoutre and Heene, 2006; Baumann-Pauly *et al.*, 2013; Arend, 2014), although the implementation may nevertheless differ between MNCs and SMEs (Baumann-Pauly *et al.*, 2013).

More generally, the issue of size hides another problem when it comes to CSR implementation: the potential gap between CSR communication and real implementation. Based on a case study of Swiss companies, it seems that MNCs are better at promoting their CSR efforts than implementing real programmes, whereas SMEs put in place serious and consistent CSR measures (Baumann-Pauly *et al.*, 2013). The original theoretical explanation offered by the scholars rests within the relative costs associated with communication and implementation (Baumann-Pauly *et al.*, 2013).

2.4.2 Existence of an industry effect

Part of the literature has questioned the impact of the industry sector on CSR practices. For instance, it could be hypothesized that companies in high environmental impact industries would be more willing to improve their carbon footprint than companies with a lower negative impact on the environment. The literature has demonstrated that the level of CSR activities is influenced by an industry factor (Waddock and Graves, 1997; Ziegler, Schröder and Rennings, 2007; Block and Wagner, 2010; Moura-Leite, Padgett and Galan, 2012). In their study, Moura-Leite (2012), for example, try to explain the extent to which the variations between US companies in CSR practices are due to an industry or firm factor. Their study, even though geographically limited, observes quantitatively both the influence of firm and industry factors on CSR.

2.4.3 The role of corporate governance

The way companies are internally organised can also have an impact on CSR decisions and implementation. The underlying assumption relates to the way decisions are made within the company, to whom managers and directors are liable. The literature highlights a link between firms' corporate governance mechanisms and the adoption of CSR measures. Harjoto and Jo (2011) demonstrate in the American context that corporate governance has an impact on the decision to engage or not in CSR. They specifically investigate both internal and external measures of corporate governance, namely 'ownership concentration and board structure' as well as '*takeover pressures, institutional ownership, and monitoring by security analysts'* (Harjoto and Jo, 2011, p. 46). Such a connection was confirmed in a later study, where better corporate governance mechanisms were found to be accompanied by a higher propensity of

CSR activities (Ntim and Soobaroyen, 2013). In their study, Ntim and Soobaroyen (2013) specifically investigate the impact of the following corporate governance variables: '*the quality of a company's internal governance mechanisms, as measured by a CG disclosure index; ownership variables (government ownership, block ownership, and institutional ownership); and board characteristics (board size, independent directors, and board diversity)*' (Ntim and Soobaroyen, 2013, p. 471). The study finds that the type of ownership plays a role in CSR practices as well as the nature of board membership (Ntim and Soobaroyen, 2013).

A specific aspect of corporate governance has been examined in whether or not a family is running the business. Examination of the role of family business organisation has led to contradictory results (Amann, Jaussaud and Martinez, 2012). Part of the literature finds that family business tends to demonstrate a higher level of social responsibility, as family businesses are more dependent on reputation and a stronger inclination towards long-term orientation (Block and Wagner, 2010). A distinction between family ownership and family management has emerged in the literature where only the former seems to be positively correlated with CSR activities (Block and Wagner, 2010). Some studies, on the contrary, have noticed the absence of impact of a family business organisation (Dyer and Whetten, 2006; Amann, Jaussaud and Martinez, 2012). Amann et al. (2012), for instance, consider the connection between CSR and family and non-family businesses. The results of this study should be read with some care as, beyond a possible doubt of the representativeness of the sample, the research takes place in Japan. Therefore as the authors suggest, the Confucian values of the Japanese society might lead to a general treatment of employees as family members leading to suppressing the differences between family and non-family businesses (Amann, Jaussaud and Martinez, 2012).

Corporate governance is an interesting factor as some of its aspects are directly influenced by the legal system where the company operates. Corporate governance is in other words at the frontier of characteristics that are entirely dependent on the company and characteristics determined by the national institutional framework. For instance, the nature of the composition of the board may be a legal requirement.

2.5 Summary

The comparative study of CSR practices in France and the UK is situated in two main strands of literature: the comparative capitalism literature and the comparative CSR literature. The comparative capitalism literature brings clarity regarding the variety of capitalism displayed in the UK and in France. The answer is straight-forward for the UK analysed as a LME. France remains a problematic case whose type varies depending on the selected characteristics. It is either regarded as a CME, LME-to-be or a state-led economy. Whatever the answer, the comparative capitalism literature shows the inherent differences in the type of capitalism between France and the UK. These differences in model will be later crucial when comparing and contrasting the effect of national institutions on CSR practices.

The links between the development of CSR and its forms and national institutions are partially explained by the comparative CSR literature. CSR is either viewed as a mirror or a substitute of national institutions. Finally, explaining the variations in CSR practices requires investigation at the company level, where company characteristics such as company size, financial success, industry or corporate governance exert an influence on CSR.

The study of the literature leads to the following main research questions:

1. What types of CSR practices do we observe in French and UK companies? Are they different or do we observe a homogenisation of CSR practices?
2. What is the impact of key institutional features on CSR practices? Do they differ between France and the UK?
3. What is the impact of key companies' characteristics on CSR practices? Do they differ between France and the UK?

Specifically, Chapter 4 aims at answering the first point based on the formulation of hypotheses. Chapter 5 and 6 address the next two research questions. In these chapters, different sets of hypotheses will be formulated in order to address the relevant research questions.

The following chapter presents the research methods adopted in this study.

CHAPTER 3
RESEARCH METHODS

3.1 Introduction

This study investigates the impact of national institutional configurations and corporate characteristics on CSR activities undertaken by companies. By its nature, the study examines two levels of analysis: a macro or national level characterised by national institutions, and a micro or corporate level characterised by companies' characteristics and CSR practices. Moreover, another layer of analysis needs to be added as the study consists of a comparison between two countries: France and the UK. As previously detailed in the literature review chapter, these two countries were chosen for their different type of capitalism as well as for the domination of Anglo-Saxon studies in the realm of CSR. This chapter sets out the research methods employed to collect the data in order to conduct the empirical analysis. The definition and operationalization of variables, the relevant literature and research hypotheses are detailed in each of the respective empirical chapters that follow.

Considering the scope of the study, two types of data are necessary for both countries: secondary and primary data. The former involves the characterisation of national institutions in France and in the UK, in order to describe better the type of capitalism present in each country. The latter focuses on the company level where a self-administered questionnaire is used to obtain primary data from both UK and French companies.

3.2 Secondary data collection

Secondary data aims at characterising national institutions in France and in the UK as embodiment of a particular variety of capitalism. Before presenting in detail the institutional variables used in this study, a few words of warning seem necessary. The task of measuring institutions presents many obstacles and difficulties widely debated by the literature (Glaeser *et al.*, 2004; Kaufmann and Kraay, 2008; Voigt, 2009). In a nutshell: how do we measure institutions? What is actually measured by these institutional indicators? Is the indicator clear? Is the presence of a rule measured or is it the outcome of the institution? These debates lead to the distinction between rules-based indicators and outcomes-based indicators (Glaeser *et al.*, 2004). Kaufman and Kraay (2008, p. 13) underline clearly the distinction in nature between the two (despite a specific focus on governance indicators, their comment can be generalised to every measure of institution): '*outcome-based governance indicators, as distinct from indicators of specific rules that we have discussed above, provide direct information on the de facto outcome of how de jure rules are actually implemented: the distinction between rules "on the books" and practices "on the ground"* '. We should therefore remember that no indicator is perfect and flawless. An indicator is only a proxy for a reality it tries to measure and apprehend. With this caveat in mind, we rely on existing measures based on the literature to capture the way in which institutional characteristics may impact CSR practices.

The legal system needs to be accounted for since France and the UK each belong to a different legal system, where France is a civil law country and the UK a common law one. As demonstrated by La Porta et al.(2008), the legal origin impacts (for a selective range of years) economic outcomes, in particular the dichotomous relation between investor rights and employee rights. CSR measures involve employee rights; the legal origin may therefore result in differences in CSR practices.

Pagano and Volpin's (2005) proportionality index is used to assess the type of electoral system (proportional or majoritarian). They demonstrate a connection between the electoral system and employee rights: a proportional system leads to stronger employee rights and weak investor protection, and conversely in a majoritarian system (Pagano and Volpin, 2005). Employee rights is measured by the OECD index on the strictness of employment protection legislation in one country (OECD, 2015), as used in the Pagano and Volpin study (2005). The index ranges from 0 to 6 with higher scores representing stricter employment protection regulation. CSR deals with various stakeholders, in particular employees and investors. The electoral system may, as a consequence, impact the way employees and investors are treated through CSR measures.

The Worldwide Governance indicators compiled by the World Bank are used to describe differences in political governance in France and the UK. These composite indicators portray six dimensions of governance, as explained below:

- Voice and Accountability: it '*captures the perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media'* (Kaufmann and Kraay, 2014).

- Political Stability and Absence of Violence: it '*measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism'* (Kaufmann and Kraay, 2014).
- Government Effectiveness: it '*captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies'*(Kaufmann and Kraay, 2014).
- Regulatory Quality: it '*captures perceptions of the ability of the government to formulate sound policies and regulations that permit and promote private sector development'* (Kaufmann and Kraay, 2014).
- Rule of Law: it '*captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence'* (Kaufmann and Kraay, 2014).
- Control of Corruption: it '*captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests'* (Kaufmann and Kraay, 2014).

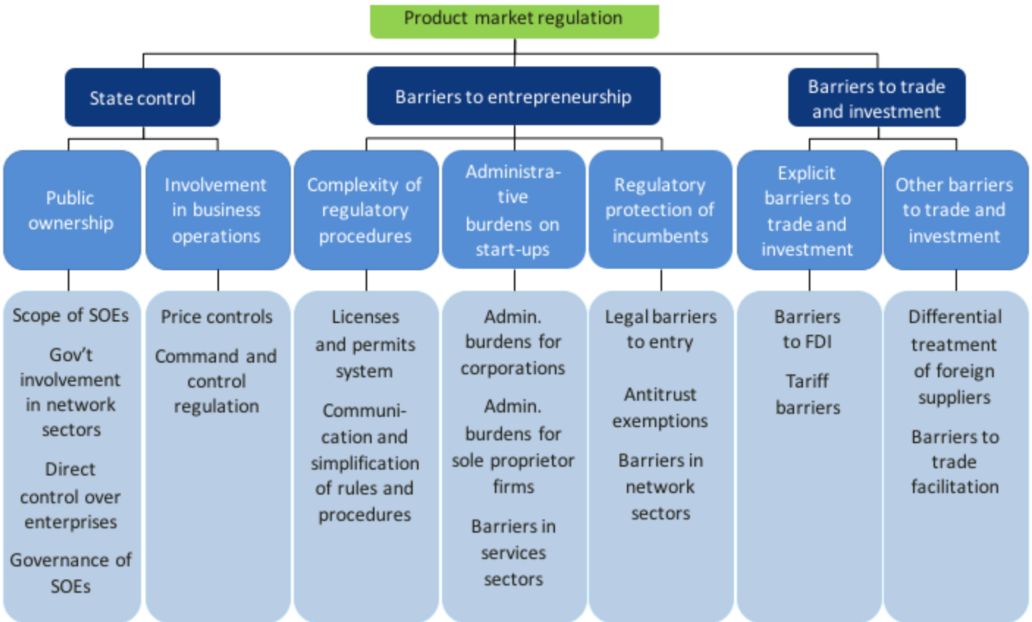
Finally, indications of economic regulations are provided by the economy wide product-market regulation (PMR) dataset (Koske *et al.*, 2015). The OECD constructs and reviews every five years a composite indicator to describe economy and sector-wide regulations (Koske *et al.*, 2015). We use the latest version (2013) where the coverage rate defined as '*the number of non-missing values as a proportion of the total number of questions'* (Koske *et al.*, 2015, p. 7) is respectively 99 per cent for France and 98 per cent for the UK. Based on a bottom-up approach, it measures objective laws and regulations, therefore it does not fully capture the informal economy as well as administrative guidelines or self-disciplinary measures by professional organisations (Koske *et al.*, 2015). As summarised in Figure 3.2, the PMR indicator aggregates eighteen low-level indicators into three high-level indicators: state control, barriers to entrepreneurship, and barriers to trade and investment. The initial eighteen indicators cover the following areas:

- 'Scope of state-owned enterprises (SOEs): pervasiveness of state ownership across 30 business sectors measured as the share of sectors in which the state controls at least one company.

- Government involvement in network sectors: government stakes in the largest companies in six network sectors (electricity, gas, rail, transport, air transport, postal services and telecommunications).
- Direct control over business enterprises: existence of special voting rights by the government in privately-owned companies and constraints to the sale of government shares in publicly-controlled companies (based on 30 business sectors).
- Governance of state-owned enterprises: degree of insulation of state-owned enterprises (SOEs) from market discipline and degree of political interference in the management of SOEs.
- Command and control regulation: extent to which the government uses coercive (as opposed to incentive-based) regulation.
- Licenses and permit systems: use of 'one-stop-shops' and the 'silence is consent' rule for issuing licenses and accepting notifications.
- Communication and simplification of rules and procedures: the government's communication strategy and efforts to reduce and simplify the administrative burden of interacting with the government.
- Administrative burdens for companies: administrative burdens on creating a public limited company.
- Administrative burden for sole proprietor companies: administrative burdens on creating an individual enterprise.
- Barriers in services sectors: entry barriers in professional services, freight transport services and retail distribution.
- Legal barriers to entry: pervasiveness of barriers to entry in 30 business sectors as share of sectors in which there are explicit legal limitations on the number of competitors.
- Antitrust exemptions: scope of exemptions from competition law for public enterprises.
- Barriers in network sectors: entry barriers in eight network sectors (gas, electricity, water, rail transport, air transport, road freight transport, postal services and telecommunication) and degree of vertical separation in three network sectors (gas, electricity and rail transport).
- Barriers to FDI: restrictiveness of a country's FDI rules in 22 sectors in terms of foreign equity limitations, screening or approval mechanisms, restrictions on the employment of foreigners as key personnel and operational restrictions (e.g. restrictions on branching and on capital repatriation or on land ownership).
- Tariff barriers: simple cross-product average of effectively applied tariffs.

- Differential treatment of foreign suppliers: discrimination of foreign companies with respect to taxes and subsidies, public procurement, entry regulation and appeal and procedures.
- Barriers to trade facilitation: recognition of foreign regulations, use of international standards and international transparency of domestic regulation' (Koske *et al.*, 2015, p. 9).

Figure 3.1 Tree structure of the economy-wide PMR indicator



In other words, the economy-wide PMR indicator emphasizes the differences, if any, in market regulation between France and the UK.

The type of capitalism, as presented by the VoC literature, is assessed by a dummy variable which is equal to 1 if the respondent belongs to an LME country (that is, in this study the UK) and 0 if the respondent does not (that is, in this study France).

Table 3.3 provides a definition of the institutional variables used as independent variables.

Table 3.2 Definitions of the variables

Variable name	Variable definition
COMMON LAW	Dummy variable which is equal to 1, if the respondent is from a country with English law (based on La Porta et al., 1998)
FRENCH LAW	Dummy variable which is equal to 1, if the respondent is from a country with French law (based on La Porta et al., 1998)
EMPLOYEE RIGHTS	Measures the strictness of employment protection legislation (EPL) in one country. Index from the OECD indicators on employment protection ranging from 0 to 6 with higher scores representing stricter regulation.
PROPORTIONALITY INDEX	Pagano and Volpin's proportionality index. The index ranges from 0 if no seats are assigned proportionally to 3 if 100% of seats are assigned proportionally. It is based on an average over 1986-1990 data obtained from the World Bank Database of Political Institutions.
VOICE AND ACCOUNTABILITY	'It captures the perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media'. Measure constructed on a scale of -2.5 to 2.5, with a standard deviation of 1.0 using standard unobserved components model.
POLITICAL STABILITY AND ABSENCE OF VIOLENCE	'It measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism'. Measure constructed on a scale of -2.5 to 2.5, with a standard deviation of 1.0 using standard unobserved components model.
GOVERNMENT EFFECTIVENESS	'It captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies'. Measure constructed on a scale of -2.5 to 2.5, with a standard deviation of 1.0 using standard unobserved components model.
REGULATORY QUALITY	'It captures perceptions of the ability of the government to formulate sound policies and regulations that permit and promote private sector development'. Measure constructed on a scale of -2.5 to 2.5, with a standard deviation of 1.0 using standard unobserved components model.
RULE OF LAW	'It captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence'. Measure constructed on a scale of -2.5 to 2.5, with a standard deviation of 1.0 using standard unobserved components model.

Variable name	Variable definition
CONTROL OF CORRUPTION	'captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.' Measure constructed on a scale of -2.5 to 2.5, with a standard deviation of 1.0 using standard unobserved components model.
PMR	Measures a country's regulatory structures and policies. Objective indicators based on a bottom-up approach, leading to three high-level indicators: state control, barriers to entrepreneurship, and barriers to trade and investment.
STATE CONTROL	Measures the role (direct and indirect) of the national state in the economy.
BARRIERS TO ENTREPRENEURSHP	Measures the administrative and legal procedures and barriers to set up a business.
BARRIERS TO TRADE AND INVESTMENT	Measures the explicit and implicit hindrances to trade and investment.
LME	Dummy variable which is equal to 1, if the respondent is from the UK, liberal market economy (LME)

In conclusion, these variables provide us with information on market regulation, the role of the state in the economy, labour regulation, governance mechanisms, political constraints, the level of economic development and the legal origin of the country. These data are essential to offer an institutional profile of France and the UK and allows comparison based on various institutional factors.

3.3 Primary data collection

Primary data on companies are complementary to national level secondary data and follows two main objectives: characterising companies' CSR practices; evaluating the impact of company level characteristics such as a company's size, industry, and financial performance.

The questionnaire needs to be tailored to the needs and objectives of the study. It was not possible to rely on existing datasets for two reasons. First, this is a bespoke study with very specific research questions. Existing datasets, such as the Cranet survey (Parry, Stavrou-Costca and Morley, 2011)for instance, do not provide answers to all aspects. Second, the dataset would need to cover France and the UK. Using two different datasets, one covering France, another covering the UK, would have made comparisons difficult. The combination of those two conditions explains the creation of a bespoke questionnaire.

There are many ways to collect primary data. The method chosen should be the most appropriate and relevant, depending on the research objectives, research questions and hypotheses to be tested. The issues of relevance, validity, reliability and generalizability are critical to any research project and should guide the researcher in choosing the most appropriate data collection research method (Guthrie, 2010). Guthrie (2010, p. 11) defines the terms as follows:

- *'the relevance of collecting data is established by the usefulness of research to consumers of the results';*
- *'validity refers to the correctness of the data collected. Is it really measuring what we think it is measuring?';*
- *'reliability is defined as the ability to replicate the same results using the same techniques, that is, to provide results that other researchers could repeat';*
- *'generalizability is the ability to predict accurately from a sample to the whole population from which it is drawn'.*

The research questions are driven by the search for connections or correlations between variables. It is aimed at unveiling links between CSR practices (the dependent variable) by examining institutional factors and companies' characteristics (the independent variables). The research design is correlational in essence, as it is defined as the '*one that searches for associations or correlations between various variables of interest to the researcher'* (Ruane, 2005, p. 87). Surveys provide the most accurate research tool for such a goal as well as being one of the most versatile instruments. Questionnaires transcend limits of time and space and potentially can ask any question (Ruane, 2005).

There exist different techniques to conduct a survey: in-person interview, telephone, mail and, with the rise of the Internet, online survey. Each method has its own advantages and disadvantages. Given the features of the study, an Internet survey appears to be the best method for the following reasons. First, data collection can be an expensive process depending on the method chosen, especially if that method involves traveling abroad. The current study does not receive any funding, therefore, the data collection method has to be as economical as possible. Compared to telephone, mail or in-person interview, an Internet survey entails the lowest cost of administration. Second, this project constitutes a doctoral research project, which is time-constrained. For the reliability and generalizability of the study, the targeted population needs to be a large group. Conducting phone and/or in-person interviews of a large sample of people is time-consuming. An Internet survey allows sending the questionnaire to a large group of respondents quickly. Moreover, the questionnaire is a combination of perception questions and questions requiring a precise knowledge of the company's activities. Respondents may not have the answers to the latter readily to hand and may need to consult databases or company documents. An Internet survey provides respondents with some flexibility in response time and allows them to search for this information. Lastly, the questionnaire covers questions on CSR, which is known to be a debated, controversial and possibly confidential topic for companies. Respondents are more likely to be more willing to offer their opinions and describe their company's CSR practices without the presence and pressure of an interviewer. Guaranteeing anonymity may also partially remove that pressure.

One of the main criticisms in the literature against an Internet survey lies with the fact that the use of the Internet might not result in a representative sample and lead to non-response and coverage errors (Lee, 2006; Baker *et al.*, 2010). This argument is only valid when part of the population may not have access to a computer and the Internet. Such a risk is very unlikely for our targeted population, who are company employees, and where computers and the Internet are used daily.

3.3.1 Development of the questionnaires

The purpose of the study is to gain a deeper understanding of corporate CSR activities and factors influencing them. For that reason, questionnaires are addressed to employees that are based in France and in the UK. Questionnaire design can be a difficult exercise. In order to avoid common flaws or errors, the research instrument was constructed bearing in mind the guidelines proposed by Dillman (2009) and Ornstein (2013). A review of the literature on CSR practices provided an initial outline of key questions to be asked (see, for example, David, Kline, & Dai (2005); Lindgreen & Johnston (2009); Maignan, Ferrell, & Hult (1999)). After further developments of the questions, the questionnaire instrument was discussed with two academics with prior experience and knowledge of both the survey method and the area of research. Based on their comments, the draft questionnaire was modified several times to arrive at its final version. The questionnaire is only composed of closed questions, seeking either quantitative data or qualitative information. The former is answered either by numerical values that the respondent has to provide (such as the number of employees, or the number of national competitors) or by selecting answers from a list provided. The qualitative answers are transformed into quantitative data by assigning a numerical value to each category of response.

Considering the cross-country comparison element of the study, the questionnaire needed to be set in two languages: English and French. As the research project takes place in an English-speaking environment, the questionnaire was first written in English. It was then translated into French by the researcher, who is a native French speaker. In order to verify the quality and accuracy of the translation, another native French speaker then translated it back into English. Any discrepancies between the English and French language versions were corrected in order to produce the same questionnaire in both languages.

The questionnaire was piloted in both countries in order to confirm and guarantee its clarity and the absence of ambiguous questions, as well as a respondent-friendly structure and layout. Five managers in each country were asked to take the survey, which led to some minor corrections, mainly in relation to the general structure and layout of the questionnaire. For instance, some questions appeared to be visually too long to a professional audience and therefore tedious, and so needed to be separated into shorter components.

The final questionnaire is organised in three sections: (1) company practices in relation to CSR, (2) organisation questions on the respondent and the company, (3) performance of the company and performance in relation to its competitors. The first part of the questionnaire is itself divided between real CSR activities, respondents' perceptions of their company CSR practices and general perceptions on the role of CSR. The questionnaire consists of a total of 48 questions, with most questions being composed of multiple parts. It was decided to provide a general title to the study rather than indicating from the start that the topic of the study is CSR. This is because CSR may be conceived as being contentious, so an attempt was made to limit biases towards CSR as far as possible. Regarding the internal organisation of the questionnaire itself, the questionnaire starts with demographic questions about the respondents, then performance of their company and finally questions about CSR practices.
A copy of the questionnaire in French is in Appendix 1, the English version of the questionnaire is presented in Appendix 2.

3.3.2 Respondent selection

Since the desired information is highly specific in nature, the study requires respondents with detailed knowledge of the company's practices in relation to its employees, to the environment, and to more general implications of CSR practices. HR managers appear to be the best target for this questionnaire in the absence of a dedicated CSR department in the company for two reasons. First, HR managers' actions have a direct effect on a central internal stakeholder, employees. HR managers are at the centre of human resource management which covers for instance employment contract, selection and retention of employees, working conditions, working time and employee voice and participation (Wood, Brewster and Brookes, 2014). In that respect, many aspects of CSR directly involve employees and HR managers, as decision makers or implementers (Lam and Khare, 2010). Furthermore, CSR and HR are linked within a company. Gond et al. (2011) identify three ways CSR and HR are connected with each other. CSR can either be the product of the HR department. CSR can also be shared between the HR function and other departments, such as communication or marketing. CSR decisions and actions are the combined product of HR and other relevant departments. Or, CSR is completely separate from the HR function but relies on the HR department to implement CSR actions related to employees. Regardless the internal specificities of the HR/CSR interface, HR managers play an important part in either deciding or implementing CSR actions, that will then have an impact on internal and external stakeholders. Given their role, HR managers will develop a view about CSR, that may or may not represent the view of other employees. But their views matter given their role in relation to CSR (Lam and Khare, 2010; *De Stefano et al., 2018).*

A difficult methodological issue is whether the questionnaire should be sent to a single respondent or to multiple respondents in a particular company. Since CSR information is highly specialised not every manager may have access to the requisite information. However, given the difficulty of identifying and contacting multiple respondents in a company and in line with the time constraints of the research project, where obtaining multiple respondents would be very time-consuming, it was decided to rely on one respondent per company.

3.3.3 Web survey

Web surveys in comparison to telephone or mail surveys present several advantages in terms of cost, time and administration of the questionnaire (Dillman, Smyth and Christian, 2009). Furthermore, the use of emails and web survey match a current trend in organisations where modes of communication have shifted towards an electronic medium (Dillman, Smyth and Christian, 2009).

To summarize the nature of the data collection procedures used in this study: Two data collection strategies were undertaken. The first strictly follows Dillman's total design survey method (Dillman, Smyth and Christian, 2009). However, despite following Dillman's method and advice, resistance from the sample population was encountered, leading to an insufficient and disappointing response rate. These difficulties led to the need to find an alternative solution with the use of an online panel.

The following sub-sections discuss in detail both methods.

3.3.3.1 First method: self-administered surveys

Identification of potential respondents: Once the best recipient for the questionnaire is identified, one hurdle still remains. Use of a Web survey requires obtaining the email address of the potential respondent. HR managers, often due to their position of gatekeeper of the organisation, are not easily reachable. There is no publicly available directory of HR personnel either in France or in the UK. Consequently, different techniques were used to collect email addresses of HR managers, such as, sending emails to a generic company email address requesting the email of the HR manager, contacting HR professional bodies in both countries, and contacting the Alumni Department of the researcher's University.

Initial email invitation: To improve both the quality of the responses and the response rate, an initial email invitation to participate in the survey was sent to HR managers at the beginning of September 2015. The email identified the researcher and the institution where the research is taking place. It also explained the purpose of the study and its academic and managerial importance. It described the use of an Internet software (Qualtrics) to conduct the survey and ensured participants of total anonymity and confidentiality. A sample copy of the email invitation is produced in Appendix 1 for the French version and in Appendix 2 for the English version.

Follow up emails: Sending follow up emails is essential to improve the response rate. A follow-up email was automatically sent after 10 days of non-response to the questionnaire. A third follow-up email was sent after a similar amount of time in the case of persistent non-response.

Survey sponsorship: The likelihood of taking part in the survey increases when the study is sponsored by an organisation valued by the respondents. The study benefits from Warwick Business School sponsorship.

Questionnaire design: The literature has not reached a consensus on the impact of the length of the questionnaire on the response rate (Dillman, Smyth and Christian, 2009). A rather long questionnaire does not necessarily jeopardise the success of the survey. The layout of the questionnaire is essential and must be respondent-friendly as well as the formulation of the questions.

Anonymity/Confidentiality: Assurances were provided that all responses would remain confidential and anonymous. Neither the respondent nor his/her organisation would be identified during the report stage of the study. These reassurances were incorporated in the email invitation. The final question of the questionnaire asks for the respondent's company name, which could be viewed as running against the confidentiality principle. It was noted though that the respondent remained free either to answer or not to answer that question, and that the name of the company would never be alluded to in any further reports. The name of the company could prove useful in the construction of the dataset to include further information on the company such as its financial performance.

Non-monetary incentives: Monetary incentives are believed to increase the response rate (Dillman, Smyth and Christian, 2009). The study does not receive any specific funding which initially ruled out any type of monetary compensation. At that time, the only incentive available was a non-monetary one with the offer of a summary of the study's findings. As explained in the next sub-section, the second data collection method relied on a small monetary incentive.

Two types of difficulties were encountered. First, collecting HR managers email addresses revealed to be much more difficult than initially anticipated. As noted above, HR managers are not easily accessible. In France and the UK there is no HR directory. In order to collect email addresses, I phoned and emailed companies asking for the email address of their HR manager. Companies were very reluctant to give away the HR email address, even when I described to them the study. At the end, only a small number of email addresses were collected implying a small sampling frame. Nevertheless, that sampling frame was used to administer the questionnaire.

Second and more importantly, despite having followed Dillman's total design method (Dillman, Smyth and Christian, 2009, 2016) with three rounds of follow-up reminders, potential respondents were not willing to complete the questionnaire. There are many reasons why potential respondents do not want to complete a survey: lack of time, especially when the targeted sample is professional; numerous and increasing survey solicitations by phone and email; lack of interest; sensitive topic covered by the survey; survey climate; individual mood (Michle *et al.*, 2016). No matter what the individual explanation is, this reaction is in line with a general and well-documented rise in survey non-response rates (Atrostic *et al.*, 2001; Brick and Williams, 2013).

3.3.3.2 Second method: online panels

At this stage, given the very small and insufficient response rate, an alternative data collection method had to be found, otherwise, the whole study would have to have been abandoned. Considering the existing constraints, including the limited time of a PhD project, very limited budget, high non-response rate of traditional survey methods, it was decided that the use of online panels to supplement the existing responses was the best (and only feasible) form of action. As will be explained below, the use of online panels guarantied the collection of sufficient good quality data in a short amount of time for a small cost.

Online panels are defined by ISO 26362: Access Panels in Market, Opinion, and Social Research as '*a sample database of potential respondents who declare that they will cooperate with future (online) data collection if selected'* (see in Callegaro and Disogra, 2008, p. 718). These potential respondents register their interests with market research companies and are then contacted on a survey basis. They receive monetary compensation provided they successfully qualify for the individual study and fully complete the questionnaire.

Before detailing the choice of the company and the data collection, some issues need to be clarified. Indeed, notwithstanding a rising use of online panels by academic research (Baker *et al.*, 2010; Ansolabehere and Schaffner, 2014), the general questions of payment of respondents, representativeness of the sample and quality of the data need to be addressed.

Monetary incentives and their impact:

The use of incentives has received a great deal of attention in the literature, which generally views them positively. The relation between survey participation and incentives is enlightened in the context of economic-exchange theory and social-exchange theory (Dillman, Smyth and Christian, 2009, 2016; Michle *et al.*, 2016). Both theories reach the same conclusion on the positive impact of incentives, however, their justifications are opposite. The former points to the cost-benefit calculation made by potential respondents. The benefit has to outweigh the cost of taking a survey. If the incentive is high enough, in particular in the case of monetary incentives, it will increase the response rate. On the other hand, Dillman (2009, 2016) views incentives in the context of an exchange of reciprocate gift and counter-gift. The initial incentive creates a perceived obligation on the part of the potential respondent to take part in the survey. Incentives can be monetary or non-monetary, prior to survey participation or conditional on survey participation. Analysing these four types of incentives, Church (1993) found that including compensation (monetary or not) prior to survey participation lead to a higher response rate. When comparing the impact on mail surveys of various monetary incentives, Warriner et al. (1996) demonstrate that only cash incentives have an impact on response rates. Donations to charity and the possibility of winning a lottery prize do not have an effect on the response rates.

Some scholars in Economics and Psychology warn that monetary incentives may have a negative impact on study participation and response rates (Lacetera and Macis, 2010). In particular, Sauermann and Roach (2013, p. 275) explain that '*contingent pay may undermine actors' intrinsic or social motivations to engage in a task, potentially resulting in a negative net effect. Such "motivation crowding-out" may occur if individuals feel that incentives are controlling, if pay is interpreted as a sign that the task cannot be "fun", or if pay leads actors to focus their cost-benefits analysis narrowly on financial aspects'*.

Overall the literature views monetary reward as a positive incentive to increase response rates. Online panels are a consequence of these findings in that they try to incentivise people by rewarding them with a small amount of money.

Question of the representativeness of the sample

Traditionally, surveys rely on probability sampling which means that each respondent in the population has the same (known) probability to be included in the sample as any other member of the population (Vehovar, Toepoel and Steinmetz, 2016). Probability sampling guarantees the representativity of the sample and allows generalisation of the results to the population. However, when it is difficult to know about the population, this makes probability sampling impossible, and other sampling technique need to be employed (Uprichard, 2013). Online panels deviate from probability sampling as market research companies use non-probability sampling to build their samples with '*snowball sampling, banner ads, direct enrolment'* techniques (Callegaro *et al.*, 2014, p. 24). To what extent is this deviation detrimental to the quality of the results?

Before answering that question, Uprichard (2013, p. 7) warns that in any case '*there needs to be greater acknowledgement that any sample will necessarily fall short of the ideal simply because the praxis of sample design is limited by the possibilities set by the three-pronged configuration of issues, which itself becomes clearer in the context of the research itself'*. Some studies have compared results obtained from probabilistic and non-probabilistic samples in order to discover whether the two sampling methods yield similar results. Comparing results from surveys on climate change and the Kyoto Protocol, Berrens et al. (2003) conclude that there is no difference in representativeness and findings between probability and non-probability sampling. A similar conclusion was reached by Sanders et al.

(2007) while comparing survey results from probabilistic and non-probabilistic samples as part of the 2005 British election study.

Quality of the data in the case of online panels:

Following the use of incentives, the question of the quality and reliability of the answers has been raised. Are these respondents only completing surveys to receive money? If so, to what extent are their answers impacted? To what extent does monetary payment attract specific types of respondent leading to the over-representation of specific categories of the population over the rest of the population? Following the rising use in online panels, these concerns have been extended to this mode of data collection.

The main concern relates to what has been referred to as ‘professional respondents’; respondents who answer as many surveys as possible in order to receive monetary compensation (Comley, 2005; Hillygus, Jackson and Young, 2014). It is assumed that professional respondents are only motivated by the incentives, compromising the quality of the data (Matthijsse, De Leeuw and Hox, 2015). However, the literature has offered contradictory findings. It should also be noted that so far the literature has failed to agree on a definition of a professional respondent, more specifically on the threshold transforming a survey taker into a professional respondent (Hillygus, Jackson and Young, 2014). Some argue that professional respondents answer questionnaires more quickly than new respondents, and randomly pick answers (Baker *et al.*, 2010). Garland et al. (2012) claimed that professional survey takers use ‘don’t know’ answers more frequently than non-professionals. It is also argued that professional respondents would be more likely to satisfice. Krosnic (1991), the first one to apply the term ‘satisfice’ to survey respondents’ behaviour, defines it as the various strategies a respondent puts in place to limit the cognitive effort in answering a survey. For instance, a weak satisficing strategy is the selection of the first plausible response among a list of alternatives (Krosnick, 1991). Satisficing would therefore be stronger in professional respondents due to the high number of surveys taken.

However, another strand of the literature contends the opposite, arguing that there is no loss in data quality with professional survey takers. By comparing telephone interview and web survey, Chang and Krosnic (2009) argue that they are actually less likely to satisfice compared to inexperienced survey takers. Professional survey takers are also found to use less frequently ‘don’t know’ answers (Biswanger, Schunk and Toepoel, 2006). Overall, De Wulf and Berteloot (2007) demonstrate that professional survey takers are more inclined to answer questionnaires and are more positive towards the whole process in general. Looking at political attitudes and behaviours, Hillygus et al. (2014) found that there are no actual differences in answers between professional and non-professional survey takers. Finally, Ansolabehere & Schaffner (2014) analysed the results of a similar survey issued at the same time over the Internet (opt-in online panel), by telephone using random digit dialing and by mail (based on a national sample of residential addresses). They found that '*comparing the findings from the modes using a Total Survey Error approach, (...) a carefully executed opt-in Internet panel produces estimates that are as accurate as a telephone survey and that the two modes differ little in their estimates of other political indicators and their correlates'* (Ansolabehere and Schaffner, 2014, p. 1). In other words, professional respondents do not threaten the quality of the data.

The data obtained from online panels offers a similar quality than traditional survey methods. It can be asked though: who are these participants taking part in online panels? Four categories of online panel respondents have been identified: altruistic nonprofessionals, semi-altruistic, semi-professionals and professionals (Comley, 2005; Matthijsse, De Leeuw and Hox, 2015). Online panels are not only composed of professionals survey takers, altruistic and curious people also join these panels. A study of 90% of the respondents taking part in online panels in the Netherlands reveals that there are no differences in demographic characteristics between professionals and altruistic respondents (Matthijsse, De Leeuw and Hox, 2015). Furthermore, the study showed that monetary reward was not the only incentive for professional survey takers, fun had to be present too (Matthijsse, De Leeuw and Hox, 2015).

In conclusion, , the literature does not provide sufficient evidence to substantiate doubts about data quality obtained from online panels. The presence of professional respondents, for instance, is not a legitimate threat to the quality of the data. Ultimately, the researcher has to exercise a similar level of caution and common sense as with traditional survey methods.

Selection of the market research company: There are several market research companies providing data collection services. I contacted four that are well-known and whose services have been used by academics for their research in social science and behavioural economics. The selection was based on three criteria: a) the market research company needed to have participants in France and the UK; b) the presence of HR managers in their database; c) the total cost needed to be within the allocated budget of £1170.

Administration of the online panels: Contrary to the self-administered questionnaires, payment had to be made to the respondents. With the selected market research company, participants are rewarded £9 per fully answered questionnaire. The budget of £1170 allowed the collection of a total of 130 questionnaires.

In practice, two specialty panels were used. A specialty panel is defined as a group of people with specific characteristics/profession: one panel was located in France and one located in the UK. Each panel was composed of current HR managers, irrespective of the industry. For each panel, the market research company sent the questionnaires to every French and UK HR manager in their database and kept sending them until the agreed outcome of 130 completed questionnaires was reached.

Administering the questionnaire by a market research company offered several advantages. First, it is a time efficient technique, as it took only 15 days to collect responses. Second, the objective of reaching HR managers is achieved by relying on a specialised panel. Third, by adding an introductory screening question to the questionnaire guaranteed that the potential respondent matched the criteria of being an HR manager.

3.3.4 Response rate

It follows from the previous sections that the primary data was collected using two different techniques. Therefore, it is relevant to treat separately the response rate for each method given that they raise separate issues and calculation methods.

3.3.4.1 Response rate for the self-administered surveys

When using the survey method, response rates play a central part. Nevertheless, the concept and implication of response rates should be handled with care. Response rates are commonly used as a way to assess the quality of a study, the reliability of its data and its generalisability. It is '*typically calculated as (a hundred times) the number of questionnaires returned to the number of questionnaires sent out. As a rule of thumb, the higher the response rate the better; high response rate provides confidence in the representativeness of the data, and dampens concerns over non-response bias'* (Mellahi and Harris, 2016, p. 427). Despite the apparent simplicity of this definition, there is no agreement among scholars on what is considered a sufficient response rate leading to flexible expectations across areas of study and journals (Mellahi and Harris, 2016). Due to the variations in study and context, setting a definite threshold is not relevant as argued by Mellahi and Harris (2016) in their study of 1093 survey-based studies. Indeed, response rates should be evaluated in relation to the specificities of each study. Trying to introduce some perspective in the use of response rates, some studies have shown the absence of correlation between a low response rate (below 20%) and the accuracy of studies' results (Visser *et al.*, 1996). A lower response rate does not mean anything in absolute terms, it is not a stand-alone measure of the quality of a study. Morton et al. (2012, p. 107) summarized this argument in an Editorial in the *Australian and New Zealand Journal of Public Health* noting that '*a low response rate does not automatically mean the study results have low validity, they simply indicate a potentially greater risk of this. Response rates remain informative, but on their own are not good proxies for study validity'*.

Based on the above definitions and caveat, the first wave of data collection relying exclusively on traditional Internet survey techniques triggered respectively a 13.23 per cent response rate for the UK sample and a 14.37 per cent response rate for the French one, in other words, a low response rate. This represents a total of 10 fully completed UK questionnaires and 15 fully completed French questionnaires. A total of 56 questionnaires were excluded from the sample as they were partially completed, rendering them unusable.

3.3.4.2 Response rate for the online panels

The second method used brings about a different issue. The online panel precludes calculation of a traditional response rate because the market research company does not provide details of the size of the specialised panels for confidentiality reasons. Furthermore, due to the total amount available to spend on data collection, the market research company could only guarantee a total number of fully completed questionnaires of 130.

As a result:

- For France:
    - 1233 online participants opened the questionnaire.
    - 1199 started to complete the questionnaire.
    - 1120 did not pass the first screen-out question regarding being an HR manager.
    - 79 qualified and were able to complete the questionnaire entirely.

- For the UK:
    - 460 online participants opened the questionnaire.
    - 443 started to complete the questionnaire.

- 392 did not pass the first screen-out question regarding being an HR manager.
- 51 qualified and were able to complete it entirely.

The two methods used to administer the survey lead to a total sample size of 162 respondents. Based on the literature and in particular on Bailey (2008), the size of the sample is large enough to be representative of the population as 100 cases seems to be the minimum, allowing a study of the French and UK subpopulation, with respectively 95 and 67 respondents.

3.4 Descriptive statistics

The study investigates the impact on CSR practices of two independent set of variables: national institutions, and company characteristics, such as, the size of the company, its age, its industry or the type of ownership. The remainder of this chapter presents both national institutional- level variables and company-level variables.

3.4.1 Institutional variables

As previously explained, national level variables inform the type of capitalism of the country where the respondents' company is based. Table 3.4 provides a summary of the institutional variables used in the study to characterise France and the UK. An examination of these variables underlines the institutional differences between the two countries – differences occur for each variable. The UK and France differ when it comes to the legal system, employee rights and political institutions (electoral regime and governance). These dissimilarities may therefore bear an impact on CSR practices, as the literature has implied so far.

Table 3.3 Institutional variables for France and the UK

VARIABLES	UK	France
Common Law	1	0
French Law	0	1
Employee rights	1.59	2.82
Proportionality Index	0	1
Corruption	1.73	1.27
Government Effectiveness	1.62	1.40
Political Stability and Absence of Violence	0.44	0.36
Regulatory Quality	1.83	1.09
Rule of Law	1.89	1.47
Voice and Accountability	1.29	1.22
PMR	1.08	1.47
State Control	1.04	2.43
Barriers to Entrepreneurship	0.97	2.81
Barriers to Trade and Investment	0.28	0.43
LME	1	0
Aggregated measure	1.05	1.25

3.4.2 Characteristics of the respondents

As previously detailed, the survey was sent to companies located either in France or in the UK. The geographical location was coded in the dataset as a dichotomous variable: 0 for the UK and 1 for France. The French sample contains 95 observations, the UK 67 observations. Given the data collection method, all respondents belong to the same job category, that is HR manager.

On average, the number of years spent in the respondent's company is longer for French respondents (11 years to 8 years). Respondents from the UK sample are on average slightly more senior than the French ones, the former having on average 34 subordinates to 32 for the latter.

Table 3.4 Professional experience of respondents

	UK respondents				French respondents			
	Mean	S.D	Min	Max	Mean	S.D	Min	Max
Years of experience of respondents	8.73	7.73	1	47	11.31	8.95	1	40
Number of subordinates	34.75	96.61	0	700	32.76	97.74	0	820
	n = 67				n = 95			

3.4.3 Characteristics of respondents' companies

3.4.3.1 Size and age of the companies

The survey provides information on the size and the age of the company that respondents work for. Table 3.6 shows that the UK and the French sample present many variations in terms of age and size, as illustrated by the standard deviation of both measures. On average, UK companies in the sample are older than the French ones (57 years to 49 years) but the standard deviation is higher in the UK sample compared to the French one (126 to 53). The result is the opposite when it comes to the size of the company: On average French companies are larger with 13 436 employees (8 876 UK sample), with both samples very dispersed as shown by the standard deviation (63 438 for the UK and 43 753 for France).

Table 3.5 Size and age of companies in the sample

	UK respondents					French respondents				
	Mean	S.D	Min	Max	n	Mean	S.D	Min	Max	n
Number of employees	8876	63438.43	0	500000	67	13436	43753.87	1	300000	95
Age of the company	57	126.04	1	95	67	48	53.86	1	86	95

In order to gain visibility, companies' size was ordered based on the guidelines of a EU Commission Recommendation (2003/361), resulting in the following table:

- Micro companies: number of employees ≤ 10
- Small companies: number of employees between 10 and 50
- Medium companies: number of employees between 50 and 250
- Large companies: number of employees ≥ 250

Table 3.6 Summary of companies' size in the sample

	UK respondents			French respondents		
Company size	Number	Percent	Cum.	Number	Percent	Cum.
Micro company	9	13.43	13.43	8	8.42	8.42
Small company	7	10.45	23.88	15	15.79	24.21
Medium company	25	37.31	61.19	22	23.16	47.37
Large company	26	38.81	100	50	52.63	100
Total	67	100		95	100	

In both countries, medium and large companies dominate the sample. About 53 per cent of French companies have more than 250 employees, 39 per cent for the UK sample. Both samples have cumulatively approximately the same percentage of micro and small companies: 23.88 per cent for the UK, 24.21 per cent for France.

3.4.3.2 Industry

Another company characteristic that bears an importance on CSR, as detailed in the previous chapter, relates to the industry sector. The primary sector was excluded from the study. The French sample and the UK sample present similarities in terms of economic sector. The tertiary sector strongly dominates both samples (UK: 42.86 per cent; France: 47.37 per cent) with a lower secondary sector (UK: 34.92 per cent; France: 36.84 per cent).

Table 3.8 provides more detailed information on the respondents' industry. This table was simplified, for clarity purposes, between the secondary and the tertiary sectors as follows. The secondary sector comprises: food/ beverage manufacturing; metals and minerals; energy; construction; chemicals; pharmaceuticals and biotechnology; IT; technology; telecommunications; other electrical; automobiles and parts and other manufacturing. The tertiary sector encompasses the other categories apart from the category “Other”, that is: transport; distribution; travel and leisure; financial services and other services.

Table 3.7 Industry characteristic of the companies

	UK respondents			French respondents		
Industry	Number	Percent	Cum.	Number	Percent	Cum.
Food/Beverage manufacturing	3	4.76	4.76	6	6.32	7.37
Metals and minerals	1	1.59	6.35	1	1.05	8.42
Energy	1	1.59	7.94	5	5.26	13.68
Construction	5	7.94	15.87	2	2.11	15.79
Chemicals	1	1.59	17.46	1	1.05	16.84
Pharmaceuticals and Biotechnology	2	3.17	20.63	8	8.42	25.26
IT	1	1.59	22.22	1	1.05	26.32
Telecommunications	2	3.17	25.4	2	2.11	28.42
Other Electrical	1	1.59	26.98	2	2.11	30.53
Automobiles and Parts	1	1.59	28.57	3	3.16	33.68
Other Manufacturing	4	6.35	34.92	3	3.16	36.84
Transport	5	7.94	42.86	2	2.11	38.95
Distribution	3	4.76	47.62	8	8.42	47.37
Travel and Leisure	6	9.52	57.14	8	8.42	55.79
Financial services	6	9.52	66.67	5	5.26	61.05
Other services	7	11.11	77.78	22	23.16	84.21
Other	18	22.22	100	15	15.79	100
Total	67	100		95	100	

3.4.3.3 Ownership

Table 3.9 illustrates the diversity of ownership types in both samples. They both share an underrepresentation of public companies (9.52 per cent for the UK sample; 8.4 per cent for the French sample).

Family companies are more represented in the UK sample (38.1 per cent against 24.21 per cent in the French sample). Private individuals and managers represent 26.9 per cent of the UK sample and 28.42 per cent of the French one. Private Equity corresponds to 6.35 per cent of the UK sample and 8.42 per cent of the French one. Joint Venture amounts to 3.17 per cent of the UK sample and 0 per cent in the French one. It should be noticed that the French sample does not contain any joint ventures. Finally, the presence of multinational companies (MNCs) appears more often in the French sample (12.63 per cent) than in the UK one (4.76 per cent).

Table 3.8 Ownership characteristic of the companies

	UK respondents			French respondents		
Type of company's owner	Freq.	Percent	Cum.	Freq.	Percent	Cum.
Founder and/or Family member	24	38.1	38.1	23	24.21	24.21
Private individuals	9	14.29	52.38	24	25.26	49.47
Managers	8	12.7	65.08	3	3.16	52.63
Private Equity or Venture Capital	4	6.35	71.43	8	8.42	61.05
Joint Venture	2	3.17	74.6	0	0	61.05
Multinational company	3	4.76	79.37	12	12.63	73.68
Government	6	9.52	88.89	8	8.42	82.11
No large shareholder	5	7.94	96.83	13	13.68	95.79
Other owner	6	3.17	100	4	4.21	100
Total	67	100		95	100	

3.4.3.4 Domestic and international competitors of respondents' companies

Table 3.10 below illustrates the variations of domestic and international competitors in the UK and French sample. The competitors' variables give us an insight on the economic involvement and success of the company at the national and international level. Nonetheless keeping an exact record of the number of competitors might prove difficult. This variable should therefore be handled with care as rough estimates cannot be excluded.

Table 3.9 Average number of competitors

	Domestic competitors	International competitors
UK	393	792
France	299	1070

3.5 Summary

This chapter discusses the methods employed to collect the primary and secondary data necessary for this study. The secondary data collection methods involved the use of three existing databases: the economy wide product-market regulation database by the OECD (Koske *et al.*, 2015), the regulation of labour database (Botero *et al.*, 2004) and the Worldwide Governance Indicators established by the World Bank. Primary data were collected by surveys sent to HR managers located in France and the UK. The use of the survey method matches the cost and time constraints of the study as well as the sensitive nature of the information sought. As the purpose of the study is to evaluate the impact of company characteristics and national institutions on CSR practices, the questionnaire was organised in three distinct parts: (1) company practices in relation to CSR, (2) organisation questions on the respondent and the company, (3) performance of the company and performance in relation to its competitors.

The analysis of the data is presented in the following chapters. Chapter 4 provides a comparative approach of CSR practices as observed in the sample. Chapter 5 examines the antecedents of CSR practices in France and the UK, using factor analysis and regression methods. Chapter 6 focuses on the impact of HR managers' perceptions on CSR practices.

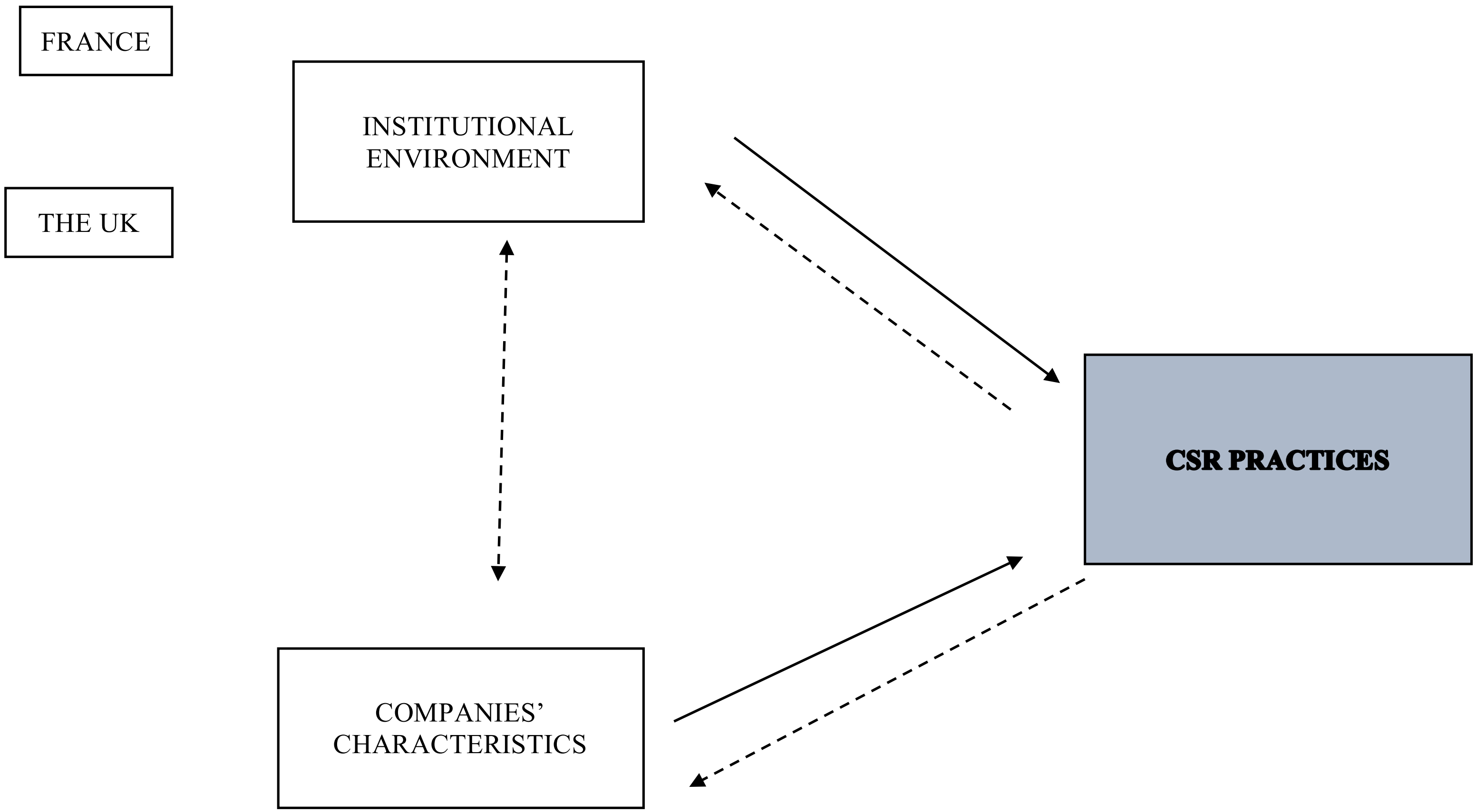
CHAPTER 4
A Comparison of CSR practices

4.1 Introduction

The main aim of this study is to investigate CSR practices and their connections with two levels of analysis: the micro or corporate level and the macro or national level. The study and comparison of the antecedents of CSR practices in both countries calls first for a descriptive account whereby CSR practices are presented and portrayed. Observing and understanding any differences between the CSR practices observed in France and in the UK, is essential. This study is based on the underlying assumption that there are persistent differences between CSR practices in France and the UK, reflecting variations in institutions and institutional mediation; the nature and extent of these variations constitutes the core area of investigation. The hypothesis is that these differences can be explained by two categories of factors: company characteristics and institutional features.

From the primary data, the first question is: does the sample present any differences in CSR practices between France and the UK? Secondly, are these differences statistically representative and significant? The differences can be of two kinds: one of nature and one of extent. Companies in the sample depending on their geographical location may implement similar or dissimilar types of CSR practices or focus on one type over the others. There is a need to understand if there is any pattern of CSR practices and what are the governing forces of the observed pattern. Differences could also be of extent: are British or French companies more likely to undertake CSR?
Figure 4.1, presented in the previous chapters, shows in the part highlighted in bold the focus of this chapter, i.e. CSR practices.

Figure 4.1 Research model



Assessing the differences, if any, between the samples will lead in the next chapter to an analysis of their antecedents. Regression analysis will be employed to identify and classify the key antecedents at the micro and macro level.

The remainder of this chapter is organised as follows. We first present the practices investigated by the survey. Then, we compare the results obtained for each sample regarding employees, shareholders, customers, suppliers, the environment and finally the local community. Next, based on these findings, we question the existence of two different CSR models. The last section of this chapter provides a summary of the main findings.

4.2 Practices investigated by the survey

4.2.1 Presentation of the practices

As suggested by the literature (Wood, 1991), CSR practices can be organised in terms of orientation towards stakeholders, differentiating between direct/indirect or primary/secondary stakeholders (Freeman, 1984; Clarkson, 1995). Direct stakeholders include employees, investors, customers, suppliers. Indirect stakeholders are, as the name suggests, those not directly affected by the company's actions such as the local community and general actions towards the safeguard of the environment. The previous chapter explains how the questionnaire was created: a review of the existing literature (see, for example, David, Kline, & Dai (2005); Lindgreen & Johnston (2009); Maignan, Ferrell, & Hult (1999)) provided an initial set of questions that were further developed. In particular, the study of CSR practices based on a survey administered to American companies by Lindgreen & Johnston (2009) was used as a base in its evaluation of CSR practices towards each category of stakeholders.

As a consequence, the questionnaire is designed in order to investigate practices towards four direct stakeholders: employees, customers, investors or shareholders, and customers. As for indirect stakeholders, questions target the involvement of the company towards the local community, charities and the environment. The aim is to capture the actions and involvement of companies in all aspects of CSR to come up with a clearer picture of CSR practices in France and the UK, in line with the bottom line vision of CSR. Respondents were asked to what extent they agree or disagree with practices in the area described below. Responses were then assessed using a five-point Likert-type scale (anchored from 1='Strongly Disagree' to 5= 'Strongly Agree').

Employees

CSR practices towards employees include the following:

- Fair treatment of employees irrespective of ethnic origin
- Fair treatment of employees irrespective of sexual orientation
- Provision of health benefits
- Fair treatment of employees irrespective of gender
- Company's support to employees' training and development
- Training programmes set up in the company
- Importance of employees' well-being
- Fair salaries to employees
- Integration of employees' interests
- Help employees to reach work life balance
- Provision of health benefits

Shareholders

CSR practices towards shareholders include the following:

- Integration of shareholders' interests
- Information to shareholders about changes in corporate policy
- Full information to shareholders
- Accurate information to shareholders

Customers

CSR practices towards customers include the following:

- Customers' complaints addressed
- Integration of customers' interests
- Customers' information

Suppliers

CSR practices towards suppliers include the following:

- Fair treatment of suppliers
- Respectful treatment of suppliers
- Information to suppliers about corporate policy changes
- Integration of suppliers' interests

Environment

CSR practices towards the environment include the following:

- Awareness of environmental regulation
- Exceeds environmental regulation
- Environmental concerns integrated
- Environmental performance objectives incorporated in strategy
- Financial support to environmental initiatives

<u>*Communities*</u>

CSR practices towards the local community include the following:

- Integration of local community interests
- Financial support to local education
- Financial support to local economic development
- Improvement of quality of life of local community
- Financial support to local cultural and leisure activities
- Substantial donations to charities

The types of CSR practices implemented in French and UK companies are considered in the following sections reviewing each stakeholder.

The initial hypotheses are grounded on the existence of differences in CSR practices between French and UK companies. As reviewed in Chapter 2, the institutional environment of the country is a leading force triggering the implementation of CSR practices. The literature argues that France and the UK present various models of capitalism and therefore institutions. The literature disagrees on the relation between these institutions and CSR; either CSR acts as a substitute or as a complement to the national institutions. In any case, there should be differences in CSR practices leading to the following hypotheses:

H1: UK and French companies present differences in CSR involvement

H1a: CSR is greater in the UK than in France, as suggested by the substitute theory of CSR.

H1b: CSR is greater in France than in the UK, as suggested by the complement/mirror theory of CSR.

The differences in practices will be studied with respect to each category of stakeholder by considering statistical tests of means. Given the relatively large sample size and the reasonable assumption that the sample is close to a normal distribution, the use of parametric tests is considered legitimate. Differences in CSR practices are therefore tested by conducting two sample t-tests. The nature of the data makes it relevant to supplement this parametric test by a z-test as a check on its interpretation. The non-parametric test (not reported here) confirms the findings of the parametric test reported below. The tests are conducted for each individual practice. However, for purpose of clarity, the results are presented for each category of stakeholder in the following sections, allowing an immediate comparison between the two countries.

4.2.2 Measures of CSR practices

Before considering the results of the analysis, one caveat should be kept in mind when it comes to measuring CSR practices. Going back to the initial definition provided at the beginning of this study, CSR '*(and its synonyms) empirically consists of clearly articulated and communicated policies and practices of corporations that reflect business responsibility for some of the wider societal good'* (Matten and Moon, 2008, p. 405). This definition illustrates how CSR is still in the making, and mainly the product of companies' actions and communication plans. However, it does not give much indication on its extent, and how to evaluate CSR in practical terms. The comparison of CSR between France and the UK calls for a complementary definition, one that covers a measurement aspect. The literature confirms that CSR is not only difficult to define but also difficult to measure. Scholars have not been able so far to come up with a single indicator able to measure CSR practices (Gjølberg, 2009a; Jackson and Apostolakou, 2010).

4.3 A comparison of practices towards employees

4.3.1 Findings

The study focuses first on CSR practices towards employees. As mentioned above, the initial hypothesis relates to the existence of differences in the practices implemented by companies depending on their geographical location. Whether these differences are produced by the national institutions or companies' characteristics will be explored in the next chapter. In order to test the existence of significant differences between the two samples, two-sample t-tests are performed. The results of the two-sample t-tests are presented in Table 4.2, which also provides the rank order of CSR practices towards employees implemented by companies based on the mean measure.

Table 4.2 CSR practices towards employees

	UK			France			
CSR PRACTICES towards employees	Rank of UK practices	mean	SD	Rank of French practices	mean	SD	t-value
Fair treatment of employees irrespective of sexual orientation	1	4.19	0.12	2	4.11	0.08	0.64
Fair treatment of employees irrespective of ethnic origin	2	4.10	0.12	1	4.13	0.08	-0.15
Fair treatment of employees irrespective of gender	3	4.04	0.13	4	3.80	0.09	1.59
Fair salaries to employees	12	3.91	0.13	19	3.43	0.10	**3.05***
Company's support to employees' training and development	14	3.90	0.15	10	3.65	0.09	1.44
Training programmes set up in company	17	3.75	0.14	11	3.63	0.09	0.72
Integration of employees' interests	20	3.70	0.13	23	3.32	0.09	**2.54***
Help employees to reach work life balance	23	3.60	0.13	27	3.26	0.09	**2.22***
Provision of health benefits	28	3.42	0.17	3	3.83	0.09	**-2.32***

Notes
1. 162 respondents.
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.
4. z-values were also calculated but with little difference in significance with t-values, therefore z-values are not reported here.
5. * Results statistically significant at a significance level of $p< 0.05$.

At first glance, Table 4.2 supports hypothesis 1. French and UK companies do not implement similar employees CSR practices both in terms of nature and extent. Similarities do exist nonetheless. They cover the equal treatment of employees irrespective of gender, ethnic origin or sexual orientation. These three practices rank in the top 3 in the UK and top 4 in France. What differs is the way these practices are ordered. For instance, in UK companies the fair treatment of employees irrespective of their sexual orientation is ranked first with a mean of 4.19; this practice comes is ranked second in the French sample with a mean of 4.11. The fair treatment of employees irrespective of their ethnic origin is ranked first in the French sample (mean of 4.13). The provision of health benefits is ranked third in France with a mean of 3.83, whereas this practice is ranked 28 (out of 30 with a mean of 3.42) in the UK.

Stark differences between the two samples are noticeable in relation to employees' training and employees' well-being. Ranking in these instances varies significantly. More precisely, there are four practices where the differences in mean between the two samples are significant (at a significance level of 0.05). The practices in question are: fair salaries to employees, integration of employees' interests, helping employees to reach work life balance, where the mean for the UK sample is higher than for the French sample, and provisions of health benefits, where the mean is higher in the French sample. The latter shows the most striking difference between the samples with a p-value of 0.02. In France providing health benefits appears to be one of the most widespread practice (ranked third), whereas in the UK it is ranked 28 out of 30.

UK employers seem to be more aware and concerned by their employees' well-being as illustrated by the integration of employees' interests as well as helping them reaching work-life balance (ranked respectively 20 and 23, with a mean of 3.70 and 3.60). In France, these practices are implemented less, respectively ranked 23 and 27, with a mean of 3.32 and 3.26. Both in terms of ranking and means, the French sample is behind the UK one. Conversely, the French sample supports more intensively employees' training insofar as support to external training and in-house training programmes rank 10 and 11. These practices are ranked respectively 14 and 17 in the UK sample. However, in terms of means the UK sample scores higher: respectively 3.90 and 3.75, whereas the French companies have means of 3.65 and 3.63. Although it should be noted there are no statistically significant differences in means.

Nevertheless, this observation about higher means in the UK sample can be extended to each practice. Generally, UK companies implement to a larger extent employee related CSR practices than their French counterparts supporting hypothesis H1a.

This observation becomes more apparent when looking at each sample individually. Tables 4.3 and 4.4 illustrate the different ranking and means in practices within each sample. Based on the means, the comparison of Tables 4.3 and 4.4 exhibits that UK companies are more likely to implement more CSR practices than French ones, irrespective of the ranking order. In the French sample, means vary from 4.13 to 3.26, contrary to a variation from 4.19 to 3.42 in the UK sample.

Table 4.3 Ranking of practices of French companies towards their employees

CSR practices	Rank	Mean	SD	Min	Max
Fair treatment of employees irrespective of ethnic origin	1	4.13	0.78	2	5
Fair treatment of employees irrespective of sexual orientation	2	4.11	0.78	2	5
Provision of health benefits	3	3.83	0.91	1	5
Fair treatment of employees irrespective of gender	4	3.80	0.88	1	5
Company' support to employees' training and development	5	3.65	0.92	1	5
Training programs set up in company	6	3.63	0.90	1	5
Importance of employees' well-being	7	3.59	0.86	1	5
Fair salaries to employees	8	3.43	0.94	1	5
Integration of employees' interests	9	3.32	0.89	1	5
Help employees to reach work life balance	10	3.26	0.87	1	5

Notes:
1. 95 respondents
2. The mean is the average of 1 (= ‘Strongly disagree’) to 5 (= ‘Strongly agree’).
3. SD = standard deviation.

Table 4.4 Ranking of practices of UK companies towards their employees

CSR practices	Rank	Mean	SD	Min	Max
Fair treatment of employees irrespective of sexual orientation	1	4.19	0.99	1	5
Fair treatment of employees irrespective of ethnic origin	2	4.10	1.02	1	5
Fair treatment of employees irrespective of gender	3	4.04	1.07	1	5
Importance of employees' well-being	4	4.01	1.07	1	5
Fair salaries to employees	5	3.91	1.04	1	5
Company's support to employees' training and development	6	3.90	1.22	1	5
Training programs set up in company	7	3.75	1.13	1	5
Integration of employees' interests	8	3.70	1.03	1	5
Help employees to reach work life balance	9	3.60	1.05	1	5
Provision of health benefits	10	3.42	1.36	1	5

Notes:
1. 67 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.

Part of the questionnaire was designed in order to check whether there is a coherence between what respondents identify as their company's CSR practices and specific questions on precise aspects of CSR.

In particular, Table 4.2 underlines the importance of non-discriminatory practices in both countries with the frequency of lawsuits over the last five years as a direct measure of discrimination. This finding is supported by Table 4.5 where 87.37% of French respondents and 79.10% of UK respondents answered that over the last 5 years their company has had no lawsuit for discrimination.

Table 4.5 Frequency of lawsuits against the respondent's company

	France		UK	
	YES	NO	YES	NO
Lawsuit for unlawful termination of employment contract	28.42	**71.58**	19.40	**80.60**
Lawsuit for harassment (e.g. verbal, physical, sexual…)	15.79	**84.21**	17.91	**82.09**
Lawsuit for discrimination	12.63	**87.37**	20.90	**79.10**

Note:
1. 162 respondents

It was previously found that France, in terms of ranking, favours training and supports training more than UK companies among all listed practices. Yet, UK companies implement them more widely as suggested by the means. Table 4.6 summarises the results in terms of training offered to employees in the areas of safety, mental health, well-being and diversity. The questionnaire asks respondents whether the listed training is offered in the company or not. Responses vary greatly between France and the UK. Employee safety awareness training is by far carried out most: 82.09% of UK respondents and 71.58% of French respondents acknowledge its presence in their company. Well-being awareness training and employee diversity training are on average available in UK companies (respectively 52.23% and 61.19%). On the contrary, they are largely not available in French companies (respectively 62.11% and 70.53%). Finally, when it comes to mental health awareness, on average companies do not offer special training. A negative answer dominates more strongly the French sample compared to the UK sample with a frequency of 63.26% against 50.74%.

Table 4.6 shows that UK companies in our sample are generally more involved in training their employees about workplace health and safety issues than French ones.

Table 4.6 Frequency of training offered by companies to employees

	France		UK	
	YES	NO	YES	NO
Employee safety awareness training	**71.58**	28.42	**82.09**	17.91
Employee mental health awareness training	36.84	**63.26**	49.25	**50.74**
Employee well-being awareness training	37.89	**62.11**	**52.23**	47.76
Employee diversity training	29.47	**70.53**	**61.19**	38.80

Note:
1. 162 respondents

Tables 4.7 and 4.8 display information regarding the organisation of work in companies. Table 4.7 summarises the corporate facilities available to employees. These facilities as diverse as a gym, a nursery or a hairdresser are believed to increase the well-being of employees at work or as a way to tie workers to their job. By far, there are not implemented in both samples as shown by the high frequency of 'no'. The only facility that is slightly more present concerns gyms. In order to improve employees' well-being and work-life balance, companies can also allow their employees to work flexible hours. Such a practice is on average allowed in French and UK companies in a relatively similar percentage, as shown in Table 4.8.

Table 4.7 Frequency of corporate facilities available to employees

	France		UK	
	YES	NO	YES	NO
Gym	19	**76**	35.82	**64.18**
Hairdresser	3.16	**96.84**	11.94	**88.06**
Drycleaner	8.42	**91.58**	14.93	**85.07**
Supermarket	5.26	**94.74**	20.9	**79.1**
Nursery	11.58	**88.42**	20.9	**79.1**

Note:
1. 162 respondents

Table 4.8 Flexible hours option

	France		UK	
	YES	NO	YES	NO
Flexible hours	**56.84**	43.16	**62.69**	37.31

Note:
1. 162 respondents

4.3.2 Discussion

The French and the UK samples display differences in the way that employees are treated, supporting hypothesis H1. The existence of differences does not come as a surprise, but the nature of the surprise was unexpected. The comparative capitalism literature, in particular VoC, study closely the areas of employee relations and vocational training and education (Hall & Soskice 2001) emphasising differences between LME and CME. In that vein, the presence of variations in the sample is coherent with that literature. However, it is the converse of what would be expected. The unforeseen result comes from the fact that UK companies appear to be more involved with their employees than French companies, supporting H1a. In particular, the fluid employment market, the ease to hire and fire, the weakness of trade-unions (an aspect that France and the UK share) should lead to less involvement in human resource management. In addition, UK workplaces are generally associated with low trust work, weak security tenure, lower real wages than the rest of Europe (Goergen *et al.*, 2013; TUC, 2016). Conversely, the situation of employees is usually better perceived in France, in particular with the work councils, the civil law system issuing clearer worker rights (Johnson *et al.*, 2015) and a relatively rigid employment market. The findings indicate the opposite: French companies generally have lower rank of CSR practices than UK companies.

The higher investment of UK companies in employees' training runs counter to the argument that in LME employees have general skills and employees do not train them (Hall and Soskice, 2001). One should bear in mind that spending on training can be ambiguous. A large spend on induction training does not necessarily denote much investment in people, rather it may be a means of compensating for or coping with high turnover rates.
Furthermore, in comparative studies the UK generally performs poorly when it comes to working time and work-life balance.

4.4 A comparison of practices towards shareholders

4.4.1 Findings

The next step in the analysis deals with the way companies engage with their shareholders. We initially stated the initial hypothesis (H1) of differences in CSR practices between France and the UK. Is this hypothesis supported when it comes to shareholders?

The two-sample t-test reveals differences between the two samples. Out of the four practices investigated, three demonstrate statistically significant differences in the mean. In a nutshell, UK companies pay more attention to their shareholders as highlighted both by the ranking of the practices and the overall mean for each of them supporting hypothesis H1a (Table 4.9). The practices that present significant differences (at a significance level of $p<0.05$) are the integration of investors' interests, information to investors about changes in corporate policy and full information to investors. These practices rank notably higher in the UK sample than in the French one; these are ranked respectively 5, 8 and 9 for UK companies and 16, 13 and 15 in the French case.

Table 4.9 CSR practices towards shareholders

	UK			France			
CSR PRACTICES towards shareholders	Rank of UK practices	mean	SD	Rank of French practices	mean	SD	t-value
Integration of investors' interests	5	4.03	0.11	16	3.52	0.09	**3.61***
Information to investors about changes in corporate policy	8	3.98	0.10	13	3.62	0.10	**2.65***
Full information to investors	9	3.97	0.11	15	3.56	0.10	**2.68***
Accurate information to investors	11	3.92	0.11	7	3.75	0.09	1.29

Notes

1. 162 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.
4. z-values were also calculated but with little difference in significance with t-values, therefore z-values are not reported here.
5. * Results statistically significant at a significance level of $p < 0.05$.

Tables 4.10 and 4.11 further substantiate hypothesis H1a. Practices are ordered in a completely different way indicating that French and UK companies view differently obligations towards shareholders. Accurate information for shareholders is ranked first for French companies, but is ranked last for UK companies. Whereas, integrating shareholders' interests is ranked first in UK firms but is ranked last in French companies.

Another noticeable feature relates to the variation in means between Tables 4.10 and 4.11. The means are statistically higher in three cases for the UK sample, leading to the conclusion that in CSR terms UK companies are more active towards their shareholders.

Table 4.10 CSR practices of French companies towards shareholders

	Rank	Mean	SD	Min	Max
Accurate information to shareholders	1	3.75	0.85	1	5
Information to shareholders about changes in corporate policy	2	3.62	0.94	1	5
Full information to shareholders	3	3.56	0.96	1	5
Integration of shareholders' interests	4	3.52	0.83	1	5

Notes:
1. 95 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.

Table 4.11 CSR practices of UK companies towards shareholders

	Rank	Mean	SD	Min	Max
Integration of shareholders' interests	1	4.03	0.94	1	5
Information to shareholders about changes in corporate policy	2	4.00	0.85	1	5
Full information to shareholders	3	3.96	0.89	1	5
Accurate information to shareholders	4	3.93	0.91	1	5

Notes:
1. 67 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.

4.4.2 Discussion

The two-sample t-test analysis reveals pronounced differences between France and the UK in the way companies treat their shareholders. UK companies present a stronger involvement with their shareholders in contrast to French companies. These findings are not surprising when it comes to the UK. The VoC model highlights the importance of profitability at the root of the financial system and corporate governance of LME countries (Hall and Soskice, 2001). The structure of the financial market in the UK explains therefore why UK companies have put in place stronger relations with their shareholders. The results for France are somehow surprising, where more similarities with UK companies might be expected. Part of the literature on French capitalism defends the view of a shift from state-led economy to LME, in particular when it comes to the financial system (Morin, 2000; Djelic and Zarlowski, 2005; Goyer and Jung, 2011). Such a shift does not seem to have produced the same outcome as in the UK in terms of shareholder relations. On the other hand, one could argue that the findings do not mean that French companies ignore shareholders. It could simply illustrate that French companies treat shareholders as part of the company and not as an external force.

4.5 A comparison of practices towards customers

4.5.1 Findings

So far, the French and UK samples display several significant differences in CSR practices towards employees and shareholders. The analysis of the practices towards customers reveals another set of differences between the two countries. Table 4.12 shows that out of the three practices investigated, two present significant differences ($p<0.05$), where the means are higher for UK firms. The practices in question are addressing customers' complaints and integrating customers' interests. As previously noticed with other stakeholders, when looking at all the CSR practices the order and means attached to each individual practice are dissimilar between France and the UK. By the means, UK companies invest more in the customer relationship. France again is behind. The practice that comes first in the UK sample concerns customers' complaints with a mean of 4. The higher ranked practice in the French sample only receives a mean of 3.75 and relates to the information of customers.

Table 4.12 CSR practices towards customers

CSR PRACTICES towards customers	UK			France			
	Rank of UK practices	mean	SD	Rank of French practices	mean	SD	t-value
Customers' complaints addressed	7	4.00	0.12	8	3.68	0.09	**2.11***
Integration of customers' interests	10	3.94	0.13	12	3.62	0.09	**2.08***
Customers' information	13	3.90	0.13	6	3.75	0.10	0.93

Notes
1. 162 respondents.
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.
4. z-values were also calculated but with little difference in significance with t-values, therefore z-values are not reported here.
5. * Results statistically significant at a significance level of $p < 0.05$.

Tables 4.13 and 4.14 also show that when considering practices towards customers, practices are ordered in a dissimilar fashion. French companies favour first customers' information, then addressing customers' complaints and finally integration of customers' interests. Conversely, UK companies consider addressing customers' complaints as the main priority. Integrating customers' interests is ranked second, whereas customers' information is ranked last.

Table 4.13 Practices of French companies towards customers

	Rank	Mean	SD	Min	Max
Customers' information	1	3.75	0.94	1	5
Customers' complaints addressed	2	3.68	0.88	1	5
Integration of customers' interests	3	3.62	0.87	1	5

Notes:
1. 95 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.

Table 4.14 Practices of UK companies towards customers

	Rank	Mean	SD	Min	Max
Customers' complaints addressed	1	4.00	1.02	1	5
Integration of customers' interests	2	3.94	1.09	1	5
Customers' information	3	3.90	1.07	1	5

Notes:
1. 67 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.

4.5.2 Discussion

Differences have been unveiled in the way French and UK companies treat their customers, supporting hypotheses 1 and 1a. UK companies, as the case for employees and shareholders, appear to be more dedicated than their French counterparts. This greater involvement with customers by UK companies can be explained by the greater market coordination in an LME type country compared to France, leading to better care of customers (Hall and Soskice, 2001).

4.6 A comparison of practices towards suppliers

4.6.1 Findings

The last direct stakeholder covers the way companies treat their suppliers, which is analysed as an important aspect of CSR. Four practices are under scrutiny. The results are presented in Table 4.15. The two-sample t-test analysis indicates that three practices present significant differences ($p<0.05$). French and UK companies behave in a contrasting way when it comes to the fair treatment of their suppliers, providing them with information about corporate policy changes and integrating their interests. Hypothesis 1 is therefore supported. The fair treatment of suppliers is nevertheless prioritised by both samples over the other practices. The least favoured practices are information and integrating interests. As indicated in Tables 4.16 and 4.17, aside from the fair treatment of suppliers, the practices receive the same ranking. The main differentiation comes from the mean attached to each practice, with the means for the UK sample again exceeding those of the French sample. This finding supports hypothesis 1a.

Table 4.15 CSR practices towards suppliers

CSR PRACTICES towards suppliers	UK			France			
	Rank of UK practices	mean	SD	Rank of French practices	mean	SD	t-value
Fair treatment of suppliers	4	4.03	0.12	5	3.77	0.09	**2.50***
Respectful treatment of suppliers	6	4.01	0.12	5	3.77	0.09	1.69
Information to suppliers about corporate policy changes	15	3.87	0.12	18	3.43	0.08	**3.08***
Integration of suppliers' interests	19	3.70	0.11	21	3.36	0.09	**2.45***

Notes
1. 162 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.
4. z-values were also calculated but with little difference in significance with t-values, therefore z-values are not reported here.
5. * Results statistically significant at a significance level of $p< 0.05$.

Table 4.16 CSR practices of French companies towards suppliers

	Rank	Mean	SD	Min	Max
Respectful treatment of suppliers	1	3.77	0.88	1	5
Fair treatment of suppliers	2	3.68	0.78	1	5
Information to suppliers about corporate policy changes	3	3.43	0.81	1	5
Integration of suppliers' interests	4	3.36	0.85	1	5

Notes:
1. 95 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.

Table 4.17 CSR practices of UK companies towards suppliers

	Rank	Mean	SD	Min	Max
Fair treatment of suppliers	1	4.03	0.98	1	5
Respectful treatment of suppliers	2	4.01	0.96	1	5
Information to suppliers about corporate policy changes	3	3.87	0.98	1	5
Integration of suppliers' interests	4	3.70	0.92	1	5

Notes:
1. 67 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.

4.6.2 Discussion

When it comes to suppliers, variations in means are observed leading to the conclusion that UK companies take into account their suppliers more than French companies.

With respect to the VoC model, Hall and Soskice (2001) argue that in LME countries inter-firm relations (including with suppliers) are at arm's length and coordinated by the market. This suggests for UK companies a limited involvement with suppliers, or at least nothing beyond business contractual relations. The fact that for UK companies the fair and respectful treatment of suppliers is ranked first of the practices indicates either, that is the way businesses should treat each other, or, it demonstrates that the way companies treat their suppliers has evolved. The close results between France and the UK corroborates a general move towards the (forced) inclusion of CSR practices down the supply chain (Quarshie, Salmi and Leuschner, 2016).
Finally, the treatment of suppliers may also depend on the size of the respondents' company and the distance with the suppliers (whether geographical and/or cultural). The closer a company is to its suppliers, the better and more respectful the relationship will be (Goffin, Lemke and Szwejczewski, 2006).

4.7 A comparison of practices towards the environment

4.7.1 Findings

After evaluating differences in treatment of direct stakeholders, the study next considers the relation between companies and their environment. The results of the two-sample t-tests are less convincing than for other stakeholders, as shown in Table 4.18. Five practices were examined with only two showing significant differences ($p<0.05$): exceeding the environmental regulation and financial support to environmental initiatives. The UK sample is more involved in both practices than French companies supporting hypothesis H1a.

It should be noted though that the environment does not come as a priority in both samples as illustrated by the low ranking of the five practices. The one that is the most widespread is not surprisingly the awareness of environmental regulation. For the rest, the order varies between France and the UK, as Table 4.19 and 4.20 demonstrate. It is interesting to note that the means for each practice are as it was observed for other stakeholders very different between the two samples. Once again, the UK means are greater than those for France in the extent of the practices. However, the gap is less wide than in the case of direct stakeholders.

Table 4.18 CSR practices towards the environment

	UK			France			
CSR PRACTICES towards the environment	Rank of UK practices	mean	SD	Rank of French practices	mean	SD	t-value
Awareness of environment regulation	16	3.87	0.12	14	3.61	0.10	1.74
Exceeds environmental regulation	21	3.69	0.13	22	3.32	0.10	**2.37***
Environmental concerns integrated	22	3.69	0.13	20	3.38	0.10	1.94
Environmental performance objectives incorporated in strategy	26	3.58	0.13	25	3.30	0.10	1.82
Financial support to environmental initiatives	29	3.40	0.14	29=	3.04	0.10	**2.14***

Notes
1. 162 respondents.
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.
4. z-values were also calculated but with little difference in significance with t-values, therefore z-values are not reported here.
5. * Results statistically significant at a significance level of $p< 0.05$.

Table 4.19 CSR practices of French companies towards the environment

	Rank	Mean	SD	Min	Max
Awareness of environment regulation	1	3.59	0.98	1	5
Environmental concerns integrated	2	3.37	0.97	1	5
Environmental performance objectives incorporated in strategy	3	3.28	0.96	1	5
Exceeds environmental regulation	4	3.20	0.96	1	5
Financial support to environmental initiatives	5	3.03	1.02	1	5

Notes:
1. 95 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.

Table 4.20 CSR practices of UK companies towards the environment

	Rank	Mean	SD	Min	Max
Awareness of environment regulation	1	3.87	1.01	1	5
Exceeds environmental regulation	2	3.69	1.08	1	5
Environmental concerns integrated	3	3.69	1.10	1	5
Environmental performance objectives incorporated in strategy	4	3.58	1.10	1	5
Financial support to environmental initiatives	5	3.40	1.17	1	5

Notes:
1. 67 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.

4.7.2 Discussion

The results indicate that UK companies are more active than French companies in relation to the environment. One could nonetheless ask whether HR managers are the most knowledgeable employees in the area of the environment and environmental sustainability. There is a nascent but growing literature examining the connections between HRM and environmental sustainability (Renwick *et al.*, 2015). The literature underlines that even though HR managers and HR departments are not where the environmental strategy is designed (Harris and Tregidga, 2012), HR managers still have an impact as well as a role to play via HRM practices (Zibarras and Coan, 2015). For instance, interviews of 11 HR managers in New-Zealand demonstrate they are aware of the actions of their company in the area of environmental sustainability (Harris and Tregidga, 2012). The use of HRM practices has a positive impact on employees' and companies' involvement in environmental sustainability (Zibarras and Coan, 2015).

The findings may also be influenced by the industry in which the company operates. Some sectors are more sensitive to environmental sustainability, in particular when considered as polluting industries such as oil companies. The French and UK samples present similarities with a strong domination of the tertiary sector (UK: 42.86 per cent; France: 47.37 per cent) and a lower secondary sector (UK: 34.92 per cent; France: 36.84 per cent). These similarities are unlikely to support this potential explanation.

Finally, and more interestingly, the results contrast with prior studies that establish the poor environmental record of the UK, with a much lower take up of alternative energy sources than in most coordinated markets (Blyth, McCarthy and Gross, 2015; Carrington, 2016; Harrabin, 2016). The implications of these findings will be dealt in greater length in subsequent chapters.

4.8 A comparison of practices towards the local community

4.8.1 Findings

The final aspect covered by the questionnaire deals with the relations between companies and their local community. Table 4.21 shows that the two-sample t-tests supports the initial hypothesis (H1), with three practices (out of five) significantly different between the two samples ($p<0.05$). UK companies tend to fund more the local economic development with a mean of 3.60, whereas the French sample has a mean of 3.30. UK companies are also more involved in improving the quality of life of the local community (UK mean of 3.60, French mean of 3.28). Finally, UK companies give more donations to charity than French companies (UK mean of 3.49, French mean of 2.85). These findings support hypothesis H1a related to a greater involvement of UK companies in CSR.
Table 4.21 also underlines the fact that companies in both countries place the local community after other stakeholders in terms of mean rank.

Table 4.21 CSR practices towards the local community

	UK			France			
CSR PRACTICES towards the local community	Rank of UK practices	mean	SD	Rank of French practices	mean	SD	t-value
Integration of local community interests	18	3.72	0.14	17	3.51	0.08	1.53
Financial support to local economic development	24	3.60	0.13	24 =	3.30	0.09	**2.06***
Improvement of quality of life of local community	25	3.60	0.14	26	3.28	0.10	**2.09***
Substantial donations to charity	27	3.49	0.14	30	2.85	0.12	**3.60***
Financial support to local education	30	3.36	0.14	28	3.22	0.10	0.95

Notes
1. 162 respondents.
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.
4. z-values were also calculated but with little difference in significance with t-values, therefore z-values are not reported here.
5. * Results statistically significant at a significance level of $p < 0.05$.

Table 4.22 CSR practices of French companies towards the local community

	Rank	Mean	SD	Min	Max
Integration of local community interests	1	3.48	0.82	1	5
Financial support to local economic development	2	3.27	0.92	1	5
Improvement of quality of life of local community	3	3.25	0.97	1	5
Financial support to education	4	3.20	0.96	1	5
Financial support to local cultural and leisure activities	5	2.94	1.05	1	5
Substantial donations to charities	6	2.83	1.15	1	5

Notes:
1. 95 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.

Table 4.23 CSR practices of UK companies towards the local community

	Rank	Mean	SD	Min	Max
Integration of local community interests	1	3.72	1.11	1	5
Financial support to local economic development	2	3.60	1.07	1	5
Improvement of quality of life of local community	3	3.60	1.12	1	5
Substantial donations to charities	4	3.49	1.16	1	5
Financial support to education	5	3.36	1.14	1	5
Financial support to local cultural and leisure activities	6	3.33	1.17	1	5

Notes:
1. 67 respondents
2. The mean is the average of 1 (= 'Strongly disagree') to 5 (= 'Strongly agree').
3. SD = standard deviation.

4.8.2 Discussion

Not surprisingly, companies on both sides of the Channel are not that involved in their local community. It is no surprise as taking into account the local community is really not essential to businesses and far from their core activities. The relationship between a company and its local community tends to be a passive one, where the company refrains from committing any wrong doing. However, the fact that again the mean scores for the UK companies are greater than for the French companies, is contrary to expectations. Although the greater participation of UK companies in charity donations is somewhat anticipated because charity donations, generally labelled as philanthropy, have always been widespread and visible in Anglo-Saxon countries (Brammer and Pavelin, 2004; Brammer and Millington, 2006). This helps substantiate the theoretical distinction between explicit and implicit CSR (Matten and Moon, 2008). Nonetheless, one could have expected a higher ranking for charity donations in the UK sample. The aftermath of the global economic crisis may mean that firms have less profit to spend with consequent budget cuts. Or it might be explained by the qualifications of the respondents themselves. The general involvement in the local community belongs more to the communication/public relations department of a company rather than the HR department, referring back to the distinction between implicit and explicit CSR (Matten and Moon, 2008).

4.9 Two CSR models implemented?

The previous sections have established that French and UK companies behave differently when it comes to CSR and their stakeholders. Table 4.24 provides a summary of stakeholders' relationships in both samples. Based on the overall weighted-mean obtained by each stakeholder, stakeholder management differs between the two countries. In France, customers, employees and shareholders attain the highest mean scores. In the UK, without surprise shareholders attain the highest mean, followed by customers and suppliers. The only commonality between the two countries concerns those with the lowest means: the environment and the local community.

Table 4.24 Summary view of CSR practices in France and the UK

CSR practices: French sample	Overall mean
Customers	3.68
Employees	3.67
Shareholders	3.61
Suppliers	3.56
Environment	3.29
Local Community	3.16

CSR practices: UK sample	Overall mean
Shareholders	3.98
Customers	3.95
Suppliers	3.90
Employees	3.86
Environment	3.64
Local Community	3.51

Figures 4.25 and 4.26 provide a visual representation of the CSR practices as deduced from the questionnaires. Whether in terms of direct or indirect stakeholders, the results suggest that the UK is more involved in CSR than France. This finding confirms the explicit-implicit theory where LME countries are explicitly more active in CSR compared to CME countries (Matten and Moon, 2008). This finding also suggests that with regard to CSR, France does not classify as a LME country, contradicting the theory of France as a LME-to-be.

However, this distinction is mainly about communicating about CSR. It does not necessarily mean that companies in CME countries, or in France for instance, are less involved in CSR, it can only mean that they communicate less about it. These structural differences substantiate the more elaborated theory of CSR as a substitute for the institutional framework (Jackson and Deeg, 2008; Kinderman, 2009).

In her attempt to construct a single indicator to measure CSR practices, Gjolberg (2009a) compares practices across 20 developed countries. At first glance, France and the UK rank positively on this indicator, with the UK dominating France (Gjølberg, 2009a). Once CSR results-oriented practices and CSR process-oriented practices are differentiated, France and the UK present contrasting relationships to CSR. The UK scores higher on the results-oriented element of the indicator, whereas France scores high on the process-oriented aspect. The next chapter will test whether these differences in CSR are indeed the product of the institutional framework or the product of companies' characteristic.

Figure 4.25 CSR practices towards direct stakeholders

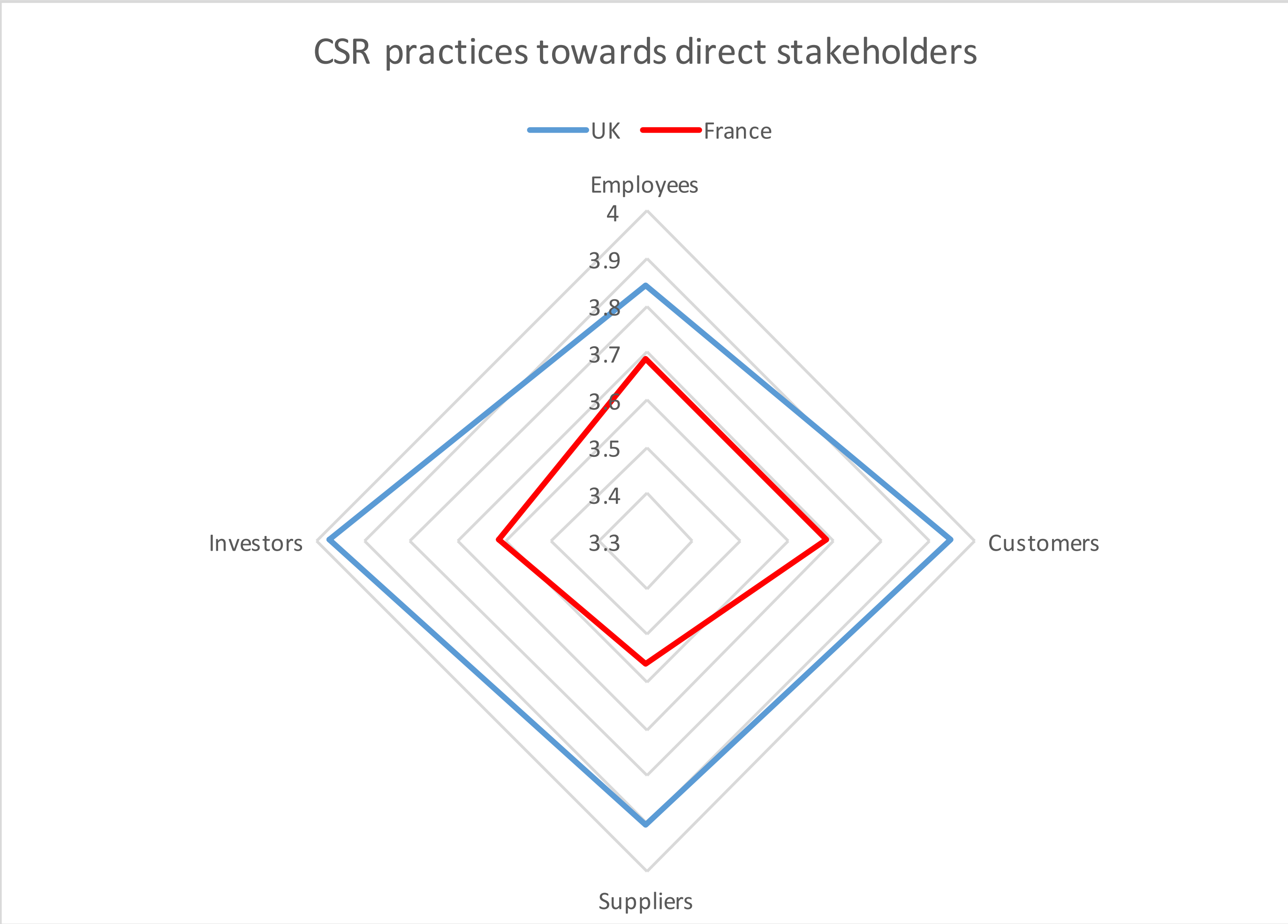
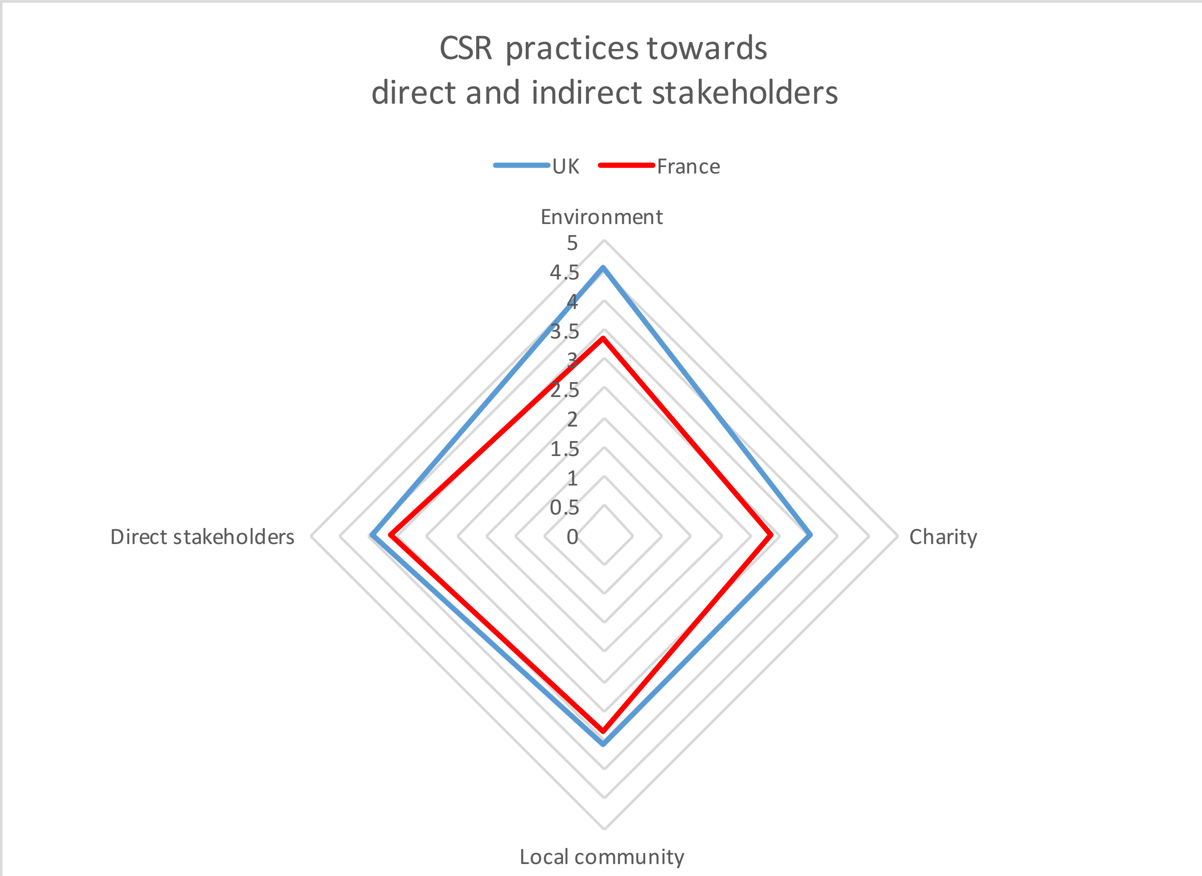


Figure 4.26 CSR practices towards direct and indirect stakeholders



Note:

1. Direct stakeholders is the mean of the practices towards employees, customers, suppliers and shareholders.

4.10 Summary

The aim of this chapter was to explore the CSR practices and identify differences between the French and UK samples. The findings confirmed the existence of differences in terms of the type of practices as well as their extent.

Regarding direct stakeholders, the interesting finding relates to the greater involvement of UK companies in CSR towards their employees, in contrast to France. The VoC literature, supplemented by research on the situation of the French and UK labour markets, indicates better treatment of French employees compared to UK ones. This study's results indicate the opposite situation. The results regarding the treatment of shareholders are as anticipated. Indeed, as a typical LME, the UK presents a stronger involvement in the way shareholders are handled. The finding in relation to France questions the strand of the literature arguing that France is embracing the characteristics of an LME in the CSR area (Morin, 2000; Djelic and Zarlowski, 2005; Goyer and Jung, 2011). Finally, the treatment of suppliers highlights again a greater involvement of UK companies than French ones. Nonetheless, these differences are not substantial.

When it comes to indirect stakeholders, the findings are also unanticipated. Indeed, they show that the UK is more active in the area of the environment than France. This is a surprise because the UK has one of the worst environmental records in Europe. Therefore, one might wonder why respondents' answers indicate the contrary. The following chapters will explore this. The local community is the area where CSR involvement is relatively low in both countries, albeit with a greater presence of UK companies compared to French ones.

Overall, the findings point to a more substantial involvement of UK companies in CSR, which seems to validate one strand of the comparative CSR literature, that is, the complementarity of CSR to the type of capitalism. It indicates that CSR is greater where neoliberal capitalism is stronger, that is, in the UK, an LME country. The next chapter will examine the validity of the substitute theory of CSR (Jackson and Deeg, 2008; Kinderman, 2009) by investigating further the relative impact of national institutions and companies' characteristics on CSR practices.

CHAPTER 5
The determinants of CSR practices

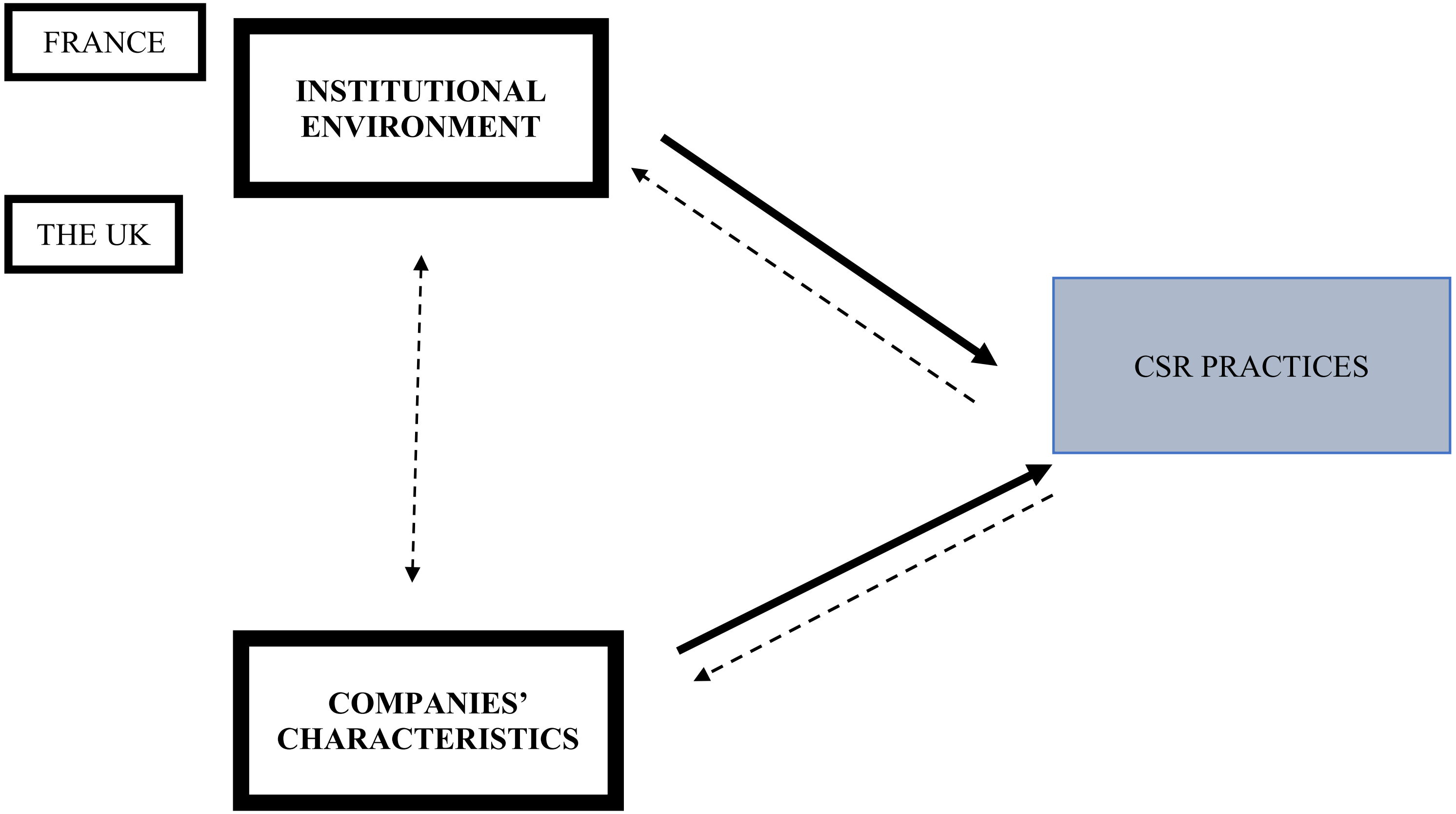
5.1 Introduction

The literature has examined separately the impact of the type of capitalism and companies' characteristics on CSR. This chapter aims at reconciling these studies by offering a multilevel approach of the determinants of CSR practices.

The previous chapter established differences in the degree and type of involvement of French and UK companies in CSR, finding in general greater participation of UK companies in CSR than French companies. The purpose of this chapter is to investigate these observed differences and to examine the validity of CSR as a substitute to national institutions (Jackson and Apostolakou, 2010). Recognising that companies' characteristics may also provide an alternative explanation to the greater involvement of UK companies, this chapter investigates both explanations.

The parts in bold in Figure 5.1 summarise the objectives of this chapter, i.e. understanding the correlation and potential causation between both institutions and companies' characteristics, and CSR practices.

Figure 5.1 Research model



The remainder of the chapter is organised as follows. The next section develops the hypotheses. The statistical method used to conduct the data analysis is explained in the following section. The results of the analysis are then presented and discussed before providing a general discussion. The limitations and a summary of the chapter are in the final section.

5.2 Hypotheses development

CSR practices can be explained by various factors. From the prior literature, two main groups of explanations were identified in Chapter 2. Some studies are located at the macro-level and examine the links between a type of capitalism or the presence of specific institutions and CSR form and practices within a specific country (Midttun, Gautesen and Gjølberg, 2006; Aguilera *et al.*, 2007; Albareda *et al.*, 2008; Matten and Moon, 2008; Gond, Kang and Moon, 2011). Other studies adopt a micro perspective by evaluating the impact of companies' characteristics on CSR (Lepoutre and Heene, 2006; Moura-Leite, Padgett and Galan, 2012; Brower and Mahajan, 2013; Sobczak and Havard, 2014). This study examines both the country level and the company level characteristics.

At the macro level, the comparative CSR literature is divided when it comes to explaining the development of CSR practices and the forms embraced by it across countries. Two contradictory explanations are suggested to elucidate the link between national institutions, i.e. varieties of capitalism, and CSR.

Firstly, CSR is viewed as a substitute to the institutional framework, which means that CSR has developed to fill an institutional gap. The rise of CSR has been explained as a reaction against globalisation and big corporations (Gjølberg, 2009b). Coupled with the business case for CSR literature, companies have used CSR to buy themselves a social license to operate and to legitimise liberalisation (Gjølberg, 2009b; Kinderman, 2009).This view entails that the presence of CSR is greater in countries displaying a higher degree of liberalism and being active players in globalisation. The UK, following the US model of capitalism since the Thatcher era, should prompt more anti-globalisation reactions from the civil society than France leading then to a greater CSR in the UK.

The substitute theory is justified by another line of argument. Based on the comparative capitalism theories, and in particular the National Business System theory of Whitley (1999), the rise of CSR is explained by the way core institutions (namely the political, financial, education and cultural system) define the nature and role of companies, the organisation of markets and coordination mechanisms (Matten and Moon, 2008). Based on this analysis, Matten and Moon (2008) conclude that LME countries offer a better institutional match for

CSR in comparison to CME countries. Specifically, the leading role of the US in that area is rooted in its individualism, democratic pluralism, moralism and utilitarianism. While industrial relations, labour law and corporate governance institutions as found in continental Europe slow down CSR progression in Europe (Matten and Moon, 2008). Therefore, whether conceived as a reaction to globalisation and capitalism or as an outcome of the type of capitalism, CSR should be greater in a LME, and consequently in the UK. Conversely, because France is not yet classified as a pure LME, as demonstrated in Chapter 2, CSR should be implemented less.

Secondly, CSR is also construed as a complement to the institutions present in a particular country, as elaborated by the mirror theory of CSR. The overall idea is that CSR presence and forms reproduce and follow the existing institutions in a country: CSR involvement should therefore be greater in CME than in LME. CSR involvement is connected to institutions allowing 'social embedding'. Gjølberg (2009b) pinpoints three particular institutions responsible for greater CSR, namely a strong welfare state (with strict policies and firm enforcement mechanisms), labour unions and employers' associations, and a strong political culture. Gjølberg (2009b) widens Campbell's thesis (2007), who argues that CSR is stronger in countries where institutionalised dialogue with unions and employees are in place, as well as trade or employees' associations. Considering the differences between LME and CME countries as portrayed by VoC (Hall and Soskice, 2001), CME countries present these characteristics as opposed to LME countries. As a consequence, the UK, as an LME, presents a lower level of coordination compared to CME countries (Hall and Soskice, 2001) France on the other hand, despite being somewhere in between an LME and CME, should present a higher degree of CSR. This leads to the first hypothesis:

H1a: CSR is greater in the UK than in France as suggested by the substitute theory of CSR.
H1b: CSR is greater in France than in the UK as suggested by the complement/mirror theory of CSR.

Moving on to the micro-level of analysis, firm-centred analysis of CSR suggest other types of factors to explain variations in CSR practices and forms between companies.

The first factor relates to the size of the company. Size is an important factor whose effect has been examined in depth by the literature without providing a clear answer. On one hand, company size has a direct and positive impact on CSR. Based on the globalist hypothesis previously mentioned, CSR is a reaction to anti-globalisation protests and sentiments in developed countries. Large companies resort to CSR to establish a licence to operate, to justify their actions (Gjølberg, 2009b; Kinderman, 2009). Size becomes directly connected to the involvement in CSR. In their quantitative study of 274 European companies, Jackson and Apostolakou (2010) demonstrate that size is positively correlated with CSR in its economic, social and environmental components. Indeed, the larger a company, the more susceptible it will be to stakeholders' scrutiny and expectations, notably expectations in terms of responsible behaviours (Roberts, 1992). Brammer and Pavelin (2004) add that with size comes a multiplicity and variety of stakeholders. Hence, it is very likely that some of them will request the company to engage in CSR. In a nutshell, company size acts as a proxy for organisational visibility and scrutiny by stakeholders, where reputation can be increased or decreased by CSR involvement (Brammer and Millington, 2006). The shape of the relationship between company size and CSR is debated. The literature has demonstrated both the existence of a linear relation between size and involvement in CSR (Brammer and Millington, 2006; Amann, Jaussaud and Martinez, 2012) and a U-shaped relation between size and CSR (Udayasankar, 2008). Arguing that company size impacts three company attributes, namely visibility, resource access and scale of operation, Udayasankar (2008) concludes that both small and large companies engage in CSR. CSR is a powerful tool for small companies to gain visibility and reputation, to gain access to new resources and competitive advantages (Udayasankar, 2008). This argument is confirmed by studies whose focus is only on small companies. They conclude that in spite of constraints faced by small companies, they still engage in CSR practices (Lepoutre and Heene, 2006; Baumann-Pauly *et al.*, 2013; Arend, 2014). Their internal characteristics allow them to be involved more strongly in CSR than MNEs: '*SMEs have little routine in reporting CSR and ''talking- the-CSR-talk'' but, provided an SME is committed to CSR, our evidence suggests that they are ''walking-the-CSR- walk'' by aligning managerial functions comprehensively with CSR'* (Baumann-Pauly *et al.*, 2013, p. 700).

These divergences are reflected in hypothesis 2:

H2a: Company size has a direct positive impact on company's involvement with CSR activities based on a linear relation between size and CSR. The larger a company is, the more involved it will be with CSR activities.

H2b: Company size does not have an effect on CSR as small, medium or large companies present specific characteristics allowing their involvement in CSR. Size is not an explanatory factor of CSR involvement.

- Industry

Part of the literature has questioned the impact of the industry sector on CSR practices. For instance, it could be hypothesized that companies in high environmental impact industries would be more willing to improve their carbon footprint than companies with a lower negative impact on the environment. The literature has demonstrated that the level of CSR activities is influenced by an industry factor (Waddock and Graves, 1997; Ziegler, Schröder and Rennings, 2007; Block and Wagner, 2010; Moura-Leite, Padgett and Galan, 2012). In their cross-national studies of CSR practices, Jackson and Apostolackou argue that '*CSR is more extensive in sectors where firms have a strong negative impact upon stakeholders'*(Jackson and Apostolakou, 2010, p. 372). More specifically, Jackson and Apostolakou (2010) identify an industry effect based on the impact the sector has, this effect being stronger for the environmental aspect of CSR. Sectors that have an high impact on the environment are, for instance, chemicals, resources, or metals whereas newer manufacturing or services are characterised as low impact (Brammer and Pavelin, 2004). Industry and CSR are positively connected. High-impact companies are under rigorous scrutiny by their stakeholders pressuring them to do good which then impacts their reputation. Doing CSR becomes useful to maintain or build a company's reputation (Brammer and Pavelin, 2004). Conversely, companies in low-impact sectors are less incentivised by reputational gain or loss to engage in CSR (Brammer and Pavelin, 2004). Furthermore, companies evolving in the same industry tend to develop homogenous practices due to isomorphic pressures in order to gain legitimacy from their primary stakeholders (Dimaggio and Powell, 1983). These isomorphic pressures would incentivise companies within a similar industry to be responsible. The effect of high-impact industry on CSR, combined with institutional isomorphism, should lead to increased CSR involvement in high-impact sectors. In their study, Moura-Leite (2012), for example, try to explain to what extent the variations between US companies in CSR practices are due to an industry or firm factor. Their study, even though geographically limited, documents the direct positive impact of industry on CSR involvement.

Hypothesis 3: the greater the environmental impact of a particular industry, the more a company will be involved with CSR activities.

- Age of company

The age of a company is a common organisational factor included in studies on CSR. Using an organisational life cycle approach, McLaughlin et al. (2001) associate evolving company life cycle stages with prioritisation of stakeholders. They identify four critical stages in the life of a company: Start-up, Emerging Growth, Mature, and Decline/Transition. Each stage is associated with specific needs. For instance, at the start-up stage a company needs funds and cash flow to assure its survival. These needs push the company to favour stakeholders with resources essential to the survival of the company (namely shareholders and creditors) at the expense of other stakeholders (such as employees and suppliers). This contrasts with the success encountered by a company at the mature stage. Confident of its position and in no need of essential resources, the company deals with all of its stakeholders in a proactive manner. '*Community, trade association, government, environmental, and supplier stakeholders will also be addressed proactively because of the availability of excess cash and management's motivation to live up to the leadership self-image'* (McLaughlin and Jawahar, 2001, p. 408). Able to answer to its stakeholders' various needs and expectations, a company in an advanced stage will be more sensitive to CSR involvement pressures. This argument is reinforced by Roberts (1992, p. 605), who argues that a firm's '*reputation and history of involvement in social responsibility activities can become entrenched*'.

Hypothesis 4: Company age has a direct positive impact on CSR involvement. The older a company becomes, the more involved it will be with CSR activities.

- Economic success of the company.

In the CSR literature, the link between economic success of a company, its financial performance, and CSR has been envisaged from two different angles. On the one hand, CSR is an independent variable predicting a company's financial performance. The exact opposite has also been tested, that is, CSR is studied as a dependent variable predicted by the company's financial performance. The commonality of the two types of study is the absence of conclusive results on both sides (Margolis and Walsh, 2003).

The first aspect of the alternative, that is financial performance as a predictor of CSR, has been widely scrutinised in the literature. In other words, does it pay for companies to act well with regard to CSR? So far and despite decades of empirical research, the answer depends on the study and the model used by the researchers (McWilliams and Siegel, 2000). The idea behind the business case of CSR is quite simple: by doing good, i.e. by setting up CSR actions, companies are also taking care of their shareholders because these actions will produce positive returns for them in the short term but also in the medium and long run. In practical terms, there is the belief and hope that by engaging with its stakeholders in a responsible manner, a company will achieve medium and long-run targets of lower costs, higher revenues, improved reputation and ultimately increased share values (Carroll and Shabana, 2010; Porter and Kramer, 2011). Although desirable from an utilitarian perspective, scholars have not managed to prove without doubt the business case of CSR (Vogel, 2005a). In reality, findings are contradictory, where CSR measures have either a positive, negative or no impact on the financial performance of companies (Margolis and Walsh, 2003; Crifo, Diaye and Pekovic, 2015).

Only the second side of the alternative matters in the context of this study. Engaging in CSR practices can be costly for a company, in particular for activities that are not part of a company's strategy, such as charity giving. Similarly, trying to improve the environmental record of a company can prove costly in terms of changing norms, production processes, materials, etc. Due to this possible cost increase, economically successful companies are more likely to engage in CSR (Brammer and Millington, 2006).
Based on this perspective, the next hypothesis reads:

Hypothesis 5: The economic performance of a company has a direct positive effect on CSR involvement.

- Number of national and international competitors

One might wonder to what extent the number of competitors may impact corporate involvement in CSR. The level of competition in a particular market depends on the number of companies or competitors. Competition is absent in monopoly markets with only one company and high barriers to entry. Competitive markets, in economic terms, are the ones where competition is the fiercest as many players are involved and entry is facilitated. In that situation, companies need to differentiate from their competitors if they want to survive. Companies can offer products or services with different characteristics; they can play with prices; or they can use CSR as a way to differentiate. Stakeholders, in particular customers, request companies to be more and more responsible (Cantrell, Kyriazis and Noble, 2014). Building an image of a responsible company can be strategically motivated in order to attract more customers. Therefore, in line with the business case for CSR, managers can decide to implement CSR to gain a competitive advantage. CSR is therefore used as a strategic medium (Porter and Kramer, 2011). McWilliams and Siegel (2010, p. 1481) define '*strategic CSR as any "responsible" activity that allows a firm to achieve sustainable competitive advantage, regardless of motive'*. It can be hypothesised that in a highly competitive market, symbolised by a large number of competitors, a company will be more involved with CSR actions than one on a less competitive market (Du, Bhattacharya and Sen, 2011).

Hypothesis 6: The greater the number of competitors the more a company will be involved with CSR activities.

5.3 Data analysis

Analysing the antecedents of CSR practices required first to reduce the available data and then to carry out ordinary least square regressions. The survey covers many aspects of CSR, some of them overlapping. There is therefore a risk of conceptual and statistical overlap. An attempt was made to reduce this risk and to identify a smaller number of unique, separate aspects of CSR practices. Due to the absence of preconceived ideas regarding the underlying assumptions of the variables, we conducted an exploratory factor analysis. Factor analysis is a statistical technique of data reduction used to uncover underlying aspects or dimensions of a phenomenon. Before conducting the factor analysis, two preliminary tests must be conducted to confirm that factor analysis is the appropriate statistical method to use. The Kaiser-Meyer-Olkin measure (or KMO measure) is generally considered by researchers as the best way to check the suitability of the correlation matrix (Cleff, 2011). The data obtains a K-M-O Measure of Sampling Adequacy of 0.9033 confirming its suitability for factor analysis. This test was supplemented by the Bartlett test (sphericity test) which verifies that the variables correlate as suggested by a result of 3705.66 (p< 0.000). Using factor analysis is therefore justified by our data.

Among the different types of factor analysis, principal component factor analysis with varimax rotation was chosen yielding four factors explaining 87.12% of the variance. Principal component analysis, as opposed to principal factor analysis, "*assumes that individual variables can be described by a linear combination of the factors, i.e. that factors represent variables in their entirety"*(Cleff, 2011, p. 185). This technique allows to better represent each item independently rather than the correlation between them.

Table 5.2 presents the factors with the corresponding loadings. Only factors with an eigenvalue greater than 1 are kept as prescribed by the agreed-upon Kaiser criterion (Cleff, 2011). Each variable is assigned to one factor. If a practice was allocated to several factors with a factor loading of less than 0.5, the practice was assigned to the factor with the highest loading as suggested by Cleff (2011).

Table 5.2 Factor analysis

Factors	Factor Loads	Eigenvalue	% of Variance explained	Cumulative Per cent
Factor 1: **compulsory components of CSR**		12.60	60.72	60.72
Fair treatment of employees irrespective of sexual orientation	0.7432			
Fair treatment of employees irrespective of gender	0.7072			
Accurate information to investors	0.6872			
Fair treatment of employees irrespective of ethnic origin	0.6678			
Company's support to employees' training and development	0.6199			
Information to investors about changes in corporate policy	0.6143			
Customers' complaints addressed	0.6033			
Full information to investors	0.5897			
Customers' information	0.5279			
Investors' interests incorporated	0.5124			
Fair salaries to employees	0.4505			
Training programmes set up in the company	0.4667			
Factor 2: **Environment and philanthropy**		3.05	14.72	75.44
Environmental concerns incorporated	0.8369			
Exceeds environmental regulation	0.8294			
Environmental performance objectives incorporated in strategy	0.7888			

Factors	Factor Loads	Eigenvalue	% of Variance explained	Cumulative Per cent
Financial support to environmental initiatives	0.7528			
Substantial donations to charity	0.6134			
Awareness of environment regulation	0.5738			
Factor 3: **Involvement with the local community**		1.34	6.47	81.91
Improvement of quality of life of local community	0.6871			
Financial support to local economic development	0.6696			
Financial support to local education	0.6502			
Incorporation of local community interests	0.6467			
Help employees to reach work life balance	0.5472			
Incorporation of employees' interests	0.4819			
Factor 4:**Suppliers**		1.08	5.21	87.12
Fair treatment of suppliers	0.7550			
Respectful treatment of suppliers	0.6944			
Incorporation of suppliers' interests	0.6378			
Information to suppliers about corporate policy changes	0.5878			

Notes:
1.Principal components factor analysis with varimax rotation.
2. K-M-O Measure of Sampling Adequacy = 0.9033
3. Bartlett Test of Sphericity = 3705.66; $p < 0.000$

The remainder of this section discusses the interpretation of each of these factors.

Factor 1: Compulsory components of CSR. This factor relates to different, though primary or direct, stakeholders (employees, investors and customers) (Waddock, 2001). These elements of CSR are rooted in the core activities of companies. They are most likely compulsory dimensions of CSR, the ones that are incorporated in national laws such as regulations regarding the treatment of employees, the information provided by companies to investors, and customers. In other words, Factor 1 is directly defined by the national institutional background of the country. It can be mentioned at this stage that the regulatory environment of each country is also influenced by the European Union. For instance, in the area of employment law, the European Union passed regulations and directives that need to be translated and transposed into national legislation contributing to a certain degree to homogenisation among European countries.

Factor 2: Environment and philanthropy. This factor deals with peripheral stakeholders – the ones that are further away from companies. In this instance, it concerns philanthropic activities with donations to charities and actions/awareness in the realm of the environment. These CSR activities are peripheral to the core business of the company- as illustrated by the traditional conceptualisation of CSR as concentric circles and a pyramid (Committee for Economic Development, 1971; Carroll, 1991), or the more recent categorisation of CSR between embedded CSR and peripheral CSR (Aguinis and Glavas, 2013). These activities are not compulsory to companies and depend on other factors, which will be investigated later in this chapter.

Factor 3: Involvement with the local community. This factor covers only one specific stakeholder: the local community. It depicts the impact of companies on community and stakeholders' lives. It involves CSR activities that are peripheral to the core activities of the companies. These actions are not sanctioned by the law as they are purely voluntary. Moreover, these actions can appear fuzzier, softer in terms of direct involvement of the company. The main mode of action seems to involve financial support. The local community is part of secondary stakeholders as it is not directly influenced by companies (Waddock, 2001).

Factor 4: Suppliers. The fourth factor portrays companies' relationships with one stakeholder only: suppliers. This factor reflects the way in which companies treat their suppliers, taking into account both compulsory and voluntary measures. This factor relates to a primary, direct stakeholder (Waddock, 2001).

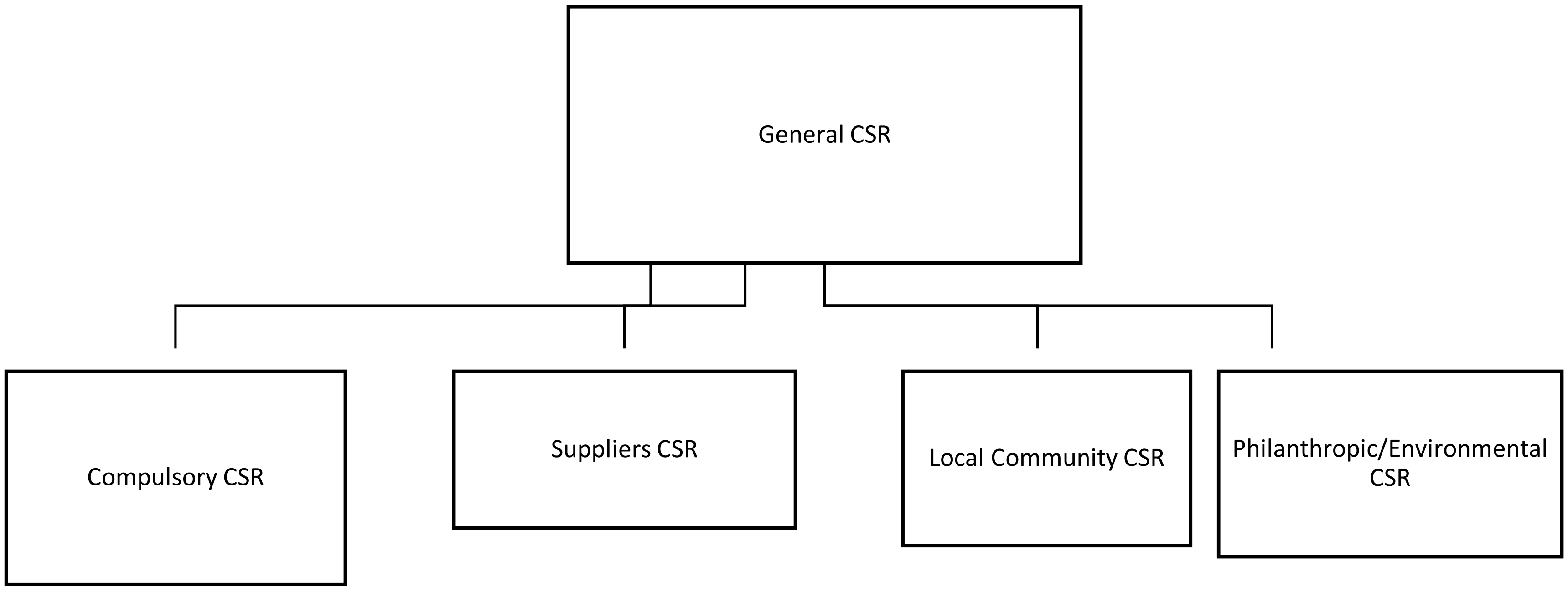
The four factors present a conceptual coherence embracing the existing CSR literature, differentiating between primary and secondary stakeholders as well as the distinction between core and peripheral activities. The four factors capture well the broad and multi-faceted nature of CSR: "*the obligation* (of CSR) *is a broad one, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighbouring communities*" (Jones, 1980, pp. 59–60).

The core-peripheral distinction echoes the old debate surrounding CSR, whether it should incorporate or not economic activities of companies. Early on, scholars acknowledged that businesses have plural types of responsibilities, starting with an economic one (Davis, 1960). In the same line, Carroll (1979) views economic activities as not only in the interest of companies themselves but also in the interest of society as a whole. A successful company is indeed able to offer jobs to unemployed people, to procure services and objects, to pay taxes useful for the community.

For the purpose of the analysis, the four factors are also used to construct a unique composite indicator reflecting the four aspects of CSR derived from the factor analysis. This new indicator is called General CSR. It is constructed as the mean of each factor. Put differently, means were calculated for each factor leading to the calculation of a general mean. This new measure provides a picture of the global level of involvement in CSR by companies surveyed in this research.

The relations between General CSR and the four factors are presented in Figure 5.3.

Figure 5.3 CSR components



To further investigate the underlying relations between CSR practices and companies' and countries' characteristics, the analysis was undertaken with OLS regressions. The next section reports the results.

5.4 Results and discussion

Based on the factor analysis, the four aspects of CSR as well as the general indicator are tested in the regression analysis. Each component is regressed against the independent variables in order to test the study's hypotheses.

Before examining the regression results in detail, one caveat needs to be mentioned. The institutional variables happened to be perfectly correlated with each other (correlation of 1 or -1). This perfect correlation caused a multicollinearity issue in the regression analysis. Indeed, insofar as only two countries are compared in this study, the institutional variables are interpreted by Stata as dummy variables. Due to their perfect collinearity, the regression analysis faced the dummy variable trap, forcing Stata to drop the institutional variables altogether. Only one institutional variable could be kept.
The only way to get around this difficulty would have been to introduce other countries in the analysis, which would have completely changed the study, its research questions and data collection. However, despite this hurdle, the data still permits consideration of correlations between institutional variables and CSR components, providing some helpful insights on the relation between them.

Two sets of regressions are performed using two distinct measures of national institutions: the country of origin and the aggregated measure of national institutions. The country of origin is a dummy variable where UK is coded 0 and France 1. The results of these regressions are presented in this Chapter as the interpretation of the results is easier with the variable country of origin. The regression results with the aggregated national institutions are in all respects identical, except for the coefficients of the institutional measure and the constant. The conclusions reached are then similar. The regression tables with each CSR component are presented in Appendix 3.

The remainder of the section presents the results of the correlations and regressions regarding each aspect of CSR.

5.4.1 The antecedents of the general measure of CSR

Table 5.4 presents the correlation matrix between general CSR and independent variables. General CSR is mainly correlated with the economic performance of the company and the company's economic performance compared to its competitors. Table 5.5 focuses on the national institution measures and presents the correlation table between the different types of CSR and the institutional variables. For a mathematical reason, the correlation matrix does not distinguish between France and the UK. If the correlation matrix is calculated for each country separately, each institutional variable becomes a constant. Within the UK sample for instance, the institutional variables do not change from one respondent to the other. Therefore, in the formula for the correlation coefficient, this sometimes leads to division by a denominator equal to 0. Hence Stata cannot perform the calculation because it is mathematically impossible. The correlation matrix is composed of missing values.

In Table 5.5, the correlations between the general measure of CSR and each institutional variable are highly significant ($p<0.01$). Table 5.5 indicates that the general measure of CSR is positively correlated with the common law variable and the governance variable. Since the UK is a common law country, it means its level of CSR would be higher than in France. Regarding the rest of the institutional variables, they are all negatively correlated with the general level of CSR. In Table 3.4, France scores lower than the UK on the governance indicator, whereas it scores higher on the proportionality index, PMR, state control, barriers to entrepreneurship and barriers to trade and investment. Based on these correlation coefficients, Table 5.5 suggests that a lower level of regulation is beneficial to CSR, in this instance to the UK. This first finding provides support to hypothesis 1a: national institutions have an impact on CSR. More specifically, it substantiates the substitute theory of CSR, where CSR is stronger in LME countries.

Table 5.4 Correlation table with general CSR

	General CSR	country of origin	Company size	Company age	Industry	# of domestic competitors	# of international competitors	Eco. Perf.	Eco. Perf. compared to competitors	Private ownership	Eco. Freedom
General CSR	1										
Country of origin	0.24***	1									
Company size	-0.09	0.16*	1								
Company age	-0.00	0.03	0.46***	1							
Industry	-0.13	0.00	-0.13	-0.01	1						
No. of domestic competitors	-0.03	-0.15	-0.08	-0.14	0.19**	1					
No. of international competitors	0.09	-0.08	0.05	-0.04	0.03	0.58***	1				
Eco. Perf.	**0.44*****	-0.12	0.10	-0.11	-0.10	0.12	0.14	1			
Eco. Perf. compared to competitors	**0.43*****	-0.15	0.12	0.04	-0.07	0.08	0.07	0.72***	1		
Private ownership	0.06	-0.08	-0.45***	-0.20**	0.05	0.15	-0.04	0.07	0.07	1	
Eco. Freedom	0.24***	-1	-0.16*	-0.03	-0.00	0.15	0.08	0.11	0.15	0.08	1

Notes:
* Results significant at a significance level of $p < 0.05$
** Results significant at a significance level of $p < 0.01$
*** Results significant at a significance level of $p < 0.001$

Table 5.5 Correlation table between types of CSR and institutional variables

	General CSR	Compulsory CSR	Philanthropic/ Environmental CSR	Local Community CSR	Suppliers CSR
Common Law	0.24***	0.18*	0.22**	0.18*	0.22**
Employee Rights	-0.24***	-0.18*	-0.22**	-0.18*	-0.22**
Proportionality Index	-0.24***	-0.18*	-0.22**	-0.18**	-0.22**
PMR	-0.24***	-0.18*	-0.22**	-0.18*	-0.22**
State Control	-0.24***	-0.18*	-0.22**	-0.18*	-0.22**
Barriers to Entrepreneur	-0.24***	-0.18*	-0.22**	-0.18*	-0.22**
Barriers to Trade and Investment	-0.24***	-0.18*	-0.22**	-0.18*	-0.22**
Governance[1]	0.24***	0.18	0.22	0.18*	0.22**

Notes:
* Results significant at a significance level of p<0.05
** Results significant at a significance level of p<0.01
*** Results significant at a significance level of p < 0.001

[1] Governance is obtained as the mean of the six Worldwide governance indicators (Voice and Accountability; Political Stability & Absence of Violence; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption).

The OLS regression, presented in Table 5.6, investigates further the correlations between the general involvement of companies in CSR and national institutions on the one hand and companies' characteristics on the other hand. Overall, the regression is significant ($p< 0.001$) with an adjusted R^2 of 0.3108.

The results suggest that four variables impact the general level of CSR involvement. The country of origin is negatively related to general CSR ($p< 0.05$). Therefore, this negative regression coefficient reads: the geographical location of companies matters insofar as companies established in France are less involved in CSR. This result confirms the finding of the previous chapter where UK companies display a higher degree of involvement in CSR.
This result, supporting hypothesis 1a, substantiates the existing literature on the impact of national institutions on CSR actions. It supplies further evidence to support the complementary theory of CSR, where CSR acts as a supplement to national institutions. Put simply, CSR is stronger in the more liberalised countries to compensate for the negative consequences of capitalism. This theory is advanced to justify the historical development and growth of CSR among developed countries. The US and the UK have been traditionally the champions of CSR in spite of their high degree of liberalisation and free market economy (Kinderman, 2009, 2012). The apparent difference between UK companies and French ones contradicts at first the theory whereby globalisation, international forces and strategic pressures lead to a homogenisation of corporate practices including CSR (Dimaggio and Powell, 1983).

Nevertheless, as explained in a previous section the general measure of CSR is an aggregated measure based on the factors derived from the factor analysis. Since it is an average, the greater level of involvement of UK companies in CSR compared to French companies does not mean that the former is better than the latter in all aspect of CSR.

The size of the company is also significant ($p<0.01$). Surprisingly, the coefficient is negative suggesting a negative relation between the participation in CSR and companies' size, providing support for neither Hypothesis 2a nor Hypothesis 2b. This indicates that the bigger the company is, the less involved it is in CSR. This result runs against both the positive linear relation (Brammer and Millington, 2006; Amann, Jaussaud and Martinez, 2012) and U-shape relation between company size and CSR (Udayasankar, 2008).

The regression coefficients of age for the company, industry, number of competitors are not significant, suggesting that there is no evidence of impact on the general degree of CSR. These findings do not provide any support for hypotheses 3, 4 and 6.

The results show that the economic performance of a company compared to its competitors predicts more CSR actions than the individual measure of economic performance. Both are nevertheless significant, therefore providing support for hypothesis 5.

These findings help to understand better the relationship between CSR and economic performance. The literature offers unclear and divided explanations regarding this link. This study establishes that the more successful a company is and appears to be in comparison to its competitors, the more likely it is to engage in CSR. This result does not come as a surprise. CSR actions depend on the financial situation of a company: a successful company has more money at its disposal to commit to CSR actions and is more willing to do so.

The connection between CSR and the economic performance of a company compared to its competitors is at first glance less intuitive. A company is more likely to be CSR active if it believes its economic performance is stronger than its competitors. This result could be explained by viewing CSR as a marketing/public relations tool. It would relate to the widespread criticism that CSR is a mere smoke-screen companies advocate to gain publicity, extra customers and as a result extra profits. CSR would confer the company with a competitive advantage over competitors.

However, these findings do not bring additional indication on the causation between economic success and CSR. Whether CSR actions improve or not the economic situation of a company remains unclear and is not part of this study. The purpose of this study was not to provide additional evidence to the business case of CSR.

Table 5.6 Regression results for general CSR

	General measure of CSR	t-value
Country of origin (0 =UK; 1 = France)	**-0.2114176***	-2.22
Size of the company	**-0.0493669****	-2.41
Age of the company	0.0608547	1.09
Industry	-0.0105011	-1.10
Number of domestic competitors (log)	-0.0471368	-1.60
Number of international competitors (log)	0.0183002	1.76
Economic performance	**0.2041518****	2.89
Economic performance compared to competitors	**0.2232156***	2.25
Constant	**2.633082*****	9.10
Adjusted R squared	0.3108	
F	11.60	
N	162	
Prob> F	0	

Notes:
* Results significant at a significance level of $p < 0.05$
** Results significant at a significance level of $p < 0.01$
*** Results significant at a significance level of $p < 0.001$

After presenting the regression results for the general measure of CSR, the next sections will investigate each category of CSR.

5.4.2 The antecedents of compulsory CSR

The focus in this section is on the determinants of compulsory CSR. The definition of CSR adopted for this research encompasses on purpose compulsory and voluntary aspects of CSR. This position runs purposely against one strand of the CSR literature that understands CSR as beyond the requirements of the law. As Moon (2007) points out comprehensibly, it makes no sense to keep the voluntary requirement to define CSR. Depending on the institutional environment, regulations incorporate or not CSR activities. Would companies be deemed irresponsible by merely abiding by the law? Furthermore, being a responsible company also starts by conducting business in a responsible way, by respecting the interests of the company's primary stakeholders (Davis, 1973; Carroll, 1979, 1999; Waddock, 2001).

Table 5.7 reports the results of the correlation matrix between compulsory CSR and company level variables. Similar to the correlation matrix obtained for the general measure of CSR, the table suggests than only economic performance and economic performance of the company compared to its competitors are positively and significantly correlated to compulsory CSR. This category of CSR does not appear to be influenced by the size of the company, its age, or its industry. That results are coherent and expected because CSR is incorporated within the legal framework of the country, leaving a small or no margin of actions for companies.

Table 5.5 suggests that the correlation between the compulsory aspect of CSR and the institutional variables is less strong than for the general level of CSR. In absolute terms, the correlation coefficient is 0.18, which identifies a low relationship. The correlations are in the same directions than for the general level of CSR. The correlation is positive for the common law and governance variables, and negative for the others. Even though, compulsory CSR is weakly correlated with national institutions, this seems to corroborate the substitute theory of CSR, where liberal market institutions are more favourable to CSR.

Moving on to the regression results, they mainly confirm this line of explanation. Overall, the regression is significant at a significance level of 0.001 with an adjusted R^2 of 0.2573. Table 5.8 shows that four regression coefficients are significant.

Table 5.7 Correlation table with compulsory CSR

	Compulsory CSR	country of origin	Company size	Company age	Industry	# of domestic competitors	# of international competitors	Eco. Perf.	Eco. Perf. compared to competitors	Private ownership	Eco. Freedom
Compulsory CSR	1										
country of origin	-0.18*	1									
Company size	-0.05	0.16*	1								
Company age	0.02	0.03	0.46***	1							
Industry	-0.05	0.00	-0.13	-0.00	1						
# of domestic competitors	0.04	-0.15	-0.08	-0.14	0.19**	1					
# of international competitors	0.17	-0.08	0.05	-0.04	0.03	0.58***	1				
Eco. Perf.	**0.41*****	-0.12	0.10	-0.11	-0.10	0.12	0.14	1			
Eco. Perf. compared to competitors	**0.41*****	-0.15	0.12	0.05	-0.07	0.08	0.07	0.72***	1		
Private ownership	0.04	-0.08***	-0.45**	-0.26	0.05	0.15	-0.04	0.07	0.07	1	
Eco. Freedom	0.18*	-1.00	-0.16*	-0.03	-0.00	0.15	0.08	0.12	0.15	0.08	1

Notes:
* Results significant at a significance level of p <0.05
** Results significant at a significance level of p <0.01
*** Results significant at a significance level of p < 0.001

Table 5.8 Regression results for compulsory CSR

	Compulsory CSR	t-value
country of origin (0= UK; 1= France)	-0.1397527	-1.34
Size of the company	**-0.0437266***	-1.92
Age of the company	0.0747347	1.13
Industry	-0.0009504	-0.09
Number of domestic competitors	-0.0403613	-1.32
Number of international competitors	**0.0282205****	2.49
Economic performance	**0.1925324****	2.69
Economic performance compared to competitors	**0.2463841***	2.33
Constant	**2.53355*****	7.04
Adjusted R squared	0.2573	
F	7.52	
N	162	
Prob > F	0	

Notes:
* Results significant at a significance level of p <0.05
** Results significant at a significance level of p <0.01
*** Results significant at a significance level of p < 0.001

Table 5.8 suggests that the country of origin has no impact on the compulsory aspect of CSR providing no support for Hypothesis 1 in both its developments. In other words, the findings demonstrate that, in this instance, national institutions, hence varieties of capitalism, play no part. This conclusion signals an alignment in regulations between France and the UK. This harmonisation comes mainly from the European Union which has promulgated few directives to ensure equal and non-discriminatory treatment of employees (see article 13 of the Treaty of Amsterdam 1997; the Employment Equality Framework Directive (2000/78); Racial Equality Directive (2000/13)), customer protection (see the Directive on Consumer Rights (2011/83)) and investor information (see the Transparency Directive (2004/109) revised by the Transparency Directive (2013/50)). By virtue of European law mechanisms, member states are provided with minimum standards they are forced to transpose into their national regulation.

The result regarding the size of the company indicates that the bigger the company, the less involved it is in compulsory CSR. This result provides support for neither Hypothesis 2a nor Hypothesis 2b. Despite a small value, the coefficient is nonetheless significant ($p<0.05$). This finding is surprising as it would suggest at first that larger companies do not necessarily obey by the laws in these areas. Second, it is not very consistent with the role of economic performance assuming that economic success comes hand in hand with size. According to Table 5.7, the correlation between size and economic performance is very small and not significant. This finding remains unexpected as it contradicts studies connecting size and public visibility and scrutiny. The latter constraints companies' actions by applying public pressure on them (Brammer and Millington, 2006).
It could be argued that larger companies with their economic and knowledge power benefit from a better understanding of national regulations. One could anticipate that sometimes large companies accommodate with laws that are detrimental to their business interests. Such an explanation echoes the view by which company size is actually a reflection of organisational power and influence (Meznar and Nigh, 1995). In that sense, size can be indirectly detrimental to compulsory CSR.

The results demonstrate that industry and company age are not drivers of CSR, providing no support to Hypotheses 3 and 4.

As anticipated in the correlation matrix, economic performance and economic performance compared to competitors are the most significant coefficients. These findings support Hypothesis 5. As expected and in line with previous empirical evidence, the involvement in CSR depends on the economic success of companies. Part of the literature has unveiled a positive correlation between financial success and CSR actions (Waddock and Graves, 1997; Weber, 2008; Carroll and Shabana, 2010; Porter and Kramer, 2011). Economic success makes companies more visible to the public eye and scrutiny (Brammer and Millington, 2006). With the increasing power of social media and technology, what Moon (2007) identifies as the social driver of CSR, they are under the constant scrutiny of financial institutions, non-governmental organisations and customers' groups. They cannot afford to violate the law, in particular to preserve their reputation, in an obvious visible way. Besides, responsible behaviours can strengthen that very image and reputation. One should keep in mind though that regression analysis does not equate to causation and only indicates correlation. Whether CSR is the result of economic success or economic success the product of CSR, the question is still open. The business case for CSR defends the latter. One could argue though that economic success is necessary to launch initial CSR actions which then might improve further the financial situation of a given company.

The number of international competitors is a significant factor ($p<0.01$) supporting hypothesis 6. This coefficient is nevertheless small, suggesting a limited effect on the compulsory component of CSR. The more international competitors a company experiences, the more involved it will be in compulsory CSR. Even though this result may appear surprising at first, it can be explained by the position and power a company possesses on the international business stage. The number of international competitors increases visibility, scrutiny and therefore the pressure to act in accordance with the law. Companies are maintaining their license to operate while building '*reputational capital'* (Jamali, 2010, p. 628).

Finally, when it comes to the legal aspects of CSR, the question of compliance and the associated cost of non-compliance is raised as for any other regulated matters (Bullis and IE, 2007). The fact that compulsory CSR is explained by company size, the number of international competitors and economic performance indicate a discrepancy between regulation and obedience. Companies face a dilemma between complying or disobeying the law with costs associated to both actions. This question might be even more acute in a legal environment such as the French one where regulations are more prominent than in the UK. The dilemma between abiding or not by the law is summarized by Bullis & IE (2007, p. 325): '*while it may seem surprising that some organizations would not adopt a stance of compliance, it makes sense that unless enforcement is expected and compliance is rewarded, a company might find that the costs of compliance far outweigh the benefits'*.

5.4.3 The antecedents of philanthropic and environmental CSR

The third aspect of CSR that is investigated relates to philanthropy and the environment. The previous chapter indicated that companies located in the UK are more involved in this area than French companies. The findings related to philanthropy were not surprising as previous studies demonstrated the higher participation in charity donations of Anglo-Saxon companies, in particular UK ones (Brammer and Millington, 2006; Kinderman, 2009). On the other hand, the strongest presence of UK companies in the area of the environment was unexpected.

These findings are hinted at in the correlations shown in Table 5.9 and confirmed by the regression analysis (See Table 5.10). Philanthropic and environmental activities are positively correlated with the economic performance of companies as well as the economic performance of companies compared to their competitors. Table 5.9 also signals a negative relationship between these activities and the country of origin. French companies are less engaged in them compared to their British counterparts confirming the descriptive results of the previous chapter. Table 5.5 suggests that with a correlation coefficient of 0.22 there is a stronger relation between national institutions and the philanthropic/environmental aspect of CSR than with the compulsory aspect of CSR.

These results are validated by the regression analysis in Table 5.10. Overall, the regression is significant at a significance level of 0.001 with an adjusted R^2 of 0.1925. Two coefficients are significant in this regression: the country of origin ($p<0.01$) and economic performance ($p<0.05$). The country of origin presents the highest coefficient with -0.328. This supports Hypothesis 1a but does not provide support for Hypothesis 2. It should be noted here that, as in the correlation table, the country of origin is negatively correlated to the philanthropic and environmental component of CSR. In other words, French companies are less involved in charity giving and in protecting of the environment.

These findings highlight first the impact of the institutional background. In the area of the environment and corporate sustainability, the legal framework as well as the existence of social sanctions are key (Montiel, 2008). A study of medium and small manufacturing companies in the UK suggests that two factors encourage companies to engage in environmental CSR: business performance and regulation (Williamson, Lynch-Wood and Ramsay, 2006). In this instance, business performance is narrower than the business case for CSR as it refers to cost reduction, customers' satisfaction and efficiency (Williamson, Lynch-Wood and Ramsay, 2006).

These results would suggest that in our case the British legal environment is tighter than the French one, or that the social stigma following environmentally irresponsible behaviours is stronger in the UK than in France. The first explanation needs to be nuanced. The European Union is at the forefront of the questions of sustainability and protection of the environment. For that matter, the EU legislation in that area is abundant and has the direct effect of homogenising member states' legislation. For instance, 2014 saw the adoption of the directive on disclosure of non-financial and diversity information by certain large companies. Publicly listed companies of more than 500 employees have to report on environmental, social and employee-related, human rights, anti-corruption and bribery matters; as well as evaluate corporate risks in these areas. This directive is only one among a long list adopted by the European Union covering for instance carbon emissions (2003), limitation of pollution from industrial and agricultural activities (2008) and industrial emissions (2011). By European law, member states have to transpose them into national legislation. As a result, French and UK legislation should be similar when it comes to the environment. Transposition does not equate automatic compliance by local companies though. Despite that, UK companies are found to be more involved than are French companies.

In addition, the involvement of UK companies in philanthropic activities such as charity donations is greater as documented by the literature (Brammer and Pavelin, 2004; Brammer and Millington, 2006). In particular, size normally plays a significant role in charity donations, where the larger the company, the more charitable they tend to be. The results show that such a relationship is not present in our sample as company size was insignificant, that the variable was dropped.

In the case of France, the question of philanthropy is quite complex. Traditionally, the role of businesses is restricted to economic activities. Actions regarding the rest of the community and society at large are left to the state. To this role division between business and state, France has shown a general mistrust towards companies acting beyond their normal domain (Berthoin Antal and Sobczak, 2007). Antal and Sobczak (2007) argue that despite successive laws (1987, 1997, 2002) incentivising companies towards philanthropic activities, French companies are still lagging behind.

In this instance, economic performance plays a significant part in the participation of companies in this aspect of CSR, as anticipated by Hypothesis 5. A positive coefficient indicates that the more successful a company is economically, the more involved it will be in philanthropy and in protecting the environment. For these activities that are voluntary, this result is not surprising. Economic success provides companies with extra-funds for these non-productive activities, especially as part of the corporate involvement is in monetary form. Aside from the availability of funds, the literature has studied the connections between corporate actions towards the protection of the environment and corporate financial performance. Despite mixed empirical evidence, a positive correlation between economic and environmental performance exists (Waddock and Graves, 1997; Wahba, 2008). Companies that attempt to be more environmentally friendly receive the financial fruits of such actions. In this instance, the causality works both ways again where financial success is likely to promote involvement in CSR practices which might then generate more profits for companies.

The results in the case of charity donations should be interpreted with some caveats. At first sight, the results regarding UK companies are extremely positive and demonstrate an involvement and a care of UK companies towards charities. One should be cautious however. Charity giving can also be the result of other factors. First, most profitable UK companies do not always pay their way, one blatant example encompasses tax avoidance and tax evasion practices in the case, for instance, of Shell, Lloyds Banking Group or Vodafone. Shamed by the media and consumer groups, one might argue that companies rely on charity giving to repair reputational damage.

Second, it can be part of an astroturfing agenda, which has proliferated in the UK over the last years. Indeed, that movement could explain a significant amount of charitable giving, especially by large companies. Companies would give money to third organisation or charities in order for them to promote corporate interests and give the impression of grassroots movements or expert support. Astroturfing originated in the US and was coined by a Texas senator, Lloyd Bentsen. It comes from '*''AstroTurf,'' which is a brand of synthetic carpeting designed to look like natural grass, but is in fact fake grass (generally used for sports fields). Hence, astroturf organizations are simply fake grassroots organizations usually created and/or sponsored by large corporations to support any arguments or claims in their favour, or to challenge and deny those against them'* (Cho *et al.*, 2011, p. 572). Initially used in the political arena to impact the passing of laws (for instance laws against tobacco companies in the US), the practice is now used widely, for instance in the environmental sector to negate the scientific existence of global warming (Cho, Patten and Roberts, 2006; Cho *et al.*, 2011). Charity donations become a tool in the wider corporate agenda to promote companies and their interests.

The use of charity donations for a hidden purpose whether it be corporate image and reputation or a political or corporate agenda is reminiscent of the distinction between explicit and implicit CSR. Charity giving offers a telling illustration of explicit CSR defined as '*voluntary programs and strategies by corporations that combine social and business value* *and address issues perceived as being part of the social responsibility of the company'* (Matten and Moon, 2008, p. 409). Explicit CSR is the result of voluntary, deliberate strategic decisions of companies. As predicted by Matten and Moon (2008), explicit CSR has spread from the US into Europe, in particular in the UK, whose institutional system is closest to the American one. France, on the other hand, still presents the characteristics of implicit CSR, defined as '*values, norms, and rules that result in (mandatory and customary) requirements for corporations to address stakeholder issues and that define proper obligations of corporate actors in collective rather than individual terms'* (Matten and Moon, 2008, p. 409).

The results about the environment also need to be qualified. The UK is shown to be more involved than France in the area of the environment. As already mentioned in the Chapter 4, these findings need to be moderated. When it comes to their environmental record, the UK lags behind most European nations, France being one of them (Hsu, 2016). The general stance of the UK government on environmental issues is more averse than the French one. For instance, the current position of the UK government on hydraulic fracturing, commonly known as fracking, demonstrates a continued support of fossil fuels instead of promoting renewable energies in the hope to mitigate the effects of global warming. Whereas France banned fracking in 2011, the UK government has been an active supporter of that method for the last three years. Finally, in October 2016, the government allowed the first horizontal fracking operation in Lancashire. One could therefore doubt the results on environmental CSR, interpreting them in light of the aforementioned explicit-implicit distinction where UK companies would be more vocal than French ones in their actions. It seems that UK companies are better at talking the talk but might be not so present when it comes to walking the walk.

When philanthropy and the environment are concerned, the rest of the variables are not significant, such as company size, industry, number of competitors or economic performance compared to competitors. Hypothesis 2a and 2b, 3, 4 and 6 are not supported by the results. The absence of company size and industry from the results seems contradictory with the existing literature. Regarding the environment, studies have demonstrated the impact of size and industry (Lepoutre and Heene, 2006; Hoogendoorn, Guerra and van der Zwan, 2015).

In this component of CSR, the study suffers from a main limitation. It refers to the factor analysis itself, since it does not allow to differentiate between charity donations and the environment. Companies might carry out dissimilar practices in both areas. For instance, a company can be strongly involved in protecting the environment, limiting the company's carbon footprint but does not give money to charities. Or vice versa.

Table 5.9 Correlation table with philanthropic and environmental CSR

	Philanthropic/ Environ CSR	country of origin	Company size	Company age	Industry	# of domestic competitors	# of international competitors	Eco. Perf.	Eco. Perf. compared to competitors	Private ownership	Eco. Freedom
Philanthropic/ Environ CSR	1										
country of origin	-0.22*	1									
Company size	0.06	0.16*	1								
Company age	0.05	0.03	0.46***	1							
Industry	-0.15	0.00	-0.13	-0.01	1						
# of domestic competitors	-0.07	-0.15	-0.08	-0.14	0.19*	1					
# of international competitors	0.04	-0.08	0.05	-0.14	0.03	0.58***	1				
Eco. Perf.	**0.35*****	-0.12	0.10	-0.11	-0.10	0.12	0.14	1			
Eco. Perf. compared to competitors	**0.34*****	-0.15	0.12	0.04	-0.07	0.08	0.07	0.72***	1		
Private ownership	-0.06	-0.08	-0.45***	-0.21**	0.05	0.15	-0.04	0.07	0.07	1	
Eco. Freedom	0.21**	-1.00	-0.16*	-0.03	-0.00	0.15	0.08	0.12	0.15	0.08	1

Notes:
* Results significant at a significance level of $p < 0.05$
** Results significant at a significance level of $p < 0.01$
*** Results significant at a significance level of $p < 0.001$

Table 5.10 Regression results for philanthropic and environmental CSR

	Philanthropic/Environmental CSR	t-value
country of origin (0 = UK; 1 = France)	**-0.3286039****	-2.54
Industry	-0.0155258	-1.33
Number of domestic competitors	-0.0427558	-1.54
Economic performance	**0.2285409***	2.23
Economic performance compared to competitors	0.1887686	1.28
Constant	2.579829	6.64
Adjusted R squared	0.1925	
F	8.75	
N	162	
Prob > F	0	

Notes:
* Results significant at a significance level of p <0.05
** Results significant at a significance level of p <0.01
*** Results significant at a significance level of p < 0.001

5.4.4 The antecedents of CSR practices towards the local community

With the local community, actions of companies are not connected to the core of their business activities. These actions undertaken on a purely voluntary basis are correlated with the economic performance variable and the economic performance compared to the competitors' variable (Table 5.11). Similarly, the correlation table (Table 5.5) suggests a lower role played by institutions in that respect. National institutions are indeed less correlated with this aspect of CSR with a 0.18 correlation coefficient (Table 5.5.
The results of the linear regression corroborate this finding (Table 5.12). Overall, the regression is significant at a significance level of 0.001 with an adjusted R^2 of 0.2262. The coefficient for economic performance is highly significant ($p<0.001$). Economic performance is once again a significant antecedent for this specific aspect of CSR, providing support for Hypothesis 5. The explanations provided in the previous sub-section apply here as well. Insofar as taking part in the local community is not directly linked to a company's core business, companies become involved when they are financially able to do so.

The second significant coefficient relates to the size of the company ($p<0.05$). Similar to general CSR and compulsory CSR, the coefficient is negative, which provides support for neither Hypothesis 2a nor Hypothesis 2b. It implies again that the larger the company is, the less it engages with the local community. This finding makes conceptual sense and supports previous work on that question (Arend, 2014). A small company due to its size is naturally more rooted and thus more involved and active within the local community, compared to a multinational company for instance. Therefore, it is more aware of the local needs, challenges and possibilities and can devise plans to help the community. By their physical presence, companies might also feel pressure from local citizens, local government and/or NGOs to help improve the local community.

Lastly, the local community aspect of CSR is not impacted by the country of origin, the industry or company age providing no support for Hypotheses 1a, 1b, 3 and 4.

Table 5.11 Correlation table for local community CSR

	Local Community CSR	country of origin	Company size	Company age	Industry	# of domestic competitors	# of international competitors	Eco. Perf.	Eco. Perf. compared to competitors	Private ownership	Eco. Freedom
Local Community CSR	1										
country of origin	-0.18*	1									
Company size	-0.10	0.16*	1								
Company age	0.03	0.03	0.46***	1							
Industry	-0.11	0.00	-0.13	-0.01	1						
# of domestic competitors	-0.03	-0.15	-0.08	-0.14	0.19*	1					
# of international competitors	0.01	-0.08	0.05	-0.14	0.03	0.58***	1				
Eco. Perf.	**0.32*****	-0.12	0.10	-0.11	-0.10	0.12	0.14	1			
Eco. Perf. compared to competitors	**0.41*****	-0.15	0.12	0.04	-0.07	0.08	0.07	0.72***	1		
Private ownership	0.11	-0.08	-0.45***	-0.21**	0.05	0.15	-0.04	0.07	0.07	1	
Eco. Freedom	0.18*	-1.00	-0.16*	-0.03	-0.00	0.15	0.08	0.12	0.15	0.08	1

Notes:
* Results significant at a significance level of $p < 0.05$
** Results significant at a significance level of $p < 0.01$
*** Results significant at a significance level of $p < 0.001$

Table 5.12 Regression results for local community CSR

	Local community CSR	t-value
country of origin (0 = UK; 1 = France)	-0.1489053	-1.18
Size of the company	**-0.0603781***	-2.17
Age of the company	0.0832467	1.14
Industry	-0.0158212	-1.44
Economic performance	**0.5134026*** **	6.23
Constant	**2.093607*** **	5.34
Adjusted R squared	0.2262	
F	12.27	
N	162	
Prob > F	0	

Notes:
* Results significant at a significance level of $p < 0.05$
*** Results significant at a significance level of $p < 0.001$

5.4.5 The antecedents of CSR practices towards suppliers

The final component of CSR corresponds to companies' relations with their suppliers. Contrary to the previous two sections, suppliers are an essential part of a company's activities. Correlation Table 5.13 provides a first indication of the important firm level variables. With the highest correlation coefficient (0.37), companies' economic performance stands out, followed closely by companies' economic performance compared to their competitors. It should also be noted that company size and country of origin are negatively correlated to the suppliers' component of CSR. Table 5.5 offers further insight regarding the role of national institutions. Their impact on the supplier aspect of CSR is similar to the general CSR and philanthropic/environmental components of CSR with a moderate coefficient of 0.22. Common law and governance institutions are positively correlated with supplier CSR, whereas the rest of the institutional variables are negatively correlated with this aspect of CSR. Table 5.5 substantiates the greater involvement of UK companies in supporting therefore the substitute theory of CSR.

Table 5.13 Correlation table for suppliers CSR

	Suppliers CSR	country of origin	Company size	Company age	Industry	# of domestic competitors	# of international competitors	Eco. Perf.	Eco. Perf. compared to competitors	Private ownership	Eco. Freedom
Suppliers CSR	1										
country of origin	**-0.22****	1									
Company size	**-0.23****	0.16*	1								
Company age	-0.12	0.03	0.46***	1							
Industry	-0.12	0.00	-0.13	-0.01	1						
# of domestic competitors	-0.03	-0.15	-0.08	-0.14	0.19*	1					
# of international competitors	0.11	-0.08	0.05	-0.14	0.03	0.58***	1				
Eco. Perf.	**0.37*****	-0.12	0.10	-0.11	-0.10	0.12	0.14	1			
Eco. Perf. compared to competitors	**0.28*****	-0.15	0.12	0.04	-0.07	0.08	0.07	0.72***	1		
Private ownership	0.14	-0.08	-0.45***	-0.21**	0.05	0.15	-0.04	0.07	0.07	1	
Eco. Freedom	**0.22****	-1.00	-0.16*	-0.03	-0.00	0.15	0.08	0.12	0.15	0.08	1

Notes:
* Results significant at a significance level of $p < 0.05$
** Results significant at a significance level of $p < 0.01$
*** Results significant at a significance level of $p < 0.001$

These preliminary findings are partially observed in the regression results presented in Table 5.14. Overall, the regression is significant at a significance level of 0.001 with an adjusted R^2 of 0.2774.

The country of origin is a significant explanatory factor for Suppliers CSR ($p<0.05$). The sign of the coefficient is negative providing support for Hypothesis 1a. This indicates that French companies are less likely to be responsible towards their suppliers than English companies. This result appears counter intuitive. It implies that UK national institutions protect suppliers more.

Table 5.14 demonstrates that company size is highly significant ($p<0.001$) with a negative coefficient. The second finding indicates that the larger the company, the less responsible it will be towards its suppliers. Hypothesis H2a and H2b are not supported by the results. The coefficient is nevertheless rather small (-0.081), indicating that size is only accountable for a slight decrease in suppliers CSR. Looking back at the practices covered by Factor 4, the fact that company size is negatively correlated with suppliers CSR is coherent. Suppliers depend on large companies for business conferring the latter with power in the business relation. This power allows large companies to invest less in the relation with their suppliers. They do not need to incorporate suppliers' interests of instance or inform them about any corporate policy changes. Nevertheless, CSR suppliers also cover the fair and respectful treatment of suppliers. The negative results regarding the size of the company becomes then more problematic.

The issue of the treatment of suppliers down the supply chain has grown central in the CSR debate in particular for multinational companies. Despite being a recurring one since 2000s, it has sparked new interests among CSR scholars since the recent tragedies leading to the death of employees in garment factories such as the Rana Plaza collapse in May 2013 (Lund-Thomsen and Lindgreen, 2013; Goyer, Reinecke and Donaghey, 2014; Donaghey and Reinecke, 2017). Questions regarding the way suppliers treat their employees and infringe on human rights have gained public attention from governments to international organisations and customers. These scandals related to the treatment of labour in the supply chain triggered different responses from companies on one hand and governments on the other hand. Multinational companies, under the scrutiny of NGOs, trade unions, social media and customers, have adhered to international norms, such as the SA 8000 Standard, and designed voluntary codes of conduct and monitoring mechanisms (Locke, Qin and Brause, 2007). As a reaction to the recent scandals and disasters in garment supply chains, the UK government reacted by including, at the last minute, a section on supply chains in the Modern Slavery Act in 2015. Section 54 '*Transparency in supply chains'* directly tackles human rights infringement and requires companies with a global turnover of more than £36m to issue an annual transparency statement[2]. Even though the impact of this regulation has not been evaluated yet, one might question the existence of changes considering that non-compliance is not legally sanctioned. No matter where the rules and regulations come from, they all suffer from a compliance void where no sanctions are attached to non-compliance behaviours. Therefore, work conditions have not really improved for workers as exemplified in a study of the Banana supply chain with UK supermarkets in Costa-Rica, where there is a growing dichotomy between buyers' pressure for social responsibility and pressure on producers to reduce prices (Robinson, 2010), or mock compliance and corruption in the Bangladesh garment supply chain (Huq, Stevenson and Zorzini, 2014). More strikingly, the Rana Plaza factory collapse killing 1129 garment workers implicated UK companies such as Bon Marche, Primark, Catalan, already committed to applying CSR codes of conduct in their supply chain.

Industry, company age and the number of competitors are not significant offering no support to Hypothesis 3,4 and 6.

Finally, the results show that economic performance is again highly significant ($p<0.001$) with a coefficient of 0.315 which supports Hypothesis 5. This means that the more successful a company, the more involved it will be with CSR suppliers.

Nevertheless, these findings should be interpreted in light of the observations of Chapter 4 where the overall differences between France and the UK in the area of suppliers remain small. Furthermore, the distinction between implicit and explicit CSR is again enlightening. The better results for UK companies clash with facts leading to the conclusion that UK companies are more explicit and vocal about their CSR practices than French companies. It does not mean that these words creating an impression of good companies are necessarily followed with effective actions in the area of CSR.

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[2] '(1) A commercial organisation within subsection (2) must prepare a slavery and human trafficking statement for each financial year of the organisation.
A slavery and human trafficking statement for a financial year is—
(a) a statement of the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place—(i) in any of its supply chains, and (ii) in any part of its own business, or (b) a statement that the organisation has taken no such steps.' Modern Slavery Act 2015, part 6 section 54.

Table 5.14 Regression results for suppliers CSR

	Suppliers CSR	t-value
country of origin (0= UK; 1 = France)	**-0.2246513***	-1.94
Size of the company	**-0.0816477*****	-4.14
Industry	-0.0128243	-1.24
Number of domestic competitors	-0.0656459	-1.68
Number of international competitors	0.0271905	1.72
Economic Performance	**0.3154664*****	5.81
Constant	**3.59932*****	14.00
Adjusted R squared	0.2774	
F	14.30	
N	162	
Prob > F	0	

Notes:
* Results significant at a significance level of $p < 0.05$
*** Results significant at a significance level of $p < 0.001$

5.5 A multi-faceted CSR

The previous sections have confirmed that CSR should not be treated as a unique homogenous concept. It is a heterogeneous one where each aspect follows different determinants. Table 5.15 summarises the findings.

Table 5.15 Antecedents of CSR

	Country of origin	Firm Size	No. of International competitors	Economic performance	Economic performance compared to competitors
General CSR	√ (-)			√	√
Compulsory CSR		√ (-)	√	√	√
Suppliers CSR	√ (-)	√ (-)		√	
Local community CSR		√ (-)		√	
Philanthropy and Environment CSR	√ (-)			√	

CSR responds to a combination of determinants at both national and company level. This combination varies for each aspect of CSR. This is a notable finding because the CSR literature tends to study CSR as a unique whole. Beyond the recognition of the variety of company stakeholders and their different needs, the literature does not closely investigate CSR antecedents as the result of CSR components.

All aspects of CSR share in common their reliance on the economic performance of the company. The only variation is the extent to which the economic performance impacts, as illustrated by the coefficients in the aforementioned regressions. Economic performance plays a greater role when it comes to CSR actions towards the local community than its smallest part in compulsory CSR. This connection between CSR actions and economic performance highlights the dependence of CSR on the economic success of companies. In other words, unless CSR is prescribed by law, it remains incidental.

The previous chapter concluded that UK companies are more involved in CSR behaviours than French ones. This chapter shows that this is the result of a combination of institutional pressures combined with company characteristics. However, ultimately the question remains: with everything else held constant, why does a company decide to conform to CSR rather than avoiding or resisting it? Jamali (2010) argues, for instance, that companies are faced with various options: true conformance, symbolic conformance, " cherry picking" and resistance (Caprar and Neville, 2012). It is argued that the study of the antecedents of CSR would not be complete without interrogating the role of culture. Caprar and Neville define culture *'as a fundamental contextual factor in driving institutional pressures for sustainability, and ultimately, sustainability adoption'* (Caprar and Neville, 2012, p. 232). In their theoretic study of the interplay between institutions and culture as a way to explain the adoption of CSR practices, they formulate two insightful propositions. The first one is that '*the more a cultural context includes norms and values compatible with sustainability principles, the more this context will generate and/or embrace sustainability-relevant institutions, increasing the likelihood for sustainability adoption'* (Caprar and Neville, 2012, p. 238). The second one reinforces the norming effect of culture via institutions since '*the impact of institutional pressures for sustainability will be greater in tight, than in loose, cultural contexts, such that cultural tightness increases the likelihood for sustainability adoption'* (Caprar and Neville, 2012, p. 239).

In other words, culture complements and reinforces the role of institutions and company characteristics in the adoption of CSR practices. Some cultures by their values, beliefs and history create a better mould for CSR adoption than others. The initial manifestation of CSR in Anglo-Saxon countries partially derives from a specific cultural understanding of the business-society nexus. The particularities of the French model of capitalism were introduced in Chapter 2. French culture, history and religion have played a role in the specific adoption of CSR. As the French model of capitalism is singular, combining abiding state intervention and moderate neo-liberalism, the same can be said about its way of doing CSR (Berthoin Antal and Sobczak, 2007). Two main elements are essential for this analysis: the long-time role of the state and the impact of the catholic religion. From a historical perspective, state interventionism is not viewed negatively contrary to the perception in other countries. '*The long-standing tradition of centralized power and faith in changing society via legislation in*

France is one factor behind the acceptance of what in other cultures would be seen as intolerable state interventionism. It is thus not surprising that the discourse and practice of CSR in France has generated a body of legislation regulating business behaviour corresponding with the culturally shared understanding of roles and responsibilities' (Berthoin Antal and Sobczak, 2007, p. 13). The French state became involved in CSR as early as the 1970s by regulating the publication of social reports by companies. Furthermore, the catholic culture has negatively influenced the acceptance of the principle of transparency, which is essential in the area of CSR. '*The idea of communicating about corporate social performance to a larger public goes against the grain of the French catholic culture'* (Berthoin Antal and Sobczak, 2007, p. 14). Although the state supported the development of CSR, French companies do not score well on the conformance aspect. Compared to the UK and Anglo-Saxon countries in general, France is historically known for its cultural flexibility and its non-conformism (Berthoin Antal and Sobczak, 2007). Gelfand et al. (2011) classify countries between tight and loose culture with the former defined as having '*strong norms and a low tolerance of deviant behaviour'* and the latter as having '*weak norms and a high tolerance of deviant behaviour'* (Gelfand *et al.*, 2011, p. 1100). Combined with a lower tightness score for France compared to the average of a 33-country sample, culture offers a supplementary layer of explanation for the reasons French companies are less involved in CSR than UK companies (Gelfand *et al.*, 2011).

5.6 Limitations

This chapter by providing an empirical analysis of the antecedents of CSR practices in France and the UK is subject to several limitations.

The first limitation of this study is that the evaluation of CSR practices derives only from surveys completed by HR managers. The use of that method results in two main drawbacks. First, the survey instrument does not guarantee respondents' honesty. CSR is a topic that is highly controversial and sensitive to corporate communication and reputation. Companies control the way they communicate about their CSR practices via questionnaires, CSR or financial reporting, marketing campaign, and the general media. In other words, the declarative aspect of CSR makes it highly dependent on discourse. No one can ignore that CSR is still affected by green-washing, which this study to a certain extent might be subjected to.

From this first difficulty derives the second one where it should be borne in mind that in this study respondents' answers are used as a proxy for CSR activities. Using them as a proxy is convenient because it allows access to primary information possessed by the respondents, instead of obtaining secondary information in annual reports for instance. Yet, respondents' answers do not necessarily mean that companies actually do what respondents say they do. There is always the possibility of a discrepancy between answers and actions. This possibility is even higher in the case of CSR where the social desirability bias might be even more severe.

From a methodological point of view, one goal of the study was to evaluate quantitatively the impact of national institutions on CSR practices. In the statistical analysis, the institutional variables presented in Chapter 3 were included in the regressions analysis. After repeated trials arranging them in different order, they were repeatedly and systematically dropped by Stata due to multicollinearity issues. The only remaining institutional variable is the country of origin preventing us to disentangle the separate role of various national institutions on CSR practices. As explained at the beginning of the analysis, this situation comes from the fact that only two countries are compared in this study, leading Stata to interpret the institutional variables as dummy variables. Given that these variables are perfectly correlated, Stata dropped them. Nevertheless, the correlation table between national institutions and each aspect of CSR provided valuable insights on the relation between institutions and CSR.

Finally, the limited size of the individual UK and French samples did not permit separate regression analysis. The main advantage of carrying out these regressions would have been to study more closely differences in antecedents between France and the UK. Instead of that, membership to one or the other sample was marked with the use of a dummy variable. Further studies could specifically look at variations in antecedents between France and the UK by relying on a larger sample of companies.

5.7 Summary

The aim of this chapter was to understand better the determinants of CSR practices based on an analysis of the primary survey data. We concluded the previous chapter with the establishment of differences between the French and UK sample, both in terms of type and extent of these CSR practices. It was indeed found that UK companies are more involved with CSR activities than their French counterparts. This finding pointed to the strand of literature viewing CSR as a substitute of the national institutions (Jackson and Apostolakou, 2010). Following the establishment of differences between France and the UK, the purpose of this chapter was to explain them with a multilevel analysis combining national institutions and company characteristics.

The first conclusion of this chapter is that CSR is not a homogeneous concept that can be researched as a whole. Its components, almost following a stakeholders' view of CSR, respond to various incentives and pressures. These findings call for a nuanced view of CSR determinants. It is not just the result of national institutions, in the form of a variety of capitalism, or the expression of specific company characteristics. It is a subtle combination of both depending on the CSR aspect under scrutiny.

Based on the factor analysis, CSR is divided between a compulsory aspect, a supplier aspect, a local community aspect and an environmental/philanthropic aspect. The compulsory side of CSR is predicted by the size of the company (negative relation), the number of international competitors and a company's financial performance. Country of origin, size (both negatively correlated) as well as economic performance predict the suppliers' aspect of CSR. The CSR actions towards the local community are influenced by the company's size (again negative correlation) and economic performance. Finally, the involvement towards the environment and charity giving are predicted by the country of origin and economic performance.

Therefore, this chapter provides answers to the initial research questions. Specifically, national institutions have an impact on a country general level of CSR as well as on the suppliers and the environmental/philanthropic aspects of CSR. This result confirms the substitute role of CSR where CSR compensates for LME institutions. The substitute theory does not explain the whole picture though and needs to be complemented by the effect of companies' characteristics.
Not all of them predict CSR practices. It was found that only size, economic performance, economic performance compared to competitors and number of international competitors are significant. No matter what aspect is under scrutiny, the economic success of a company is a constant determinant of CSR involvement. The importance of this factor shows that CSR is still dependent on something else. It signals that CSR does not exist for itself but is incidental. It has not yet received the status of necessary/automatic institution for companies. In the event of another economic downturn, one might predict that CSR budgets will be cut except for its regulated aspects.

Furthermore, the specificity of certain stakeholders, such as employees, investors or customers, force us to include the supranational level. In the context of France and the UK, the impact of the European Union should not be neglected or downplayed. By its regulations and directives, it directly influences companies on their CSR path.

Going back to Figure 5.1 at the opening of this Chapter, one of the arrows connects the variety of capitalism to company characteristics. Despite being unable in this study to investigate further this particular connection, the way in which national institutions impact on company characteristics influences CSR practices. This domino effect was not measurable here, but it should not be overlooked.

The next chapter will add an extra-layer of analysis and shed light on the respondents' perceptions of the role and motivations of CSR.

CHAPTER 6

THE IMPACT OF PERCEPTIONS ON CSR PRACTICES

'*A house may be large or small; as long as the neighbouring houses are likewise small, it satisfies all social requirement for a residence. But let there arise next to the little house a palace, and the little house shrinks to a hut. The little house now makes it clear that its inmate has no social position at all to maintain, or but a very insignificant one; and however high it may shoot up in the course of civilization, if the neighbouring palace rises in equal or even in greater measure, the occupant of the relatively little house will always find himself more uncomfortable, more dissatisfied, more cramped within his four walls* (Marx, 1975, p. 33)'

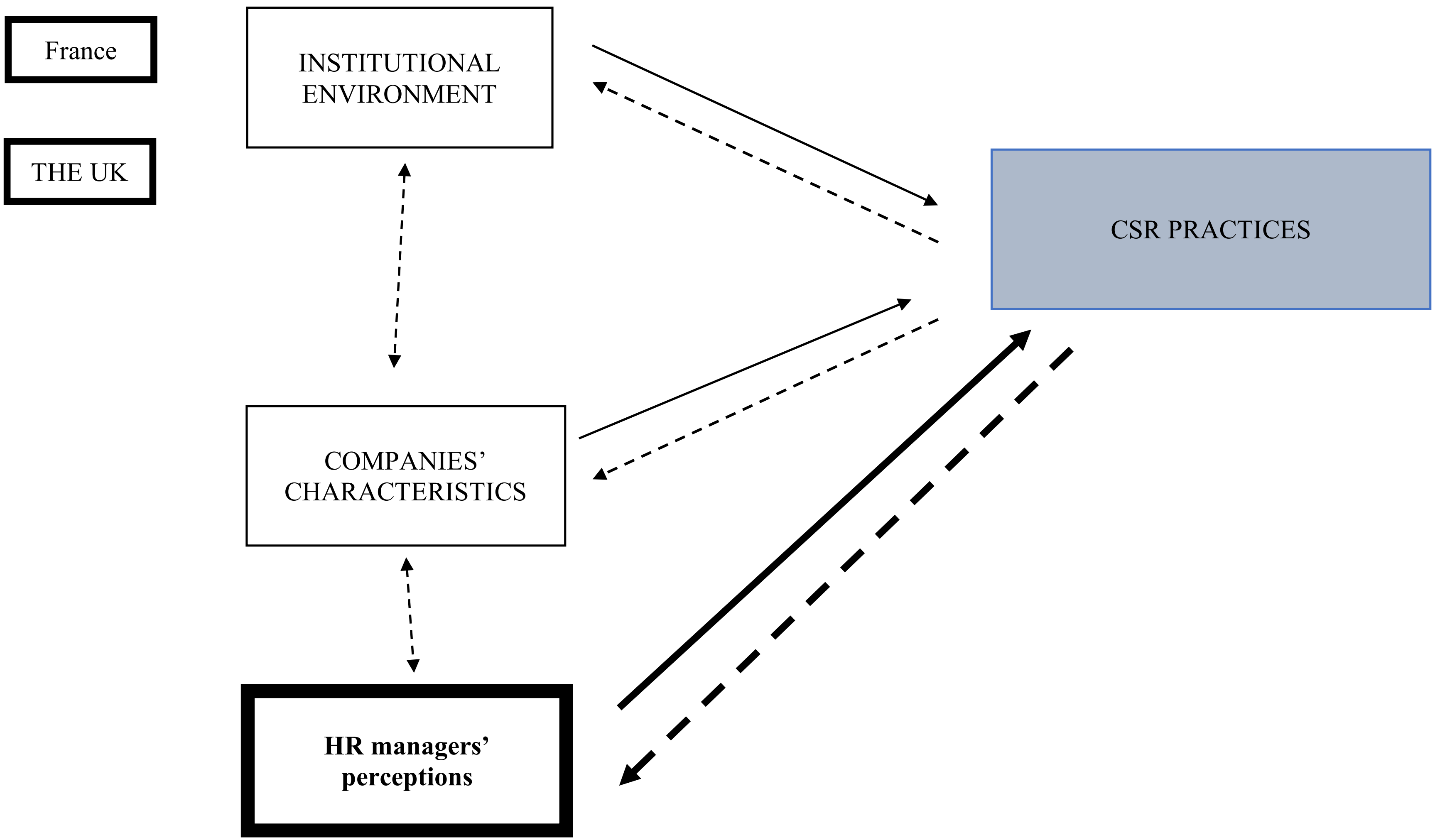
6.1 Introduction

In previous chapters, the combined impact of varieties of capitalism and company characteristics on CSR was examined. It was argued that CSR practices are the results of a subtle combination of factors respectively from national institutions and corporate characteristics. Yet, it might be asked what the role of employees – if any - is in relation to CSR. This aspect is investigated in the last part of the survey, notably perceptions of CSR by HR managers. Perceptions in this context relates to the way respondents perceive CSR. Perceptions are studied with regard to two lines of inquiry. To begin with, whether CSR is seen to work in terms of improving performance. Are there any discrepancies between France and the UK? Moreover, to what extent are CSR practices shaped by the way HR managers perceive and define CSR? This chapter sheds some light on the individual actors who make and implement CSR on a daily basis by placing the focus on them.

The role of HR managers' CSR beliefs can provide researchers and practitioners with valuable insight on CSR. To date, the literature has mainly focused on employees' perceptions for instrumental purposes: attraction and retention of employees, job satisfaction, employees' productivity and commitment (Rupp *et al.*, 2006; Brammer, Millington and Rayton, 2007; Farooq *et al.*, 2013; Glavas and Godwin, 2013; De Roeck *et al.*, 2014; Glavas and Kelley, 2014). The literature remains largely silent on the way employees view CSR, its potential outcomes and its rationale. Scholars have recently started to examine the connections between CSR and employees. However, the analysis remains limited; Brammer (2014, p. 325) laments that '*much of the extant literature examines attitudinal responses to CSR but fails to link these to behaviours*'. This Chapter aims to address this gap in the literature by offering exploratory analysis of HR manager CSR beliefs and the possible interactions between CSR beliefs and CSR activities. Focusing on employee perceptions is important at two levels. Firstly, positive views of the role of CSR might improve a company's involvement in CSR. Secondly, studying employee perceptions of CSR gives a salient and valuable insight into larger debates around business and society. The nature of the respondents, i.e HR managers, should not be forgotten. They may not represent the whole employee

Referring again to Figure 6.1, that accompanies each step of this study, this chapter adds another level, highlighted in bold, corresponding to the way employees in the surveyed companies perceived and understand the role of CSR. To sum up, this exploratory chapter investigates differences in HR managers CSR perceptions and the possible direct relation between these perceptions and the company's CSR practices.

Figure 6.1 Research model



The remainder of the chapter is organised as follows. The next section develops the hypotheses related to HR managers' perceptions of CSR. This is followed by the results and discussion section, then consideration of the limitations. This chapter closes with a summary section outlining the key points.

6.2 Hypotheses development

6.2.1 Perceptions of CSR

It is argued that the way employees see the role of CSR reflects and varies according to four broader issues that are central to the debate on CSR, issues that have been already touched upon in previous chapters. Nevertheless, these four issues exert opposite influence on how employees, in this case HR managers, perceive CSR.

The first key debate relates to the role of companies which differs in France and in the UK. The terms of this debate are pretty simple: what is the role of a company? Is it purely a money-making machine for the sake of the shareholders? Or is there a higher purpose to it with the provision of broader services towards the community and society at large? This debate is a long-standing one with conflicting – at times irreconcilable- viewpoints. At one end of the spectrum, the most well-known answer was formulated in Milton Friedman's admonition that companies should pursue a single goal: profits for their shareholders (Friedman, 1970). Conversely, others argue that companies should go beyond the pure interest of their shareholders by taking into account their stakeholders (Eells and Walton, 1974; Carroll, 1991, 2009). Companies should be involved in the community and take part in solving social, economic and environmental issues beyond the realm of the company. This position has gained momentum with the acceleration of globalisation and unbridled capitalism, outbreaks of global issues requiring global solutions (the most pressing one of them being global warming). Besides, multinational companies have reached an unprecedented level of economic and therefore political power contending with national states (Matten and Crane, 2005; Scherer and Palazzo, 2008; Dicken, 2011). This power should come with responsibilities and duties beyond the sphere of the company. Between these two polar opposites, the European Commission provides a prudent mid-way position hinting at a broader voluntary role of companies: '*Although the prime responsibility of a company is generating profits, companies can at the same time contribute to social and environmental objectives, through integrating corporate social responsibility as a strategic investment into their core business strategy, their management practices and their operations'* (European Union Commission, 2001, p. 4).

In practice, the answer to the question of the role of companies is highly cultural and country-dependent. Indeed, the role of business and the role of the state are two sides of the same coin: if companies are not trusted to act, then it should be the responsibility of the state and vice versa. When comparing France and the UK, it has been argued that France is genuinely different from Anglo-Saxon countries (Hall and Soskice, 2001; Schmidt, 2003; Prasad, 2005; Berthoin Antal and Sobczak, 2007). As established in previous chapters (in particular Chapter 2), France has a unique conception of the business and society nexus, that led to a unique variety of capitalism marked by the ongoing strong role of the state, suspicions towards businesses to provide both public service and transparency (Schmidt, 2003; Prasad, 2005; Berthoin Antal and Sobczak, 2007). France relies on the direct intervention of the state to legislate on economic, social and environmental issues and distrusts self-regulation, as suggested by Hancke, Rhodes and Thatcher (2007). The UK is the polar opposite, where there is a strong belief in markets, transparency, a preference for a non-interventionist state and a trust in businesses to do the job. It is contended that the conception of the role of the state and business impacts the way employees believe whether CSR works in terms of improving the bottom line. The trust and latitude UK companies enjoy give them more opportunities, credibility and legitimacy to engage in CSR. French companies are less trusted in that regard leading to a more pragmatic and/or suspicious assessment of CSR.

The expectations of the role of companies and national states intensify the distinction between implicit CSR and explicit CSR (Matten and Moon, 2008). The division follows historically the opposition between Anglo-Saxon countries and continental Europe. Matten and Moon (2008) argue that the American National Business System triggered an explicit way of doing CSR that extended to the UK; whereas the specificities of the National Business Systems in continental Europe provided the conditions for an implicit way of doing CSR. In the case of explicit CSR, 'incentives and opportunities are motivated by the perceived expectations of different stakeholders of the corporation' (Matten and Moon, 2008, p. 410). Yet explicit CSR combined with higher freedom of actions for companies does not mean that employees perceive CSR actions in a better light.

Companies engage in CSR voluntarily in order to respond to stakeholders' expectations. They do so with a hidden agenda, or at least with benefits in mind, whether it is to repair a tarnished corporate image or to avoid becoming the target of public shaming (Vogel, 2005b). It has notably been the case with the pressures from NGOs, customers and employees following corporate scandals (Merck, Levi Strauss, Nike, Enron to name just a few) (Vogel, 2005b). Anglo-Saxon companies are accustomed to explicit, vocal and visible acts of CSR that could lead to suspicions about the actual outcomes and impact of these actions - in other words suspicions of green-washing. On the other hand, implicit CSR, because it mirrors the traditional expectations and roles of the different groups in society (Matten and Moon, 2008), would protect companies from being accused of faking CSR. The discreet CSR discourse protects companies from suspicion. That being said, the explicit way of doing CSR has been spreading across continental Europe, France included, and with it, doubts on the genuine character of (implicit) CSR.

The other question that impacts the way employees view CSR relates to another distinction, namely internal and external CSR. It comes from the absence of an official definition and the voluntary nature of CSR. One way to make sense of the wide range of CSR activities is to sort them based on their recipients: those in the company with employees and shareholders on one hand; those outside the company such as customers, suppliers, public authorities, NGOs etc., on the other. The Green Paper of the EU Commission provides a clear definition: '*Within the company, socially responsible practices primarily involve employees and relate to issues such as investing in human capital, health and safety, and managing change, while environmentally responsible practices relate mainly to the management of natural resources used in production. They open a way of managing change and reconciling social development with improved competitiveness'* (European Union Commission, 2001, p. 8). External CSR '*extends beyond the doors of the company into the local community and involves a wide range of stakeholders in addition to employees and shareholders: business partners and suppliers, customers, public authorities and NGOs representing local communities, as well as the environment'* (European Union Commission, 2001, p. 11). Companies do not deal with their stakeholders in a similar fashion, notably due to their different expectations.

When it comes to CSR measures towards employees (internal CSR), employee rights play an important part in the equation. France and the UK treat their employees very differently because of their variety of capitalism. It has been shown in Chapter 2, that employment relations in LME are characterised by a high turnover rate, a high level of inequality in salaries and wages, decentralisation of bargaining, and low level of collective bargaining coverage (Hall and Soskice, 2001; Jackson and Kirsch, 2014). The state provides the rules of the game of the market, but coordination mechanisms are market-based and industrial relations are regulated by employers and employees themselves through collective agreements (Meardi, 2014). In France, employment relations are not coordinated by the market. The state is directly involved in the regulation of employment relations and collective bargaining despite the recent evolutions. The state used to decide which organisations are 'representative' to take part in collective bargaining. The state is also involved at every level, from the national to the local, either as a supervisor of the negotiation or by imposing the bargaining agenda (Meardi, 2014). French employees are also more involved in the elaboration of company norms with the social dialogue, the obligation to consult, the existence of work councils and workers' representatives. Most of the time, these areas of consultation and social dialogue overlap with the field of CSR (Berthoin Antal and Sobczak, 2007).

In addition, employee rights are lower in the UK than in France. According to the OECD in 2013 (Table 6.2), the level of employment protection for individual and collective dismissals is significantly lower in the UK compared to France, with France having the highest level of employment rights among OECD countries (Goergen *et al.*, 2013). Despite a stronger trade union density (see Table 6.2), the collective bargaining coverage is weaker in the UK compared to a 98% coverage in France. In terms of real wages, the situation is again worse on the UK side, where between 2007 and 2015 UK workers experienced the greatest fall in real wages among OECD countries. Real wages fell by 10.4% (a similar percentage to Greece) compared to a 10.5% rise in France (TUC, 2016).

Table 6.2 Employment relations variables in the UK and France

Variable (in 2013)	UK	France	OECD countries
Strictness of employment protection – individual and collective dismissals (regular contracts)	1.66	2.82	2.28
Trade Union Density	25.8	7.7	17
Collective bargaining coverage	29.5	98	49.2

Notes
1. The strictness of employment protection is based on a scale from 0 (least restriction) to 6 (most restriction) on dismissals.
2. Trade union density corresponds to the ratio of wage and salary earners that are trade union members, divided by the total number of wage and salary earners, measured in percentage (OECD Labour Force Statistics).
3. The coverage rate is measured as the percentage of workers who are covered by collective bargaining agreements regardless of whether or not they belong to a trade union.
Source: OECD Stat.

We argue that the French system, with greater state intervention and stronger employee rights, leads French employees to a better view of internal CSR compared to UK employees. French employees can witness for themselves better workplace conditions as opposed to UK employees who witness messages of CSR actions without experiencing improving working conditions. UK employees are more likely to experience a disconnect between corporate communications on internal CSR and observed working conditions.

Regarding the external aspect of CSR, the explanation is different and reflects back the implicit/explicit distinction. In an explicit environment, companies respond to their external stakeholders' pressure to create and perpetuate an image of a responsible company. The CSR discourse, the CSR marketing Public Relation campaigns are targeted towards the outside, towards external stakeholders, primarily customers, suppliers and NGOs. In an implicit environment, CSR does not need to be advertised by the company, CSR communication is less intensive and aggressive (Matten and Moon, 2008). The obviousness of CSR measures has not been accompanied by the end of corporate scandals and irresponsible actions of companies. The last decade has come with its share of corporate scandals: tax evasion and tax avoidance strategies by MNCs (Credit Suisse Group, Google, Apple, Amazon, Starbucks), unethical employment practices in the supply chain (Apple, garment industry), risky and unethical behaviours in the banking industry leading to the 2008 financial crisis.

In conclusion, employees receive mixed messages: on one hand, positive CSR messages about how responsible companies are, and on the other hand, public corporate shaming and real working conditions leading to the idea that CSR is just a smoke-screen. It is posited that this disconnect is stronger where CSR is explicit, namely in the UK.

Based on this discussion, the following hypothesis is suggested, with two alternatives:

H1: French HR managers have different perceptions of CSR than UK HR managers.
H1a: UK HR managers have a better perception of CSR than French HR managers (based on the role of business).
H1b: French HR managers have a better perception of CSR than UK HR managers (based on the implicit CSR theory combined with employee rights).

6.2.2 The impact of CSR perceptions on CSR activities

As individuals, we express opinions that reflect normative beliefs about the way companies ought to behave. As Mudrack (2007) explains, these individual beliefs are independent from the way companies actually behave in real life. Individual beliefs are therefore central to the way employees perceive CSR and its role. Despite the importance of individual beliefs and perceptions, there is a limited number of CSR studies in the area (Aguinis and Glavas, 2012). A few studies have demonstrated the general role played by individual values. For instance, CEOs' values exert an influence on their perceptions of stakeholder salience (Agle and Mitchell, 1999). At a lower hierarchical level, employee values are also central in their perception of the rightness of CSR (Mudrack, 2007). Mudrack (2007) provides a similar conclusion for employee personality traits and attitudes and concludes they are closely linked to employees' perception of CSR. It has been shown that the impact of individual values on corporate actions is even greater when they are aligned with organisational values (Bansal, 2003). In this case, the role of congruence between individual and organisational values lead to higher corporate responses towards environmental issues. Finally, individual concerns regarding a particular issue also act as a determinant of corporate actions (Bansal and Roth, 2000). This literature – though nascent – reveals a connection between individual values and beliefs and CSR.

Nevertheless, there is a gap in the literature regarding the specific relations between employee perceptions of CSR and CSR activities within the company. We argue that perceptions do play a part, and more specifically we contend that employee perceptions - in this case HR managers' perceptions - of CSR will have an impact on a company's CSR activities.

When it comes to employees, the literature has so far demonstrated the role of employee CSR perceptions in organizational attractiveness, job satisfaction, organizational commitment, citizenship behaviour, and job performance (Rupp *et al.*, 2006; Farooq *et al.*, 2013; Brammer, He and Mellahi, 2014; De Roeck *et al.*, 2014). The literature has established a direct causal link between the assessment by an employee of a company's CSR policy and her personal feelings about the company, her job and motivation. Furthermore, Aguilera et al. (2007) argue that employees' perceptions of CSR create *'an organizational climate for CSR, which contributes to a firm's overall social reputation'* (Aguilera *et al.*, 2007, p. 840). Vogel (2005b) contends that employees can exert a similar influence on CSR as customers would do if they believe in the positive effect of CSR. It is argued then that this positive climate for CSR is beneficial to further involvement in CSR practices.

This positive influence created by CSR involvement is also viewed outside of the company. Indeed, Sen et al. (2006) confirm the role of perceptions of CSR for external stakeholders. Despite the limited character of Sen et al.'s (2006) study, it provides some interesting results with regard to the role of CSR perceptions on various stakeholders: '*Individuals who were aware of the CSR initiative in this study had more positive company-related associations; displayed greater organizational identification with the company; and indicated a greater intent to purchase products, seek employment, and invest in the company than respondents who were unaware of the initiative. Therefore, CSR activity has the potential to increase not only CSR associations, attitudes, and identification but also the intent of stakeholders to commit personal resources (e.g., money, labour, etc.) to the benefit of the company'* (Sen, Bhattacharya and Korschun, 2006, p. 164). It is argued that positive perceptions of CSR similarly create positive attitudes and associations propelling employees to invest further in CSR activities.

It should be highlighted again that respondents are HR managers (the reasons for that choice were explained in Chapter 3) which offer a specific case of HR managers' perceptions. They express their views as a specific category of employees. This discussion leads to the following hypotheses.

H2: A positive HR manager perception of CSR has a direct positive impact on a company's general level of CSR practices.

H3: A positive HR manager perception of CSR has no impact on a company's compulsory component of CSR.

H4: A positive HR manager perception of CSR has a direct positive impact on a company's philanthropic and environmental CSR.

H5: A positive HR manager perception of CSR has a direct positive impact on a company's CSR component towards the local community.

H6: A positive HR manager perception of CSR has a direct positive impact on a company's CSR component towards suppliers.

6.3 Results and discussion

In order to determine HR managers' CSR perceptions and their impact on CSR activities, the survey asked the respondents various questions regarding the role of CSR. The purpose was to assess whether HR managers believe CSR is positive or negative for companies in the areas of employment, business growth and financial success. Furthermore, the survey asked HR managers what they think their company's motivations to engage in CSR activities are –

is it because of ulterior motives (such as gaining reputation) or genuine ethical motives (CSR is the right thing to do)?

As mentioned in the previous section, Hypothesis 1 states the existence of differences in HR managers' perceptions between the two countries. In order to test this, two-sample t-tests are performed. The results of the two-sample t-test are presented in Table 6.2 and Table 6.3 providing the rank order of HR managers' CSR perceptions based on a measure of the mean. The nature of the data makes it relevant to supplement again this parametric test by a z-test as a check on its interpretation. The non-parametric test (not reported here) confirms the findings of the parametric test reported below. The tests are conducted for each individual CSR perception (15 in total). For the sake of clarity, the results on the outcomes of CSR are reported first and separately (Table 6.3) from the CSR rationale (Table 6.4).

6.3.1 Dissimilarities in the perceived outcomes of CSR

At first glance, Table 6.3 provides support to Hypothesis 1: French and UK HR managers present different perceptions of the outcomes of CSR. The differences are observed both in terms of mean and ranking of the statements. Out of the 10 perceptions investigated, 8 reveal significant differences in mean between the two samples ($p<0.05$). Nonetheless similarities exist. The two samples share in common the idea that CSR has a positive impact on companies confirmed by the lowest rankings of all the negative statements on CSR. These results reaffirm also respondents' consistency in that respect.

In terms of the areas CSR improve, results differ between the two samples. On average respondents from the UK sample believe that CSR has first a positive impact on accessing new markets. Then, CSR improves employees' productivity, customers' and employees' retention (the means for these statements being extremely close ranging from 3.44 to 3.46). Finally, CSR has a positive impact on the financial performance of the company and employees' motivation (similar mean for both statements). In other words, respondents from the UK sample does not focus on particular positive benefits regarding the role of CSR. There is not much unity in their perceptions.

On the other hand, the French sample conveys a much more intelligible picture of CSR. On average, French respondents trust that CSR increase customers' retention with the highest mean of 3.70. Then CSR enhances the financial performance and access to new markets, with respectively a mean of 3.62 and 3.58. In other words, CSR is seen as a tool to improve a company's economic success which reflects the business case of CSR, mentioned in previous chapters. After the business case element comes improvements towards employees. The highest ranked improvements relate to those with an impact on the company's activities namely retention and productivity. Employees' retention and productivity are close in means (respectively 3.56 and 3.52) followed by employees' motivation (3.44). In short, French employees manifest a domination of the business case of CSR over employees when it comes to CSR outcomes.

Furthermore, a closer look at the table indicates that French HR managers perceive CSR better than their UK counterparts, providing full support to hypothesis 1b. Contrary to Chapter 4, in absolute measures, French respondents rate higher each positive statement on CSR and rate lower each negative statement than British respondents. French respondents perceive better CSR than they implement CSR measures (as per the conclusion of Chapter 4). Put differently, this result means that French HR managers believe that CSR is able to improve the bottom line in comparison to UK HR managers despite a lower level of implementation.

Table 6.3 Perceived roles of CSR

	UK			France			
Variable	Rank of UK companies	Mean	SD	Rank of French companies	Mean	SD	t-value
CSR + impact on accessing new markets	1	3.55	0.12	3	3.58	0.07	-0.20
CSR: + impact on employees' productivity	2	3.46	0.12	5	3.52	0.07	**-0.47***
CSR + impact on customers' retention	3	3.45	0.12	1	3.70	0.07	**-1.91***
CSR + impact on employees' retention	4	3.44	0.11	4	3.56	0.07	**-0.85***
CSR + impact on company' financial performance	5	3.31	0.11	2	3.62	0.09	**-2.24***
CSR + impact on employees' motivation	6	3.31	0.11	6	3.44	0.08	**-0.96***
CSR – impact on employees' productivity	7	2.92	0.14	8	2.67	0.10	**1.48***
CSR – impact on	8	2.88	0.14	10	2.56	0.10	**1.89***

	UK			France			
employees' motivation							
CSR – impact on customers' retention	9	2.86	0.14	7	2.79	0.10	0.45
CSR – impact on employees' retention	10	2.79	0.15	9	2.67	0.10	**0.68***

Notes
1. SD = Standard Deviation
2. * Results statistically significant at a significance level of $p < 0.05$
3. z-values were also calculated but with no difference in significance with t-values, therefore z-values are not reported here.

6.3.2 Dissimilarities in the motivations behind CSR

Moving on to the CSR rationale, how do respondents conceive CSR? The two-sample t-tests exhibit 3 (out of 5) significant differences between the French and UK sample in terms of mean. The ranking of the statements differs between the two samples. The initial observation for Table 6.3 remains applicable in this instance. French respondents rate more highly, in absolute means, CSR rationale than their UK equivalents. Table 6.4 unveils an enlightening opposition in the philosophy behind CSR. The results show that UK respondents consider that CSR is carried out because it is the right thing to do with a mean of 3.40, hinting at an ethical perspective of CSR. The French respondents are more pragmatic and/or cynical. CSR is first conducted to improve the reputation of the company with a mean of 3.47. Closely following comes the ethical rationale for doing CSR (mean of 3.45). It is striking that for both samples respondents ascertain that CSR is not so much conducted for the sake of improving the financial performance of the company. This statement obtains a mean of 3.13 in the UK sample and 3.27 in the French one.

Table 6.4 The motivations behind CSR

	UK			France			
Variable	Rank of UK companies	Mean	SD	Rank of French companies	Mean	SD	t-value
CSR right thing to do	1	3.40	0.13	2	3.45	0.08	**-0.34***
CSR conducted to improve reputation	2	3.30	0.12	1	3.47	0.08	**-1.19***
Company needs to be more responsible	3	3.30	0.11	3	3.27	0.77	0.19
Company more responsible than competitors	4	3.21	0.12	5	3.01	0.09	1.35
CSR conducted to improve company's financial performance	5	3.13	0.13	4	3.27	0.08	**-0.97***

Notes
1. SD = Standard Deviation
2. * Results statistically significant at a significance level of $p < 0.05$
3. z-values were also calculated but with no difference in significance with t-values, therefore z-values are not reported here.

Table 6.3 and 6.4 offer interesting results regarding the perceived outcomes of CSR and its rationale. There is a clear-cut contrast between France and the UK. French HR managers are more likely to trust CSR to improve the bottom line even though French companies are generally less involved in CSR. Despite a positive perception of the effects of CSR, French HR managers are more cynical about CSR rationale. The ethical justification comes second;

CSR is conducted to improve the reputation of companies. Conversely, UK respondents are less convinced that CSR is able to improve the bottom line despite a higher degree of CSR involvement by UK companies. There is therefore a disconnect between CSR actions they know of and their actual impact on internal and external stakeholders. Regardless of this contradiction, UK HR managers view CSR as an ethical act from companies. These findings should be outlined as they are particularly interesting. The position of French HR managers appears as expected, whereas the position of UK HR managers is quite unexpected. What these results indicate on a deeper level is that UK HR managers do not believe in the possibility of future changes (changes here with the implementation of CSR practices). French HR managers are not that pessimistic, changes are feasible even though they might come from utilitarian and pragmatic motivations. UK HR managers present a gloomy picture of their current mind-set. How can that be explained?

The first line of explanation relates to the distinction between explicit and implicit CSR discrediting CSR outcomes (Matten and Moon, 2008). Regardless of the actual degree of CSR involvement, the need for UK companies to communicate about CSR is stronger than French companies. They also would want to try to establish their explicit CSR credentials more vehemently than French ones. This distinction has an impact on the evaluation of CSR outcomes. In a UK context where revelations of tax evasion, inhuman working conditions in the supply chain, disproportionate pay of executives and CEOs have surfaced, combined with a general low level of employment protection, CSR cannot be seen as improving the bottom line. CSR only appears as a strategic and Public Relations tool to gain strategic advantages over competitors and increase profits for shareholders. That position converges with the general criticism of CSR regarding its lack of impact and its use as a smoke-screen covering business as usual. In the French environment, corporate scandals are less present and companies are quieter regarding their CSR ventures, limiting the suspicion of greenwashing. Furthermore, when looking at the impact of CSR on employees, the findings can be explained by the differences in employment protection between the UK and France. Among the OECD countries, France has the highest level of employment protection; the UK one the lowest (Goergen *et al.*, 2013). French employees are covered and protected by laws and regulations, the internal aspect of CSR is therefore less essential because internal CSR is less needed. On the contrary, in the UK there is an opposition between employment protection and investors rights, the latter winning by far and impacting HR managers' perceptions. Internal CSR could be used to improve employees' workplace conditions. Furthermore, companies would want to demonstrate to their stakeholders their explicit CSR credentials more strongly. However, they do not seem to pass the reality test and convince their employees of better working conditions.

That being said, UK HR managers are more likely to believe that CSR is conducted out of the goodness of companies' hearts, which seems contradictory. UK HR managers still trust businesses whereas French HR managers are more cynical about CSR motivations. Georgen et al. (2013) demonstrated in their study that country trust is negatively correlated with weak employee rights and investor rights. In the case of France and the UK, the former presents the lowest level of country trust (19%) and the latter is the OECD mean of 30%. These contrasting levels of country trust associated with the perceived role of businesses can explain the findings on CSR rationale.

It might also be asked whether the UK findings reflect a general dissatisfaction with the current economic system and a general sense of fatalism: nothing can be changed. In that sense, CSR is not seen as the right tool to mitigate and correct the negative consequences of capitalism. But companies do not seem to be blamed for that as indicated by the traditional trust in businesses. The culprit is located somewhere else. Currently, it is the European Union (see the Brexit result) and immigration, as extreme-right and populist parties try to argue. These arguments seem to work: Trump was elected in the US, the UK is now leaving the EU, Golden Dawn (an extreme-right wing party) became the third largest party in the 2015 Greek elections. France, on the other hand, did not elect the far-right candidate but someone outside of the traditional right or left, a symbol of change.

The theory on relative deprivation (Davis, 1959; Crosby, 1976) provides further insight on the position of UK workers. The theory on relative deprivation helps understand the reasons why in a society some people feel deprived, even though they may be in a better objective situation than the non-deprived ones. It is a relative feeling because it comes from the comparison of one's own situation to others. '*People feel unjustly treated or inadequately compensated when they compare themselves to some standard of reference. Because deprivation is relative, it is often true that those who are the most deprived in an objective sense are the ones most likely to experience deprivation'* (Crosby, 1976, p. 85). For someone to feel deprived, Crosby (1976) argued that five cumulative preconditions are required: seeing that Other possesses X; wanting X; feeling that one deserves X; thinking it feasible to obtain X; lacking a sense of responsibility for failure to possess X.

It is argued that the self-deprivation theory helps explain the position of UK HR managers with regard to CSR outcomes. It is a predictor of the perception of CSR outcomes. In a group without deprivation feelings, people will perceive CSR as able to improve economic and social performance. This is the case of French HR managers. Conversely, a group of people experiencing a feeling of deprivation will not view CSR as able to improve the current situation. The feeling of deprivation leads to the view CSR cannot change the present conditions which is the case of UK workers. Increasing inequality in the UK is connected to this feeling of deprivation and hopelessness about the future.

In summary, Hypothesis 1 in its second alternative is supported: CSR perceptions between France and the UK diverge, with a better perception expressed on the French side. Do these variations have any impact on CSR behaviours? This question will be examined in the next section.

6.3.3 Impact of CSR perceptions on CSR activities

In order to evaluate the impact of perceptions on the level of CSR activities, five new composite variables are created based on the statements presented in Tables 6.2 and 6.3. These new indicators are the results of the means of the relevant existing (Likert-scale) variables.

The new variables are:

1. Positive impact of CSR on employees:
    a. Positive impact of CSR on employees' productivity
    b. Positive impact of CSR on employees' retention
    c. Positive impact of CSR on employees' motivation
2. Negative impact of CSR on employees:
    a. Negative impact of CSR on employees' productivity
    b. Negative impact of CSR on employees' retention
    c. Negative impact of CSR on employees' motivation
3. Positive impact on business:
    a. Positive impact of CSR on accessing new markets
    b. Positive impact of CSR on customers' retention
    c. Positive impact of CSR on financial performance
4. CSR conducted for business case:
    a. CSR conducted to improve reputation
    b. CSR conducted to improve company's financial performance
5. Importance of CSR:
    a. CSR is priority
    b. CSR beyond the law
    c. Importance of CSR

d. Familiarity with CSR

The relation between CSR perceptions and CSR activities is tested through the OLS regression analysis using the same CSR indicators presented in Chapter 5. Similarly, CSR perception variables are regressed against each aspect of CSR: its general measure, its compulsory component, its philanthropic and environmental aspect, its local community component and lastly its supplier aspect. The linear regression analysis is based on the results reported in the previous chapter. More specifically, the same dependent and independent variables are included in the regression equation, but also added are the five CSR perception variables.

6.3.3.1 General measure of CSR

The previous chapter concluded that four variables impacted the general level of CSR in a company: the country of origin, company size, economic performance and economic performance compared to competitors. Adding measures of CSR perceptions improve the results as shown in Table 6.5. Overall, the regression is significant at a significance level of 0.001 with an adjusted R^2 of 0.3482.

The results suggest that aside from country of origin, company size and the two measures of economic performance, the number of international competitors and CSR conducted for business case need to be added. This result supports hypothesis 2 where a positive perception of CSR has a direct positive impact on the general level of CSR in a company. Specifically, the perception that CSR is conducted for the business case is correlated to the CSR level. The other perception variables were dropped due to their insignificance.

Table 6.5 Regression results for general CSR

	General measure of CSR	t-value
Country of origin (0 =UK; 1 = France)	**-0.2456483 ****	-2.84
Size of the company	**-0.0478925***	-2.39
Age of the company	0.0728157	1.35
Industry	-0.0064252	-0.69
Number of domestic competitors (log)	-0.0406094	-1.49
Number of international competitors (log)	**0.0209536***	2.00
Economic Performance	**0.1554351***	1.97
Economic performance compared to competitors	**0.2136119***	2.17
CSR conducted for business case	**0.1696966 ***	2.19
Constant	**2.145089*****	5.44
Adjusted R squared	0.3482	
F	12.84	
N	162	
Prob> F	0	

Notes:
* Results significant at a significance level of p <0.05
*** Results significant at a significance level of p < 0.001

6.3.3.2 Compulsory component of CSR

The focus in this section is on the determinants of compulsory CSR and the potential impact of CSR perceptions. From the previous chapter, it was found that four variables are explanatory: company size, number of international competitors, economic performance and economic performance compared to competitors. The addition of perception variables changes the regression result reported in Table 6.6 below. The same four independent variables are still significant (at $p<0.05$ or $p<0.01$). To them must be added the country of origin, the negative impact on employees of CSR and CSR conducted for business case. The most significant variables are now economic performance compared to competitors, negative impact on employees of CSR and country of origin. Overall, the regression gains in explanatory power with an adjusted R^2 of 0.3268 (compared to 0.2573 in Chapter 5).

Despite its significance, the results provide no support to Hypothesis 3. The perceptions that CSR has a negative impact on employees and that CSR is conducted for the business case are determinants of CSR activities. In particular, the variable ‘negative impact on employees’ is negatively correlated to compulsory CSR, which means that the belief CSR is detrimental to employees leads to a decrease in the general level of compulsory CSR. The sign for the independent variable ‘CSR conducted for the business case’ is positive. Compulsory CSR increases with the belief that CSR is conducted for the business case. It should be noted that the addition of these perception measures renders the country of origin significant. In a similar way to every instance where this variable is significant, it denotes a negative relationship between the CSR component and the country of origin. French companies are less engaged in CSR practices than UK ones.

Chapter 5 concluded that the compulsory component of CSR leads to a harmonisation of practices in the area of CSR practices regulated by law, in particular by European legislation. The variations in components of CSR revealed a discrepancy between regulation and compliance. Compulsory CSR is lowered by a negative impact of CSR on employees.

Table 6.6 Regression results for compulsory CSR

	Compulsory CSR	t-value
Country of origin (0= UK; 1= France)	**-0.2001039***	-2.07
Size of the company	**-0.0600238****	-2.64
Age of the company	0.1111524	1.71
Industry	-0.0058903	-0.51
Number of domestic competitors	-0.035095	-1.17
Number of international competitors	**0.0245725***	2.05
Economic Performance	**0.1870428****	2.61
Economic performance compared to competitors	**0.2539587***	2.47
Negative impact on employees of CSR	**-0.2035566*****	-3.67
CSR conducted for business case	**0.1631164***	2.33
Constant	**2.53355*****	7.04
Adjusted R squared	0.3268	
F	8.01	
N	162	
Prob > F	0	

Notes:
* Results significant at a significance level of $p < 0.05$
** Results significant at a significance level of $p < 0.01$
*** Results significant at a significance level of $p < 0.001$

6.3.3.3 Philanthropic and environmental CSR

The previous chapter concluded that the UK was more involved than France in CSR practices targeting the environment and charities. These results were put into perspective questioning the actual involvement of UK companies. In particular, green-washing and better communication about CSR – hinting at the Matten and Moon (2008) distinction between implicit and explicit CSR – were offered as explanations.

Interestingly, the addition of perception variables recast the results. Table 6.7 shows that with an adjusted R^2 of 0.2831 (compared to an adjusted R^2 of 0.1925 in Chapter 5), the regression gains in explanatory power without losing its significance ($p < 0.001$). As shown in Table 6.7, the variables Country of Origin and Economic Performance are no longer significant. The only significant variable is Importance of CSR ($p<0.001$) with a coefficient of 0.376. This indicates that HR managers' perception that CSR is important triggers or reinforces a company's involvement in CSR practices. Put differently, the more employees believe CSR is important, the more CSR actions are carried out in the area of the environment and charity giving. This result provides support to Hypothesis 4.

The variable 'Importance of CSR' only reflects the priority given to CSR; it does not say anything about the reasons for that importance. This result should therefore be interpreted in the light of what is really happening. Chapter 4 established the greater involvement of UK companies towards the environment and charity giving compared to France. At the same time, the UK has one of the worst environmental records in Europe, corporate scandals have increased and inequalities between the richest 1% and the rest are also deepening (Augar; Bell and Van Reenen, 2010; Piketty, 2013; Farrell, 2016). In the light of explicit CSR and green-washing, companies, above all UK companies, do need CSR to improve or build an image of responsibility. Companies have to demonstrate their actions to their stakeholders, whether these actions are real and effective or not. It could even be argued that CSR is used by companies as a way to justify the continuation of capitalism. By being responsible at the margin with some charity donations, with some actions towards the environment, companies can justify the more irresponsible behaviours they may have in other areas. CSR is important not so much to improve the bottom line but to allow companies business as usual.

Table 6.7 Regression results for philanthropic and environmental CSR

	Philanthropic/Environmental CSR	t-value
Country of origin (0 = UK; 1 = France)	-0.2000345	-1.56
Industry	-0.0051211	-0.43
Number of domestic competitors	-0.0196224	-0.77
Economic Performance	0.1396607	1.36
Economic performance compared to competitors	0.1518095	1.03
Importance of CSR	**0.3760829*** **	3.81
Constant	1.549126	2.96
Adjusted R squared	0.2831	
F	11.43	
N	162	
Prob > F	0	

Notes:
*** Results significant at a significance level of $p < 0.001$

6.3.3.4 CSR towards the local community

Like philanthropic and environmental CSR, it may be assumed that the local community aspect of CSR is reinforced by positive perceptions of CSR. The regression results in Table 6.8 provide support to Hypothesis 7. Overall, the regression is significant at a significance level of 0.001 with an adjusted R^2 of 0.2838, showing better results compared to those reported in the previous chapter. Company size and Economic Performance remain significant explanatory variables in comparable weight as previously.

The variable ‘CSR conducted for the business case’ had to be dropped due to its insignificance. This combined with the non-significance of the variable ‘Positive impact on business’, indicates that the local community aspect of CSR is not believed to be economically beneficial to the company. Therefore, only the economic performance of a company combined with the belief that CSR is important explains the company’s involvement.

The variable Importance of CSR must be added to the list of significant explanatory variables. In an area where CSR activities are far away from the core business activities, the perception that CSR is important increases corporate involvement. Once again, the meaning of ‘important’ should be considered carefully. It might be questioned whether this is not a strategy to improve corporate image despite the proliferation of irresponsible behaviours by companies. One aspect to improve the local community for instance is to pay taxes so they can then be redistributed to the local communities through various projects. Over recent years, for example, reports have increased in the media claiming that some multinational companies are not paying their taxes in the UK. How is that compatible with the importance of CSR? It is argued, similarly to the environmental and charity component of CSR, that CSR is important not to improve the bottom line but for companies to continue their actions. CSR is a justifying tool. In that respect, from the findings of this study, French employees appear not to be fooled by the reality of CSR.

Table 6.8 Regression results for local community CSR

	Local community CSR	t-value
Country of origin (0 = UK; 1 = France)	-0.1278516	-1.00
Size of the company	**-0.0621647***	-2.30
Age of the company	0.0958	1.34
Industry	-0.0063953	-0.60
Economic Performance	**0.4026719*****	4.34
Positive impact on business	0 .138064	1.26
Importance of CSR	**0.1895258***	1.89
Constant	**1.220132 ***	5.34
Adjusted R squared	0.2838	
F	11.64	
N	162	
Prob > F	0	

Notes:
* Results significant at a significance level of p <0.05
*** Results significant at a significance level of p < 0.001

6.3.3.5 CSR towards suppliers

The final component of CSR deals with the relations with suppliers. As shown in Table 6.9, the regression results are improved by the addition of perception measures. The adjusted R^2 is 0.3172 compared to 0.2774 before. These results provide support for Hypothesis 6. In addition, two perception variables are significant: Negative impact of CSR on employees and Importance of CSR. The sign of the former is negative meaning that CSR involvement is lower when CSR is believed to have a greater negative impact on employees. It should be noted that the variable Country of origin loses its significance, contrary to the previous chapter. The variables Size of the company and Economic Performance remain highly significant ($p<0.001$) with similar coefficients.

These differences can be understood as a confirmation of the conclusions of Chapter 5 on the supplier component of CSR. The UK does not present a better treatment of suppliers in the supply chain. CSR activities come with the belief that CSR does not have negative consequences on employees and a belief of its importance. In that area, the country of origin no longer plays a part. It is down to the individuals.

Table 6.9 Regression results for suppliers CSR

	Suppliers CSR	t-value
Country of origin (0= UK; 1 = France)	-0.1799166	-1.50
Size of the company	**-0.0913037*** **	-4.73
Industry	-0.0132235	-1.20
Number of domestic competitors	-0.0569217	-1.53
Number of international competitors	0.0241922	1.49
Economic Performance	**0.2917055*** **	4.93
Negative impact of CSR on employees	**-0.1310921* **	-2.00
Importance of CSR	**0.1851024* **	2.24
Constant	**3.483409 *** **	8.74
Adjusted R squared	0.3172	
F	13.26	
N	162	
Prob > F	0	

Notes:
* Results significant at a significance level of p <0.05
*** Results significant at a significance level of p < 0.001

6.4 Limitations

This chapter comes with several limitations regarding the analysis of the of HR managers' perceptions of CSR. The first one relates to how knowledgeable employees, in this case HR managers, are of both CSR and their company CSR policy. Previous studies (Sen, Bhattacharya and Korschun, 2006) deplored the low level of employees' awareness in the area of CSR. This observation applies to both sub-samples where UK respondents are familiar with CSR with an average of 2.95 and French respondents with an average of 2.2. CSR familiarity appears to be lower among French respondents. This low level might be explained by the CSR notion itself. CSR is an unclear concept in the academic literature, in spite of numerous efforts to provide greater clarity. It is, therefore, no surprise that definitional uncertainty and confusion exist also in the business world, where CSR definition varies from company to company. The implicit-explicit distinction (Matten and Moon, 2008) is also helpful to explain this low level of familiarity. The French sample displays the lowest level of CSR awareness. Yet, France, part of continental Europe, is more implicit in its way of doing CSR. It has been argued that France relies a lot on the state to legislate including in CSR areas (Berthoin Antal and Sobczak, 2007). This less vocal state-centred tradition might explain why respondents may not necessarily label activities as CSR as such. On the other hand, the low level of CSR familiarity among the UK sample points to another explanation. The explicit use of CSR by companies as a marketing, PR tool may not be communicated to the rest of the company. CSR actions are the monopoly of the CSR department or marketing department and are directed towards external stakeholders, rather than internal ones. CSR actions that may turn out to be only words with companies exceling at talking the talk rather than walking the walk.

Due to its exploratory nature, these preliminary results need to be complemented with further research. Given the nature of the study and its constraints, respondents are HR managers. It would be beneficial to replicate the study with a survey of the rank and file, and to compare and contrast views of HR managers with those of the workforce at large.

It would also be beneficial to carry out interviews to provide employees with the time and space to elaborate on their perceptions of CSR. The survey data offers helpful insights in the categorisation of CSR perceptions, though they might be limited because of the very nature of the survey method. In particular, the social desirability bias might have influenced respondents. When respondents are asked about the reasons why their company engages in CSR, it is socially more acceptable to underline an ethical motivation rather than a business-oriented one.

Finally, this chapter finds a correlation between CSR perceptions and CSR actions. However, it could not provide explanations on the mechanisms between CSR perceptions and CSR actions. Further research would be required to determine the extent to which the former impacts the latter.

6.5 Summary

This chapter adds a final layer to the empirical analysis of the determinants of CSR practices between France and the UK. It offers valuable insight into the way CSR is seen by HR managers in its ability to change the bottom line. It also explores the role played by HR managers perceptions in the area of CSR. The literature has under-researched the impact of employee perceptions of CSR on corporate involvement in CSR. The literature has so far examined the alternative by which employees are influenced by CSR. This chapter offers preliminary explanations in order to begin to fill this gap in relation to one category of employees: HR managers. This chapter presents new findings in relation to differences in the way employees view CSR and its outcomes.

The main and essential finding of this chapter indicates that HR managers in France and the UK have different perceptions of the role and rationale of CSR. The French respondents have a more positive view of the outcomes of CSR, but they are more cynical when it comes to its rationale. Respondents from the French sample consider that CSR is carried out to improve the reputation of a company, whereas the British respondents put forward an ethical motivation. French HR managers regard CSR as a potentially positive tool, but they are not fooled by the CSR spiel. UK HR managers on the other hand are not that convinced by the impact of CSR despite believing in benign managers and companies. Their position is all the more surprising. It is asserted that the self-deprivation theory (Davis, 1959; Crosby, 1976) can help clarify this position and predicts the negative perception of CSR outcomes.

The second finding demonstrates that the determinants of CSR are better captured once measures of CSR perceptions are incorporated into the regressions. With no surprises, the role of these perceptions varies with the component of CSR under study, in accordance with the observations made in Chapter 5. When CSR as a whole is studied, the perception that it is conducted for the business case provides another explanation to the level of CSR activities. When the components of CSR are disclosed, the perception that CSR is important explains CSR in its philanthropy/environment component, local community component and supplier component.

This finding is particularly interesting and telling. CSR is important, not to improve the bottom line, but for companies to buy a license to operate. This need is increased in a CSR explicit environment such as the UK. It can be argued that CSR has become an excuse for companies to continue business as usual. CSR is a legitimation tool for capitalism in an era of unbridled globalism, corporate scandals, and rising inequalities. Following Boltanski and Chiapello's thesis (1999), capitalism is always looking for excuses to justify itself against critics. Each consecutive spirit of capitalism has successfully relied on a different justification. One might wonder whether CSR is the new one found to sustain capitalism.

Furthermore, it should be noted that respondents to the survey, i.e HR managers, are honest with their perceptions of CSR. They are ready to criticise the way their company behave in the CSR space and show limitations to CSR actions. In itself, it is an important finding. Respondents' honesty could suggest that HR managers and companies behind them do not really care about CSR. If they do, respondents would try to depict a more positive picture.

Finally, this chapter laments that employees' knowledge of CSR is still low, which casts more doubt on the real involvement of companies in CSR, behind the smoke-screen of PR campaigns. This is true for both France and the UK. This finding questions the communication of CSR policies within companies. Companies spend a great deal of money on PR campaigns and marketing to build an image of a responsible company. This image is directed towards their shareholders and external stakeholders such as customers, public organisations, media and NGOs. In the process, companies may have forgotten to inform their own employees of their activities, unless there is nothing to tell them, in particular regarding explicit CSR.

The next chapter will offer a summary of this study and its findings as well as identifying further avenues for research.

CHAPTER 7
CONCLUSION

7.1 Introduction

This study presents a comparison of CSR practices from a comparative capitalism perspective. This work is embedded in an uncompromising account of capitalism and the global supremacy of neo-liberal capitalism that has been accompanied with a high share of corporate scandals, rising inequalities and environmental catastrophes. Over the last decades, the notion of CSR has reached its peak of attention. Academics and professionals have scrutinised companies in order to define and understand the concept and its outcomes. However, there seems to be a growing disconnect between the reality of capitalism, corporate practices on the one hand and companies' claims of being more responsible and sustainable on the other. This raises several questions, such as: are companies really engaging in CSR? Are they becoming more responsible and sustainable? This study has attempted to investigate the reality of CSR practices.

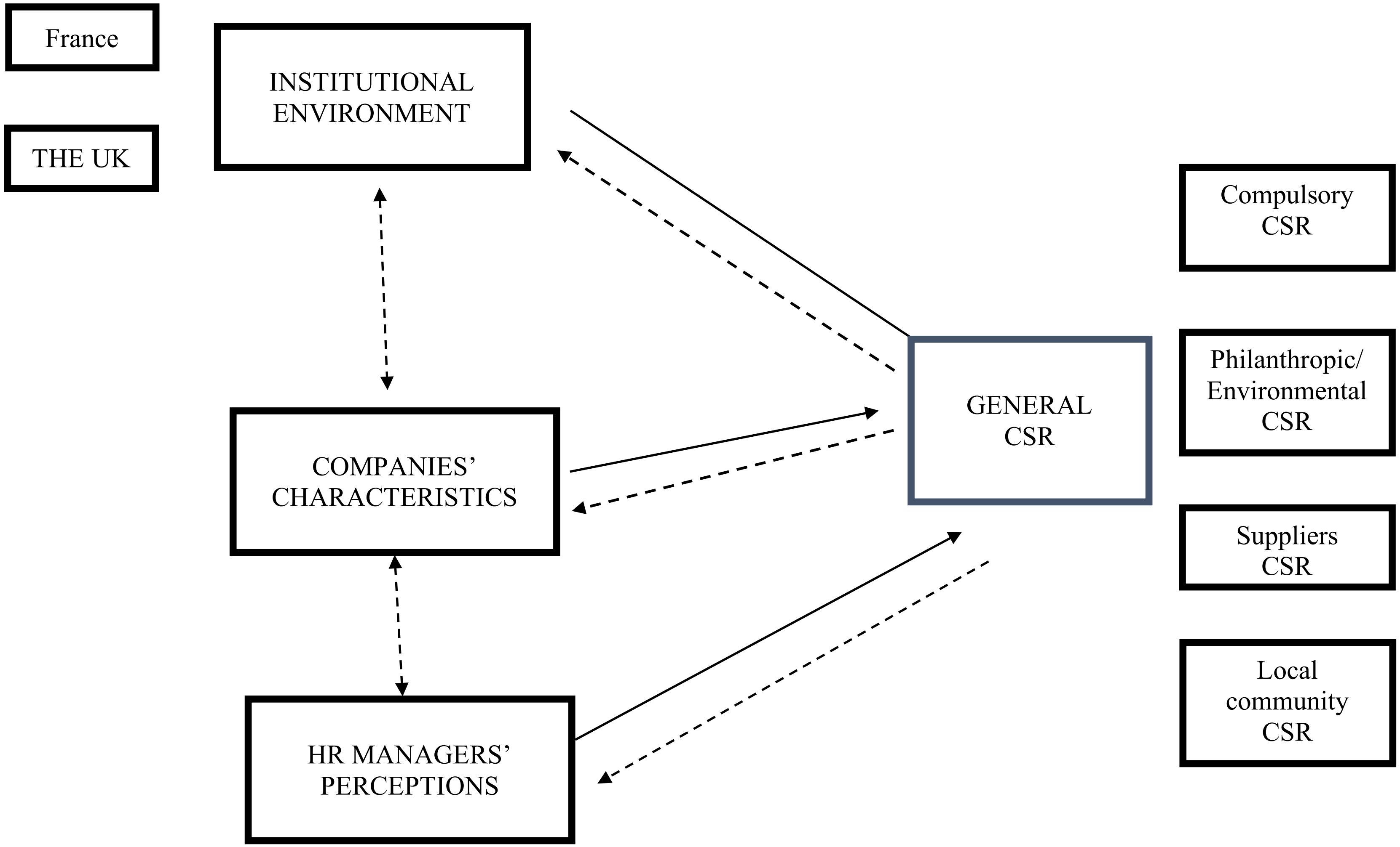
This study examined two countries, France and the UK, and the way companies in these countries are doing CSR. By investigating CSR practices in these two countries, the aim is also to provide greater understanding of the antecedents of CSR. What matters most in triggering CSR practices: national institutions or company characteristics?

This study answered the following research questions:

- What types of CSR practices do we observe in French and UK companies? Are they different or do we observe a homogenisation of CSR practices?
- What is the impact of key institutional features on CSR practices? Do they differ between France and the UK?
- What is the impact of key companies' characteristics on CSR practices? Do they differ between France and the UK?

In order to respond to these questions, the study developed a research model presented in Figure 7.1. The impact of the institutional environment, companies' characteristics and HR managers' perceptions was statistically tested to quantity their relative impact on the general measure of CSR as well as on its compulsory, philanthropic/environmental, suppliers and local community components.

Figure 7.1 Research model



This chapter summarises first the main findings presented in each chapter. It then continues with the presentation of the limits of the study and its practical implications. The chapter concludes with suggestions of avenues for future research.

7.2 The study's findings

The literature review presented in Chapter 2 located this research at the junction of two wide strands of literature: the comparative capitalism literature and the comparative CSR literature. This research has neither aimed at providing a new theory of variety of capitalism nor offering a new definition of CSR. Its aims were to better understand the reality of CSR practices and their causes in two different types of capitalism. The comparative capitalism literature, in particular, VoC and the regulation approach, helped situating France and the UK on the spectrum of capitalism models. The UK belongs without much doubt to the category of LME (Hall and Soskice, 2001; Vitols, 2001). France is a more complex case, making this study even more interesting. The debate continues as to whether France should be classified as a CME, LME-to-be or a type of its own (Hall and Soskice, 2001; Schmidt, 2003, 2012; Goyer, 2006; Goyer and Jung, 2011). One aspect the literature agrees on is the unusual abiding role of the French state despite evolutions in its role (Hancke, Rhodes and Thatcher, 2007; Schmidt, 2003, 2012). The current system seems to be an opportunistic combination of state interventionism and neo-liberalism where the former is part of France's political-cultural heritage and the latter a requirement of globalisation.

Regardless of the absence of a definite answer, the comparative capitalism literature made it obvious that France and the UK are intrinsically different in their model and spirit of capitalism. This divergence bears necessary consequences when it comes to CSR; consequences that were underlined and explained in this research project.

The notion of CSR itself is a complex one whose definition remains unclear and debated. In other words, CSR is still in the making. There are dozens of definitions of CSR, I decided to retain the one proposed by Matten and Moon: '*CSR (and its synonyms) empirically consists of clearly articulated and communicated policies and practices of corporations that reflect business responsibility for some of the wider societal good*' (Matten and Moon, 2008, p. 405). This definition is general enough to cover every aspect of CSR activities, and therefore does not limit the study of CSR in any way. It also highlights the communication aspect of CSR, one that is highly essential to the concept of CSR.

The comparative CSR literature, in spite of its disparity, has established a connection between variety of capitalism and forms of CSR, the most important one being the distinction between implicit and explicit CSR (Matten and Moon, 2008). This literature also questions the role of

CSR with regard to national institutions: is it a mirror or a complement to existing institutional arrangements (Matten and Moon, 2008; Kinderman, 2009; Jackson and Apostolakou, 2010)? The literature is divided on the connection between national institutions and development of CSR. This study provides enlightening inputs on these two central aspects surrounding CSR: the implicit/explicit distinction and the substitute/mirror connection.

Chapter 2 also reviews the possible impact of company characteristics on CSR and shows that the literature has found that company size, financial success, industry and corporate governance have an impact on CSR.

Chapter 3 presents a detailed account of the research methods. To conduct this study, data was necessary to examine both the national and company level. For this reason, secondary data was collected to characterise the main UK and French national institutions. A self-administered survey was undertaken in order to collect primary data in France and the UK. Based on the existing literature, I collated several variables in order to measure French and UK national institutions. The first variable relates to the legal origin as developed by La Porta et al.(2008) where the UK has a Common Law origin whereas France comes from a Civil Law tradition. The proportionality index created by Pagano and Volpin's (2005) is also used because they prove the existence of a connection between the electoral system and employee rights (a central element in the study of CSR). The Worldwide Governance indicators compiled by the World Bank are relied upon to describe differences in political governance in France and the UK. Finally, indications of economic regulations are provided by the economy wide product-market regulation (PMR) dataset constructed by the OECD.

In parallel, a survey in French and in English was undertaken to gather primary data. The aim of this survey was twofold: collect company data with regard in particular to size, industry, financial success and to obtain information on CSR practices. This survey was informed by existing ones but does not replicate them, making this study original. It was sent to HR managers, identified as the person in a company who should know most about corporate practices in relation to employees, the environment and CSR practices in general. The data collection led to a general sample of 162 respondents with 95 French respondents and 57 UK respondents. This chapter ended with descriptive statistics of the sample regarding the professional experience of the respondents, size and age of the companies in the sample, the industry, ownership characteristics and the number of national and international competitors.

Chapter 4 examined the CSR practices in France and the UK, with a descriptive account of CSR practices in both countries. Its aim was to determine whether French and UK companies actually present variations in CSR practices, the starting hypothesis of this study. These differences can be of two kinds: nature of the practices and degree of involvement. Based on two-sample t-tests, the analysis considered CSR practices towards direct stakeholders (employees, shareholders, customers and suppliers) and indirect stakeholders (the environment, charities and the local community).

The results were particularly interesting on several accounts. Firstly, the findings were unexpected in the way French and UK companies deal with CSR. In terms of direct stakeholders, UK companies treat their employees better than French ones, which contradicts the VoC literature and empirical research on the UK and French employment relations (Hall and Soskice, 2001; Goergen *et al.*, 2013; Meardi, 2014). UK companies also display a greater involvement towards their shareholders compared to French companies. This result is expected based on the fact that the UK is a typical LME experiencing a high degree of neoliberal capitalism. France on the other hand is less involved due to its unique model of capitalism, questioning the adoption by French companies of LME characteristics in terms of corporate governance.

Regarding indirect stakeholders, another surprising finding relates to the greater involvement of UK companies in the environment, which is in contradiction with the existing literature and empirical accounts of the UK environmental record compared to other European countries. The local community receives generally less attention by companies, even though UK companies give more to charities than French ones.

The preliminary analysis supported the existence of genuine differences in CSR involvement between France and the UK, answering the first research question. It showed that UK companies are more active in CSR and pointed to the validity of the CSR substitute hypothesis (Jackson and Apostolakou, 2010). In other words, CSR would act as a substitute to national institutions and therefore would be more significant in LME countries such as the UK. If that explanation is verified, it would suggest that the French variety of capitalism is not a LME-to-be when it comes to CSR practices.

Chapter 5 went a step further in the study by focusing on the antecedents of CSR at the national and company level. For that purpose, an exploratory factor analysis was first carried out to reduce the data and limit risks of statistical and conceptual overlap. Then OLS regressions were conducted to examine the relationships between CSR practices on one hand (measured by the factors) and a country variable (dummy variable) and company variables on the other. The first insightful finding is that CSR cannot be considered as a homogeneous entity. Indeed, the exploratory factor analysis showed that CSR is composed of a compulsory aspect, a supplier aspect, a local community aspect and an environmental/philanthropic aspect. A general measure of CSR was also created as the mean of each factor in order to provide a global indicator of CSR. Each component of CSR was then regressed against national institution variables as well as company characteristics variables. Regressing each component of CSR against national and company characteristics variables prove that CSR responds to various incentives and pressures. These findings call for a nuanced view of CSR, which is not just the result of a variety of capitalism or a combination of company characteristics. CSR is the subtle result of combinations of national and company level factors depending on the aspect under scrutiny.

In greater detail, the analysis demonstrated that the global level of CSR depends on the country of origin, company size and the economic performance of companies. These results validate hypothesis 1a where CSR is viewed as a complement to national institutions. Companies in the UK are more involved with CSR than those in France, confirming the initial results presented in Chapter 4.

Second, the results of regression analysis significantly found that each CSR component responds differently to national institutions and companies' characteristics. In other words, the antecedents of CSR vary depending on the CSR component at stake. This is a notable finding as the comparative CSR literature considers CSR as a homogeneous entity. CSR is therefore a subtle combination of national and company level factors and cannot be reduced to the mere role of a substitute to LME institutions. CSR is a substitute for national institutions and is stronger where neoliberal capitalism is stronger. But it is not just a substitute. Companies' characteristics play a part in the involvement with CSR, in particular the economic success of companies. In the case of compulsory CSR, it is correlated to company size (though negatively correlated), the number of international competitors and the economic performance of the company itself, and in comparison to its competitors. For philanthropic and environmental CSR, the country of origin and the company's economic performance are the antecedents. The local community component of CSR sees company size and economic performance as explanatory variables. Lastly, the supplier aspect of CSR is determined by the country of origin, company size and economic performance.
In conclusion, no matter which CSR component is studied, only size, economic performance and the number of competitors are significant company level variables. The industry variable is not explanatory here, neither is company age or the ownership structure of the company. Table 7.2 below summarises the findings of Chapter 5.

Table 7.2 Chapter 5 - Findings

Chapter 5 - Hypotheses	Chapter 5 - Findings
CSR is greater in the UK than in France as suggested by the substitute theory of CSR.	- Supported for general CSR - Supported for philanthropic/environmental CSR - Supported for suppliers CSR
CSR is greater in France than in the UK as suggested by the complement/mirror theory of CSR.	Not supported
Size has a direct positive impact on company's involvement with CSR activities based on a linear relation between size and CSR. The larger a company is, the more involved it will be with CSR activities.	- Supported for general CSR. - Supported for compulsory CSR - but negative relationship - Supported for local community CSR- but negative relationship - Supported for suppliers CSR - but negative relationship
Size does not have an effect on CSR as small, medium or large companies present specific characteristics allowing their involvement in CSR. Size is not an explanatory factor of CSR involvement.	Not supported
The greater the impact of a particular industry, the more a company will be involved with CSR activities.	Not supported
Company age has a direct positive impact on CSR involvement. The older a company gets, the more involved it will be with CSR activities.	Not supported
The economic performance of a company has a direct positive effect on CSR involvement.	- Supported for general CSR - Supported for compulsory CSR - Supported for philanthropic/environmental CSR - Supported for local community CSR

Chapter 5 - Hypotheses	Chapter 5 - Findings
	- Supported for suppliers CSR
The greater the number of competitors the more a company will be involved with CSR activities.	Supported for compulsory CSR

Chapter 6 concludes the empirical analysis by concentrating on the lowest level of analysis, namely the employees. The investigation places the focus on a specific group of employees, HR managers, to determine whether they have any role in relation to CSR. The first line of enquiry was how HR managers perceive CSR and the extent to which they believe it can improve performance. Are these perceptions different between France and the UK? Then, given the differences in CSR perceptions the second line of enquiry related to the way in which these perceptions may shape CSR activities.

It was argued that the way HR managers see the role of CSR is embedded in four broader issues, central to the debate on CSR: the role of the corporation within society; implicit versus explicit CSR; internal versus external CSR; and employee rights. In short, two opposite hypotheses on CSR perceptions were formulated. Either the trust and latitude UK companies enjoy support the hypothesis of a better perception of CSR by UK HR managers. The unique conception of the business and society nexus in France is detrimental to a positive perception of CSR. Or it was conversely argued that the implicit/explicit theory combined with employee rights work in favour of a better perception of CSR by French HR managers. Implicit CSR in France limits the risks of green-washing. Better worker rights compared to the UK is likely to improve workers' judgement on the internal aspect of CSR.

Regarding the second line of enquiry, Chapter 6 investigates a connection between HR managers and CSR absent from the existing literature. It was contended that positive perceptions of CSR create positive attitudes and associations propelling employees to act as another driver of CSR activities.

Similar to the observed differences in CSR activities between France and the UK, perceptions are dissimilar. The data permitted distinction between two types of perceptions: perception of the role of CSR (i.e. improvement or not of the bottom line) and perception of the rationale behind CSR (i.e. why do companies engage in CSR?). Once again, a clear opposition between France and the UK emerges. While UK companies are more involved with CSR, HR managers do not trust CSR to improve the bottom line. Conversely, French HR managers have a more positive view of the outcomes of CSR: it improves performance. Regarding CSR rationale, French HR managers believe CSR is firstly adopted to improve the reputation of the company, whereas UK HR managers underline an ethical motivation. These findings are revealing. They show that UK workers are more likely to be convinced as to the genuine motivations of their employers, but less likely believe anything positive will result from it. French workers do not hold that management are well meaning, but what they do will nevertheless result in positive outcomes. This finding reveals, on a deeper level, a climate of little hope in the UK, with a small likelihood of change.

In order to evaluate the impact of perceptions on the level of CSR activities, five new composite variables were created: positive impact of CSR on employees; negative impact of CSR on employees; positive impact of CSR on business; CSR conducted for business case; and importance of CSR. The relation between CSR perceptions and CSR activities is tested through OLS regression analysis using the same CSR indicators presented in Chapter 5. Aside from the compulsory component of CSR, the OLS regressions demonstrated that a positive perception of CSR has a direct positive impact on every other component of CSR. The determinants of CSR are better captured once the three levels of analysis are combined, that is the national level, company level and individual level. Table 7.3 summarises the findings of Chapter 6.

Chapter 6 pinpoints an essential aspect of CSR, which is the role of communication (i.e. in reference to explicit CSR). Put differently, it directly asks whether CSR is purely a smoke-screen to convince people that companies are not behaving that badly and capitalism is still on track in a general climate of distrust in corporations and politics.

Table 7.3 Chapter 6 - Findings

Chapter 6 - Hypotheses	Chapter 6 - Findings
French UK managers have different perceptions of CSR than UK HR managers.	Supported
UK HR managers have a better perception of CSR than French HR managers (based on the role of business).	Not supported
French HR managers have a better perception of CSR than UK HR managers (based on the implicit CSR theory combined with employee rights).	Supported
A positive perception of CSR has a direct positive impact on a company's general level of CSR practices.	Supported
A positive perception of CSR has no impact on a company's compulsory component of CSR.	Not supported
A positive perception of CSR has a direct positive impact on a company's philanthropic and environmental CSR.	Supported
A positive perception of CSR has a direct positive impact on a company's CSR component towards the local community.	Supported
A positive perception of CSR has a direct positive impact on a company's CSR component towards suppliers.	Supported

7.3 Contributions of the study

This study of the CSR practices between France and the UK unveils two opposing views of CSR, reflecting a broader and deeper distinction in the way these countries view the role of business and society. On one hand, the UK, an LME where neoliberal capitalism is more advanced, shows a prima facie greater involvement in CSR, or at least what employees believe. Nevertheless, and quite surprisingly, these very same employees do not view CSR as able to improve the bottom line. Such scepticism indicates a belief that CSR is not useful to improve the situation of direct and indirect stakeholders. Given the implicit/explicit distinction (Matten and Moon, 2008), it was contended that UK companies are very vocal, explicit on their CSR actions, but not necessarily truly active, bearing in mind for instance the poor working conditions and environmental record. Put differently, the findings on the UK side confirms the idea that it is easy to talk about CSR, to create a public image of responsible companies, but the corresponding actions do not necessarily follow. UK companies are not walking the CSR walk. The UK position on CSR explains as well why UK HR managers think that CSR is conducted by companies for ethical motivations. The real and legitimate CSR can only come from the goodness of companies' hearts, testifying of a traditional faith in businesses to do the job correctly.

On the other hand, French companies are seemingly less involved with CSR. The implicit tradition makes it subtler, less visible and vocal. Companies do not advertise their actions as much as UK companies, in particular when for them it is a mere question of abiding by the law (for instance in the case of employee working conditions). It does not mean that French employees are wary of CSR. They have confidence in its ability to improve the bottom line, not out of goodness but because it enhances the company's image. It most likely comes from the French tradition where the state is believed more trustworthy than businesses to change things, and in particular to protect its citizens against the negative consequences of capitalism.

This study shows that CSR has still a way to go if it wants to be effective and have a real impact on stakeholders. The findings of this research are situated in line with the general negative conception of CSR, where it is accused of green-washing, of being a smoke-screen. CSR is stronger in the UK, a country where neoliberalism is strongest. However, it does not properly fulfil its role of substituting the national institutions; the consequences of neoliberal capitalism are still visible and far-reaching in spite of this greater involvement with CSR. As a result, it is claimed that unless the spirit of business is changed, for instance by installing responsibility at its core (Stubbs and Cocklin, 2008), CSR does not have the power and the ability to mitigate the negative effects of neoliberal capitalism (Bullis and IE, 2007).

This study contributes to the existing literature in several ways. It is a unique cross-country analysis of CSR practices and CSR antecedents between France and the UK. It is based on a quantitative multi-level analysis of CSR antecedents, combining the impact of national institutions, companies' characteristics and HR managers perceptions. Comparative CSR tends to study CSR antecedents one level at a time. This study fills in this gap by providing a global picture of CSR antecedents based on an original survey administered to companies in both the UK and France. This study is therefore not just another theoretical account of CSR antecedents and practices, but an original empirical examination.

Furthermore, much of the comparative CSR literature is highly theoretical when it comes to assessing the impact of national institutions on CSR practices. This study offers a relatively unique empirical study of CSR practices as observed by employees in France and the UK. The analysis of CSR practices in France makes it even more valuable. The comparative CSR literature is mainly an Anglo-Saxon literature highly centred on the US. This study offers a novel study and comparison between an Anglo-Saxon country and an understudied one - France. The choice of France makes it even more worthy because of its unique model of capitalism. This uniqueness has an impact on the way business is understood and theorised as well as on the way CSR is performed.

Regarding the determinants of CSR perceptions, this study provides a novel explanation by connecting negative perceptions of the effects of CSR and self-deprivation theory (Davis, 1959; Crosby, 1976). It is argued that self-deprivation can be a predictor of CSR perceptions by extinguishing any glimpse of hope.

Finally, the results help better understanding of the French model of capitalism by providing new evidence. Even though the purpose of the study was not to redefine the French variety of capitalism, it gives additional insights. The differences in the antecedents and perceptions of CSR demonstrate that France behaves differently than the UK, a typical LME. France is rather an opportunistic combination of moderate neo-liberalism and state interventionism. This finding is interesting regarding the characterisation of France within the comparative capitalism literature. Chapter 2 showed how the French variety of capitalism is hard to classify. It also underlined major reforms France went through. Despite these LME-oriented reforms, this study highlights that the French model retains clear features that are not LME. France cannot be characterised as an LME. This finding suggests that institutions are somewhat resilient regardless of reforms. It can also show that reforms in one area may coexist with the strengthening of an institutional feature in another area. It also indicates that institutions are not as closely coupled as the comparative capitalism literature commonly argues (Lane and Wood, 2009). In addition, when the French model is explored, there is a tendency in the literature to focus on the differences with other countries and ideal-types, and specifically the role of the state (Schmidt, 2003, 2012, Clift, 2004a, 2012a, 2012b; Howarth, 2013). Contrary to this common trend, this study envisages both the formal and informal aspects of regulation. By considering both corporate and individual behaviours, this study demonstrates that embedded behaviours persist irrespective of changes in formal regulations.

7. 4 Limitations of the study

As with all studies, this study is subject to some limitations. The first limitation is with the data collected. Chapter 3 describes the data collected, a combination of primary and secondary data, and the difficulties faced regarding the collection of the former. The objective of the study was to describe and unveil patterns in CSR practices between companies in France and the UK. As a consequence, the survey asked very specific questions that could not be answered by using pre-existing datasets. I therefore had to collect data on my own with limited resources. Initially, a traditional collection method was tried with the administration of a web survey directed at HR managers. Even though Dillman's (2009, 2016) method was followed, the response rate was low, jeopardizing the study. An alternative solution was found in the use of an online panel. The main question about the use of online panels concerns the reliability and quality of the data. As demonstrated in Chapter 3, the literature is divided on that issue, but does not provide enough evidence supporting the lower quality of online panel data compared to data obtained from traditional surveys. On the contrary, the use of online panels provides an alternative solution to the increasing non-response rates to surveys, which is a problem for academic and governmental studies. Ultimately, the use of an online panel guaranteed the feasibility of the study, with a final sample of 162 respondents, large enough to carry out the statistical analysis. This study remains valuable in that it detected clear patterns of CSR behaviours between France and the UK.

The second limitation relates to the quantitative analysis itself. In the regression analysis in Chapters 5 and 6, it was not possible to single out the effect of each national institution. National institutional variables are by definition highly correlated. In this study, they turned out to be perfectly correlated. Having tried to experiment with different institutional variables and alternative statistical methods (i.e., a hierarchical linear model), the regressions systematically faced multicollinearity issues due to the presence of only two sub-samples:

France and the UK. This led Stata to interpret the institutional variables as dummy variables. Due to their perfect correlation, Stata dropped all but one, the country of origin. However, the correlations between each aspect of CSR and the institutional variables reveal the existence of a relation between them. These correlations tended to support the substitute theory of CSR where CSR is stronger in a LME, compared to less liberal economies.

Finally, the study remains silent on the reverse impact of CSR practices on companies and national institutions. This possible impact was acknowledged in the study's conceptual framework, Figure 7.1, with the dotted arrows. This line of enquiry was beyond the limits of this study but would be worth exploring nevertheless.

7.5 Practical implications

This study has practical implications for policy makers and practitioners. One of the findings shows that CSR cannot be treated as a whole. Four components have been established: the compulsory aspect of CSR, the philanthropy/environment aspect, the local community aspect and the supplier aspect. As exhibited in Chapter 5, each component of CSR responds to different factors. In the case of the environment and mitigating the effects of global warming for instance, CSR depends highly on the economic success of the company. If policy makers want a greater involvement with the environment aspect, they cannot let companies decide freely when to act. Most likely, tighter regulations with strong compliance mechanisms need to be put in place by the state.

Another practical aspect brought to light by this study is the rather low knowledge of employees about CSR. This absence of clear knowledge, beyond green-washing, beyond companies' public relation campaigns, raises concern. Policy makers, and most importantly practitioners, need to invest time and effort to explain CSR to their employees for CSR to be effective. Otherwise, it will remain, at least for UK employees, a mere smokescreen. Employees are not just employees, they are also customers, members of the local community, potentially members of NGOs or charities.

7. 6 Avenues for future research

The study focuses on two countries only, France and the UK. CSR is a highly cultural and state-dependent concept, so the findings may not be generalizable. Consequently, it would be valuable to undertake similar CSR research in other country contexts, either by including a CME type country or by investigating similar questions in developing countries, where the literature on CSR is still nascent.

Secondly, CSR perceptions have not been given much attention so far. Most prior studies relate to customers and whether the image of a responsible company helps to attract and retain customers. In relation to employees, only the attraction and retention roles of CSR are investigated. Understanding the way CSR perceptions arise and their effects is essential in the development and success of CSR. Employees are central to the implementation of CSR. This study offers some preliminary insights on the way employees view the role of CSR and CSR rationale. Further research is needed to fully capture how CSR is perceived by employees and the causes for such perceptions. If employees believe in the role of CSR, they can be the driving force of CSR efficiency by pressuring companies to become more responsible.

There is need in the CSR literature to develop measures to quantify better the outcomes of CSR. Chapter 6 provided some insights on CSR outcomes and how they are perceived by workers. Despite the obvious difficulty of developing measurement tools, it would be highly beneficial to CSR research. It would also help in monitoring companies' actions and claims in this area.

Finally, another avenue for research comes from one of the limitations of this study. In the evaluation of the impact of varieties of capitalism on CSR, the sample size made it difficult to pinpoint the exact role of each category of national institutions. Further studies could fill that gap by singling out the impact of national institutions on CSR. In particular, they could include more countries in the sample, thus avoiding the dummy trap and multicollinearity issues.

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APPENDIX 1

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COVER LETTER
AND QUESTIONNAIRE IN FRENCH

LETTRE

Cher répondant,

Je mène un projet de recherche sur les pratiques d'entreprise en matière de management en Angleterre et en France. Pour m'aider dans ma recherche, j'aimerais vous inviter à compléter le questionnaire en ligne suivant sur les pratiques de votre entreprise en matière de management. Ce projet de recherche est entrepris dans le cadre de mon doctorat à Warwick Business School, Université de Warwick (Angleterre).

Votre participation à ce questionnaire est purement volontaire. Vous pouvez refuser d'y participer ou y mettre un terme à tout moment sans aucune sanction. Vous êtes libre de refuser de répondre à toute question à laquelle vous ne souhaitez pas répondre, quel que soit le motif.

Les réponses à ce sondage seront envoyées par un lien sur Quatrics.com où les données seront conservées et protégées au format électronique par un mot de passe. Qualtrics ne collecte pas d'informations permettant de vous identifier telles que noms, adresse email. Par conséquent, vos réponses resteront anonymes. Personne ne pourra vous identifier vous ou vos réponses, personne ne saura si vous avez ou non participé à cette étude. Aucun nom ou information permettant de vous identifier ne sera inclus dans des publications ou présentations portant sur ces données, et vos réponses à ce sondage resteront anonymes.

Très peu de données ont été collectées de manière systématique sur les pratiques d'entreprise en matière de management. Les résultats de cette étude seront utiles non seulement pour des universitaires mais aussi pour des managers. Le questionnaire devrait prendre en moyenne 15 minutes. Vos réponses sont précieuses pour le succès de ce projet. A l'issue de l'analyse des données, je serai ravie de vous envoyer un résumé des conclusions.

Merci d'avance pour votre coopération.

Laure-Emmanuelle LEGUY

QUESTIONNAIRE

I. Questions sur la société

1. Nom de la société: …
2. Quel est votre poste dans la société? Titre du poste: …
3. Combien de personnes vous rendent directement compte ? Nombre …
4. Quand avez-vous commencé à travailler pour la société? Année: …

5. Selon la classification ci-dessous, quel est le principal secteur d'activité dans lequel votre entreprise opère ?

(Cochez la case correspondante s'il vous plait)

Industrie alimentaire/boisson	[ ]
Métallurgie	[ ]
Energie	[ ]
Industrie du bâtiment travaux publics	[ ]
Produits chimiques	[ ]
Industrie pharmaceutique et biotechnologie	[ ]
Informatique	[ ]
Télécommunications	[ ]
Fabrication d'équipements électriques	[ ]
Automobiles et ses composants	[ ]
Aérospatial et Défense	[ ]
Autre industrie manufacturière	[ ]
Transport	[ ]
Distribution	[ ]
Voyage et loisirs	[ ]
Services financiers	[ ]
Autres services	[ ]
Autre (préciser s'il vous plait)	….

6. En quelle année a été créée votre entreprise? Année: …

7. Combien de concurrents nationaux avez-vous? Nombre: …

8. Combien de concurrents internationaux avez-vous? Nombre: …

9. Qui est propriétaire de la société (i.e., l'actionnaire majoritaire)? (*Cochez la case correspondante s'il vous plait)*

Fondateur et/ou membres de la famille	[ ]
Personne privée	[ ]
Managers	[ ]
Private Equity ou Venture Capital	[ ]
Joint-Venture	[ ]
Entreprise Multinationale	[ ]
Gouvernement	[ ]
Pas d'actionnaire majoritaire	[ ]
Autre (à préciser)	…

10. Si la société est détenue par le fondateur ou la famille : est-ce que le PDG est un membre de la famille ?

□ Non □ Oui

11. Combien de salariés travaillent pour la société? Nombre: …

12. Par rapport au nombre total d'employés, quel est le pourcentage de :

Hommes: ...% Femmes: …%

13. En terme de répartition des âges des employés, quel est le pourcentage de :

20-35 ans: …%

36-50 ans: …%

51- 65 ans: … %

65 ans et plus: … %

14. Combien de femmes occupent actuellement des postes de managers ? Nombre: …

15. Quel est le pourcentage de positions clefs détenues par des femmes ? …. %

16. Combien de femmes sont membres du conseil d'administration? Nombre: …

17. Quel est le pourcentage d'employés handicapés? … %

18. Sur les 5 dernières années, combien d'employés ont été licenciés pour :

Cause du licenciement	Nombre d'employés licenciés
Motif personnel	…
Faute	…
Licenciement économique	…

19. Sur les 5 dernières années, quel a été en moyenne le taux de turnover des employés ? Taux: …

II. Performance de la société

1. Sur les 3 dernières années, dans quelle mesure êtes-vous satisfait de la performance de votre société en fonction des critères suivants ? (*Entourer la réponse* adéquate)

1= Pas du tout satisfait; 2= Un peu satisfait; 3= Modérément satisfait; 4= Très satisfait; 5= Extrêmement satisfait

Croissance des profits	1 2 3 4 5
Croissance des ventes en volume	1 2 3 4 5
Croissance de la part de marché	1 2 3 4 5
Rentabilité des actifs après taxes	1 2 3 4 5

Rentabilité des ventes après taxes	1 2 3 4 5
Ratio des ventes sur actifs	1 2 3 4 5
Performance/succès général de la société	1 2 3 4 5

2. Sur les 3 dernières années, quelle est la performance de votre société par rapport à ces concurrents majeurs selon les critères suivants ? (*Entourer la réponse adéquate*)

1= Vraiment pire; 2= Pire; 3= Equivalente; 4= Meilleure; 5= Vraiment meilleure

Croissance des profits	1 2 3 4 5
Croissance des ventes en volume	1 2 3 4 5
Croissance de la part de marché	1 2 3 4 5
Rentabilité des actifs après taxes	1 2 3 4 5
Rentabilité des ventes après taxes	1 2 3 4 5
Ratio des ventes sur actifs	1 2 3 4 5
Performance/succès général de la société	1 2 3 4 5

III. Pratiques de la société

1. Indiquez s'il vous plait dans quelle mesure vous êtes ou non d'accord avec les affirmations suivantes. (*Entourer la réponse adéquate*)

1= En désaccord complet; 2= en désaccord; 3= Ni en accord, ni en désaccord; 4= En accord; 5= En accord complet

Notre société fournit à ses clients les informations nécessaires pour prendre de bonnes décisions d'achat	1 2 3 4 5
Notre société répond de manière satisfaisante aux plaintes de ses clients au sujet de ses produits ou services	1 2 3 4 5
Notre société intègre totalement les intérêts de ses clients	1 2 3 4 5

dans ses décisions					
Notre société traite ses fournisseurs équitablement, quel que soit leur taille ou emplacement	1	2	3	4	5
Notre société traite ses fournisseurs respectueusement, quel que soit leur taille ou emplacement	1	2	3	4	5
Notre société intègre totalement les intérêts de ses fournisseurs dans ses décisions	1	2	3	4	5
Notre société informe pleinement ses fournisseurs de toute décision organisationnelle ayant un impact sur ses décisions d'achat	1	2	3	4	5
Notre société soutient pleinement les employés souhaitant se former ou se développer davantage	1	2	3	4	5
Notre société a mis en place des programmes de formation et de développement pour ses employés	1	2	3	4	5
Notre société offre à ses employés une couverture de santé totale	1	2	3	4	5
Notre société traite ses employés équitablement quelque soit leur genre	1	2	3	4	5
Notre société traite ses employés équitablement quelque soit leur orientation sexuelle	1	2	3	4	5
Notre société traite ses employés équitablement quelque soit leur origine ethnique	1	2	3	4	5
Le bien-être des employés est très important pour notre société	1	2	3	4	5
Notre société aide ses employés à équilibrer vie professionnelle et vie privée	1	2	3	4	5
Notre société incorpore pleinement les intérêts de ses employés dans ses décisions	1	2	3	4	5
Notre société offre à ses employés des salaires rémunérant leur travail à sa juste valeur	1	2	3	4	5
Notre société offre à ses investisseurs des informations financières exhaustives sur la société	1	2	3	4	5
Notre société offre à ses investisseurs des informations	1	2	3	4	5

financières exactes sur la société					
Notre société incorpore pleinement les intérêts des investisseurs dans ses décisions	1	2	3	4	5
Notre société informe pleinement ses investisseurs de changements dans la direction de la société	1	2	3	4	5
Notre société incorpore pleinement dans ses décisions les intérêts de la communauté locale où elle opère	1	2	3	4	5
Notre société offre un soutien financier substantiel à l'éducation dans la communauté locale où elle opère	1	2	3	4	5
Notre société stimule considérablement le développement économique de la communauté locale où elle opère	1	2	3	4	5
Notre société améliore considérablement la qualité de vie de la communauté locale où elle opère	1	2	3	4	5
Notre société fait des donations conséquentes à des œuvres caritatives	1	2	3	4	5
Notre société offre un soutien financier substantiel à la culture et aux activités de loisirs dans la communauté locale où elle opère	1	2	3	4	5
Notre société est parfaitement au courant de la législation en matière d'environnement	1	2	3	4	5
Notre société va volontairement et de manière substantielle au-delà de la législation en matière d'environnement	1	2	3	4	5
Notre société incorpore pleinement dans ses décisions les questions liées à l'environnement	1	2	3	4	5
Notre société incorpore pleinement des objectifs de performance environnementale dans le plan stratégique de la société	1	2	3	4	5
Notre société offre un soutien financier substantiel aux initiatives en matière d'environnement	1	2	3	4	5

2. Dans la liste des formations ci-dessous, quelle est/sont celles mises en place par votre société ? Indiquer s'il vous plait le nombre de salariés y ayant participé (si applicable).

Type de formation	Mise en place OUI	NON	Nombre de participants
Formation de sensibilisation des employés à la sécurité	[ ]	[ ]	….
Formation de sensibilisation des employés aux questions de santé mentale	[ ]	[ ]	….
Formation de sensibilisation des employés au bien-être	[ ]	[ ]	….
Formation des employés aux questions de diversité	[ ]	[ ]	….

3. Si la société a financé des formations universitaires l'année dernière, combien d'employés en ont profité ? Nombre :

4.

La société finance t-elle les avantages suivants ?	Cet avantage en matière de santé est-il légalement obligatoire?	S'il n'est pas légalement obligatoire, est-il offert automatiquement ?
Dentaire (inclut par exemple bilan, plombage, soins de nettoyage, radios et dentier) OUI NON	OUI NON	OUI NON

Accident dentaire (résultat direct d'un impact accidentel) OUI NON	OUI NON	OUI NON
Optique (inclut par exemple examen de la vue, lunettes, lentilles, réparations et chirurgie des yeux au laser) OUI NON	OUI NON	OUI NON
Examen général de santé (pour prévenir toute maladie) OUI NON	OUI NON	OUI NON
Consultation chez un médecin spécialiste (couvre les consultations pour diagnostique et examens) OUI NON	OUI NON	OUI NON
Bien-être (Kinésithérapie/ Ostéopathie/ Chiropractie/ Acupuncture) OUI NON	OUI NON	OUI NON
Traitements complémentaires (Homéopathie/Réflexologie/Aromathérapie) OUI NON	OUI NON	OUI NON
Soins des pieds	OUI NON	OUI NON
Hospitalisation au-delà d'une journée (indemnité de nuit pour admission en hôpital ou clinique privée) OUI NON	OUI NON	OUI NON
Hospitalisation de jour (indemnité de jour) OUI NON	OUI NON	OUI NON
Séjour en hôpital pour un parent (Indemnité de nuit pour un parent accompagnant un enfant) OUI NON	OUI NON	OUI NON
Ordonnance prépayée	OUI	OUI NON

OUI NON	NON	
Réduction sur les spas, clubs de sport, vacances, parcs à thème, attractions OUI NON	OUI NON	OUI NON
Assurance couverture monde OUI NON	OUI NON	OUI NON

5. Combien d'accidents du travail se sont produits l'année dernière ? Nombre: …

6. Sur les 5 dernières années, dans quelle mesure votre société a été poursuivie pour les faits suivants ? Indiquer s'il vous plait le nombre de procès correspondant, si applicable.

1= Jamais; 2= Rarement;3= Quelque fois 4= Souvent; 5= Très souvent

Rupture illégale du contrat de travail	1 2 3 4	….
Harcèlement (verbal, physique, sexuel…)	1 2 3 4	….
Discrimination	1 2 3 4	….

7. Parmi les aménagements suivants, quels sont ceux offerts à vos employés ?

Aménagement	OUI	NON
Salle de sport	[ ]	[ ]
Coiffeur	[ ]	[ ]
Pressing	[ ]	[ ]
Supermarché	[ ]	[ ]
Garderie	[ ]	[ ]
Autre	...	

8. Dans quelle mesure vos employés sont-ils autorisés à travailler depuis chez eux ? (*Cocher la case correspondante*)

Pas du tout [ ]

1 fois par semaine [ ]

2 fois par semaine	[ ]
3 fois par semaine	[ ]
4 fois par semaine	[ ]
Tous les jours	[ ]

9. Au sein du nombre total d'heures de travail, les employés sont-ils autorisés à s'organiser de manière flexible ?

☐ Oui

☐ Non

10. Quelle est la proportion d'employés au SMIC ? ….%

11. Combien d'employés ont été embauchés l'année dernière en CDI ?
Nombre: …

12. Combien d'employés ont été embauchés l'année dernière en CDD ?
Nombre: …

13. Si votre société a l'année dernière financièrement soutenu la communauté locale en matière d'éducation, combien a t-elle donné ? Montant : … €

14. Quel pourcentage des dépenses totales cela représente t-il ? … %

15. Sur les 5 dernières années, votre société a t-elle participé aux activités suivantes pour stimuler le développement économique local ? (*Cocher la ou les cases correspondantes)*

Recruter des personnes de la communauté locale	[ ]
Création de programmes de travail pour les jeunes	[ ]
Actions soutenant l'éducation	[ ]
Action soutenant la formation professionnelle	[ ]
Achats de produits locaux	[ ]

Aucune	[ ]

16. Sur les 5 dernières années, votre société a t-elle participé aux activités suivantes pour améliorer la qualité de vie des communautés où elle opère ? (*Cocher la ou les cases correspondantes*)

Encourager les employés à faire du bénévolat	[ ]
Création d'une association caritative	[ ]
Création de structure pour cibler des problèmes de santé	[ ]
Création ou participation à des programmes de traitement des déchets	[ ]
Création ou participation à des programmes pour améliorer la sécurité des communautés	[ ]
Création ou participation à des programmes pour améliorer la propreté des communautés	[ ]
Création ou participation à des programmes pour améliorer l'égalité des chances	[ ]
Aucune	[ ]

17. Combien d'argent votre société a t-elle donné à des œuvres caritatives l'année dernière ? Montant : … €

18. Si votre société a donné à des œuvres caritatives l 'année dernière, quel pourcentage des dépenses totales cela représente t-il ? … %

19. Combien d'argent votre société a t-elle donné l'année dernière à des activités culturelles et de loisirs (arts, culture, sports…etc.) ? … €

20. Si votre société a donné l'année dernière à des activités culturelles et de loisirs (arts, culture, sports…etc.), quel pourcentage des dépenses totales cela représente t-il ? … %

21. Dans quelle mesure votre société fait-elle les choses suivantes ? (*Entourer la réponse adéquate*)

1= Pas du tout; 2= Un peu; 3= Raisonnablement; 4: De manière significative; 5= Complètement

Mesurer les émissions de carbone	1 2 3 4 5
Mesurer les déchets produits par la société	1 2 3 4 5
Mesurer la performance environnementale	1 2 3 4 5
Minimiser l'impact environnemental de ses activités	1 2 3 4 5

22. Dans quelle mesure êtes vous familier avec le concept de Responsabilité Sociale d'Entreprise (RSE) ?

- ☐ Jamais entendu parler de RSE
- ☐ Vague idée de ce qu'est la RSE
- ☐ Bonne idée de ce qu'est la RSE
- ☐ Idée supérieure à la moyenne
- ☐ Idée précise de ce qu'est la RSE

23. Quel département dans votre société est en charge des questions de Responsabilité Sociale d'Entreprise (RSE) ?

Nom du département :

Pas de département en charge:

24. Quel est le titre de la personne en charge des questions de RSE, s'il y en a une ?

Titre du poste:

Personne n'est responsable de la RSE:

25. Les informations sur la RSE sont-elles publiées dans le rapport annuel ?

☐ Oui

☐ Non

26. Est-ce que votre société publie un rapport spécial sur la RSE (aussi appelé rapport social, ou rapport sur la RSE) ?

☐ Oui

☐ Non

27. Dans quelle mesure êtes vous en accord ou désaccord avec les propositions suivantes ? (*Entourer la réponse adéquate*)

1= En désaccord complet; 2= en désaccord; 3= Ni en accord, ni en désaccord; 4= en accord; 5= en accord complet

Notre société est plus socialement responsable que ses concurrents	1 2 3 4 5
Notre société devrait être plus responsable dans la conduite de ses activités	1 2 3 4 5
Etre une entreprise responsable a un impact positif sur la productivité de certains employés	1 2 3 4 5
Etre une entreprise responsable a un impact négatif sur la productivité de certains employés	1 2 3 4 5
Etre une entreprise responsable a un impact positif sur la conservation de certains employés	1 2 3 4 5
Etre une entreprise responsable a un impact négatif sur la conservation de certains employés	1 2 3 4 5
Etre une entreprise responsable a un impact positif sur la motivation de certains employés	1 2 3 4 5
Etre une entreprise responsable a un impact négatif sur la motivation de certains employés	1 2 3 4 5
Etre une entreprise responsable a un impact positif sur la performance financière de la société	1 2 3 4 5
Etre une entreprise responsable a un impact positif pour accéder à de nouveaux marchés	1 2 3 4 5

Etre une entreprise responsable a un impact positif sur la conservation de certains clients	1 2 3 4 5
Etre une entreprise responsable a un impact négatif sur la conservation de certains clients	1 2 3 4 5
La Responsabilité Sociale des Entreprises (RSE) est une question importante pour notre activité	1 2 3 4 5
La Responsabilité Sociale des Entreprises (RSE) est une priorité pour notre activité	1 2 3 4 5
La Responsabilité Sociale des Entreprises (RSE) commence au-delà des exigences de la loi	1 2 3 4 5
Les activités de RSE sont menées pour améliorer la réputation de la société	1 2 3 4 5
Les activités de RSE sont menées pour améliorer la performance financière de la société	1 2 3 4 5
Les activités de RSE sont menées car c'est la bonne chose à faire	1 2 3 4 5

Merci de votre participation.

Si vous souhaitez une copie des résultats, veuillez s'il vous plait indiquer vos coordonnées:

………

APPENDIX 2

-

COVER LETTER

AND QUESTIONNAIRE IN ENGLISH

COVER LETTER

Dear Respondent,

I am undertaking a research project on management practices in companies in the UK and France. To help in this research I would like to request that you complete the online survey of your company's management practices. This is a research project I am undertaking as part of my doctoral studies at the University of Warwick Business School (United-Kingdom).

Clearly, your participation in this survey is voluntary. You may refuse to take part in the research or exit the survey at any time without penalty. You are free to decline to answer any particular question you do not wish to answer for any reason.

Your answers will be sent to a link at Qualtrics.com where data will be stored in a password protected electronic format. Qualtrics does not collect identifying information such as your name, email address, or IP address. Therefore, your responses will remain anonymous. No one will be able to identify you or your answers, and no one will know whether or not you participated in the study. No names or identifying information will be included in any publications or presentations based on these data, and your responses to this survey will remain confidential.

Very little systematic data exist on management practices and it is intended the findings will be useful, not only to academics interested in this area, but also to practicing managers. The questionnaire should take approximately 15 minutes to complete. Your answers will be very valuable to the research project. When the analysis is complete I will be pleased to send you a summary of the findings.

Thank you for your co-operation.

Yours faithfully
Ms Laure-Emmanuelle Leguy

QUESTIONNAIRE

I. Organisation questions

20. Name of your company: …
21. What is your position in your company? Job title: …
22. How many people report directly to you? Number: …
23. When did you start working for this company? Year: …

24. Based on the following classification, what is the main industry your company operates within?

(Please tick one box)

Food/Beverage manufacturing	[ ]
Metals and Minerals	[ ]
Energy	[ ]
Construction	[ ]
Chemicals	[ ]
Pharmaceuticals and Biotechnology	[ ]
IT	[ ]
Telecommunications	[ ]
Other Electrical	[ ]
Automobiles and Parts	[ ]
Aerospace and Defence	[ ]
Other Manufacturing	[ ]
Transport	[ ]
Distribution	[ ]
Travel and Leisure	[ ]
Financial services	[ ]
Other Services	[ ]
Other (please specify)	….

25. In what year was your company established? Year: …

26. How many domestic competitors do you have? Number: …

27. How many international competitors do you have? Number: …

28. Who owns the firm (i.e. who is the largest shareholder)? (*Please tick one box*)

Founder and/or Family Members	[ ]
Private individuals	[ ]
Managers	[ ]
Private Equity or Venture Capital	[ ]
Joint Venture	[ ]
Multinational Company	[ ]
Government	[ ]
No large shareholder	[ ]
Other (please specify)	…

29. If the founder or the family owns the firm: is a family member the CEO?

□ No. □ Yes.

30. How many employees does your company employ? Number: …

31. Of the total number of employees, what is the percentage of :

Men: ...% Women: …%

32. In relation to the age distribution of the employees, what is the percentage of:

20-35 years olds: …%

36-50 years olds: …%

51- 65 years olds: … %

Over 65 years: … %

33. How many women are currently in managerial positions? Number: …

34. What is the percentage of key positions held by women? …. %

35. How many women are members of the board? Number: …

36. What is the percentage of disabled employees? … %

37. Over the last 5 years, how many employees were dismissed for:

Cause of the dismissal	Number of employees dismissed
Poor individual performance	…
Misconduct	…
Redundancy (due to lack of demand for the product/service)	…

38. Over the last 5 years, on average what has been the employees' turnover rate? Rate: …%

II. Performance of the company

3. Over the last 3 years how satisfied are you with your company's performance in terms of the following criteria? (*Circle the relevant answer)*

1= Not at all satisfied; 2= Slightly satisfied; 3= Moderately satisfied; 4= Very satisfied; 5= Extremely satisfied

Growth of profits	1	2	3	4	5
Growth of sales volume	1	2	3	4	5
Growth of market share	1	2	3	4	5
After tax return on total assets	1	2	3	4	5
After tax return on total sales	1	2	3	4	5
Ratio of total sales to total assets	1	2	3	4	5
Company's overall performance/success	1	2	3	4	5

4. Over the last 3 years how has your company performed relative to its major competitors in terms of the following criteria? (*Circle the relevant answer*)

1= Much worse; 2= Worse; 3= About the same; 4= Better; 5= Much better

Growth of profits	1	2	3	4	5
Growth of sales volume	1	2	3	4	5
Growth of market share	1	2	3	4	5
After tax return on total assets	1	2	3	4	5
After tax return on total sales	1	2	3	4	5
Ratio of total sales to total assets	1	2	3	4	5
Company's overall performance/success	1	2	3	4	5

III. Company practices

28. Please indicate to what extent you agree/disagree with the following statements. (*Circle the relevant answer*)

1= Strongly disagree; 2= Disagree; 3= Neither Agree nor Disagree; 4= Agree; 5= Strongly agree

Our company fully provides our customers with the information needed to make sound purchasing decisions	1	2	3	4	5
Our company addresses satisfactorily the complaints received from customers about our products or services	1	2	3	4	5
Our company fully incorporates the interests of our customers in our business decisions	1	2	3	4	5
Our company treats our suppliers, regardless of their size and location, fairly	1	2	3	4	5
Our company treats our suppliers, regardless of their size and location, respectfully	1	2	3	4	5
Our company fully incorporates the interests of our suppliers in our business decisions	1	2	3	4	5
Our company fully informs our suppliers about organisational changes affecting our purchasing decisions	1	2	3	4	5
Our company fully supports employees who want to pursue further training and development	1	2	3	4	5
Our company has put in place many training and development programmes for employees	1	2	3	4	5
Our company provides full health benefits for employees	1	2	3	4	5
Our company treats employees fairly regardless of their gender	1	2	3	4	5
Our company treats employees fairly regardless of their sexual orientation	1	2	3	4	5
Our company treats employees fairly regardless of their	1	2	3	4	5

ethnic origin	
The well being of employees is very important for our company	1 2 3 4 5
Our company fully helps employees to balance their private and working lives	1 2 3 4 5
Our company fully incorporates the interests of employees in our business decisions	1 2 3 4 5
Our company fully provides employees with salaries that fairly reward them for their work	1 2 3 4 5
Our company provides investors with full financial information about the organisation	1 2 3 4 5
Our company provides investors with fully accurate financial information about the organisation	1 2 3 4 5
Our company fully incorporates the interests of investors in our business decisions	1 2 3 4 5
Our company fully informs investors of changes in corporate policy	1 2 3 4 5
Our company fully incorporates the interests of the local community, where we operate, in our business decisions	1 2 3 4 5
Our company provides substantial financial support for education in the local community where we operate	1 2 3 4 5
Our company substantially stimulates the economic development in the local community where we operate	1 2 3 4 5
Our company substantially improves the quality of life in the local communities where we operate	1 2 3 4 5
Our company makes substantial donations to charities	1 2 3 4 5
Our company provides substantial financial support for cultural and leisure activities in the communities where we operate	1 2 3 4 5
Our company is fully aware of regulations in regard to environmental impact	1 2 3 4 5
Our company substantially voluntarily exceeds government-imposed environmental regulations	1 2 3 4 5

Our company fully incorporates environmental concerns in its business decisions	1 2 3 4 5
Our company substantially incorporates environmental performance objectives in our company's strategic plan	1 2 3 4 5
Our company provides substantial financial support for environmental initiatives	1 2 3 4 5

29. From the types of training below, which ones have been implemented by your company? Please indicate the number of participants, if any.

Type of training	Implemented YES	NO	Number of participants
Employee safety awareness training	[ ]	[ ]	….
Employee mental health awareness training	[ ]	[ ]	….
Employee well-being awareness training	[ ]	[ ]	….
Employee diversity training	[ ]	[ ]	….

30. If your company financed employees' university degrees last year, how many employees did this benefit? Number: …

31.

Does your company provide financial assistance for the following benefits? Please circle either 'Yes' or 'No'		Is this health benefit legally binding?	If not binding, is this health benefit automatically offered?
Dental (includes for instance check ups, fillings, hygienist fees, x-rays and dentures)	YES NO	YES NO	YES NO
Dental accident (as a direct result of accidental impact)	YES NO	YES NO	YES NO

Optical (includes for instance eye tests, glasses, contact lenses, repairs and laser eye surgery)	YES NO	YES NO	YES NO
Health screening (in order to prevent illness)	YES NO	YES NO	YES NO
Specialist consultation (covers diagnostic consultations and tests)	YES NO	YES NO	YES NO
Wellbeing (Physiotherapy/ Osteopathy/ Chiropractic/ Acupuncture)	YES NO	YES NO	YES NO
Complementary Therapies (Homeopathy/Reflexology/Aromatherapy)	YES NO	YES NO	YES NO
Chiropody	YES NO	YES NO	YES NO
Hospital in Patient (nightly allowance for any NHS or private hospital admission)	YES NO	YES NO	YES NO
Day case (daily allowance)	YES NO	YES NO	YES NO
Hospital Parental Stay (Nightly allowance for one parent accompanying a child)	YES NO	YES NO	YES NO
Paid-for prescriptions	YES NO	YES NO	YES NO
Saving on spas, gyms, holidays, theme parks, attractions	YES NO	YES NO	YES NO
Worldwide insurance cover	YES NO	YES NO	YES NO

32. How many workplace accidents occurred last year in your company?

Number: …

33. Over the last 5 years, has your company been sued for any of the following charges? Please indicate the number of lawsuits if applicable.

1= No; 2= Yes

			Number
Unlawful termination of employment contract	1	2	….
Harassment (e.g. verbal, physical, sexual…)	1	2	….
Discrimination	1	2	….

34. Which among the following corporate facilities are available to your employees?

Facility	YES	NO
Gym	[ ]	[ ]
Hairdresser	[ ]	[ ]
Drycleaner	[ ]	[ ]
Supermarket	[ ]	[ ]
Nursery	[ ]	[ ]
Other	[ ]	[ ]

35. To what extent are your employees allowed to work from home? (*Tick the relevant box*)

Not at all	[ ]
1 day per week	[ ]
2 days per week	[ ]
3 days per week	[ ]
4 days per week	[ ]
Everyday	[ ]

36. Within the total number of working hours, are the employees able to work flexible hours?

- ☐ Yes

☐ No

37. What is the proportion of employees receiving the minimum legal wage? ….%

38. How many employees did your company hire last year on permanent contracts? Number: …

39. How many employees did your company hire last year on fixed-term contracts? Number: …

40. If your company financially supported education in the local community last year, how much did it give? Amount: … £

41. What percentage of last year's expenses does that represent? … %

42. Over the past 5 years, has your company participated in any of the following activities to stimulate local economic development? (*Please tick the relevant box(es))*

Hiring people from the local community	[ ]
Creation of work programmes for young people	[ ]
Actions supporting general education	[ ]
Actions supporting job training	[ ]
Purchasing products from local suppliers	[ ]
None of the above	[ ]

43. Over the past 5 years, has your company participated in any of the following activities to improve the quality of life of the communities in which it operates? (*Please tick the relevant box(es))*

Encouraged employees to volunteer in charities	[ ]
Creation of a charity	[ ]
Building facilities to target health issues	[ ]

Creation or involvement in waste treatment programmes	[ ]
Creation or involvement in programmes to improve the safety of communities	[ ]
Creation or involvement in programmes to improve the cleanliness of communities	[ ]
Creation or involvement in programmes to improve equality of opportunity	[ ]
None of the above	[ ]

44. How much money did your company give to charities last year? Amount: … £

45. If your company gave money to charities last year, what percentage of last year's expenses does that represent? … %

46. How much money did your company give to support leisure and cultural activities (arts, culture, sports, etc.) last year? … £

47. If your company financially supported leisure and cultural activities (arts, culture, sports, etc.), what percentage of last year's expenses does that represent? … %

48. To what extent does your company do the following? (*Circle the relevant answer*)

1= Not at all; 2= A little; 3= A fair amount; 4: A great amount; 5= Totally

Measure its carbon emissions	1 2 3 4 5
Measure the waste produced by the company	1 2 3 4 5
Measure its environmental performance	1 2 3 4 5
Minimise the environmental impact of its activities	1 2 3 4 5

49. How familiar are you with the notion of Corporate Social Responsibility (CSR)?
    - ☐ Never heard of CSR
    - ☐ Vague idea of what CSR is
    - ☐ Fair idea of what CSR is

- ☐ Above average idea of what CSR is
- ☐ Precise idea of what CSR is

50. Which department in your company has oversight of Corporate Social Responsibility (CSR) matters?

Department name:

No department has responsibility:

51. What is the job title of the person in charge of CSR matters in your company, if any?

Job title:

No one is in charge of CSR:

52. Is information in relation to Corporate Social Responsibility (CSR) published in the company's annual financial report?

☐ Yes

☐ No

53. Does your company publish a stand-alone Corporate Social Responsibility (CSR) report (also called a social report, or a social responsibility report)?

☐ Yes

☐ No

54. To what extent do you agree or disagree with the following statements? (*Circle the relevant answer*)

1= Strongly disagree; 2= Disagree; 3= Neither Agree Nor Disagree; 4= Agree; 5= Strongly agree

Our company is more socially responsible than its competitors	1 2 3 4 5
Our company should be more responsible in its way of doing business	1 2 3 4 5
Being a responsible company has a positive impact on the productivity of some employees	1 2 3 4 5

Being a responsible company has a negative impact on the productivity of some employees	1 2 3 4 5
Being a responsible company has a positive impact on the retention of some employees	1 2 3 4 5
Being a responsible company has a negative impact on the retention of some employees	1 2 3 4 5
Being a responsible company has a positive impact on the motivation of some employees	1 2 3 4 5
Being a responsible company has a negative impact on the motivation of some employees	1 2 3 4 5
Being a responsible company has a positive impact on your company's financial performance	1 2 3 4 5
Being a responsible company has a positive impact to access new markets	1 2 3 4 5
Being a responsible company has a positive impact on the retention of some customers	1 2 3 4 5
Being a responsible company has a negative impact on the retention of some customers	1 2 3 4 5
Corporate Social Responsibility (CSR) is an important matter for our business	1 2 3 4 5
Corporate Social Responsibility (CSR) is a priority for our business	1 2 3 4 5
Corporate Social Responsibility (CSR) starts beyond the requirements of the law	1 2 3 4 5
CSR activities are conducted to improve the reputation of our company	1 2 3 4 5
CSR activities are conducted to improve the financial performance of our company	1 2 3 4 5
CSR activities are conducted because it is the right thing to do	1 2 3 4 5

Thank you for your participation.

If you would like a copy of the findings,

please provide your contact details:

……

APPENDIX 3

-

SUPPLEMENTARY REGRESSION TABLES

Table A 1. Regression results for general measure of CSR

	General measure of CSR	t-value
National institutions	**-1.057088***	-2.22
Size of the company	**-0.0493669****	-2.41
Age of the company	0.0608547	1.09
Industry	-0.0105011	-1.10
Number of domestic competitors (log)	-0.0471368	-1.60
Number of international competitors (log)	0.0183002	1.76
Economic performance	**0.2041518****	2.89
Economic performance compared to competitors	**0.2232156***	2.25
Constant	**3.743024*****	5.50
Adjusted R squared	0.3108	
F	11.60	
N	162	
Prob> F	0	

Notes:
* Results significant at a significance level of p <0.05
** Results significant at a significance level of p <0.01
*** Results significant at a significance level of p < 0.001

Table A 2. Regression results for compulsory CSR

	Compulsory CSR	t-value
National institutions	-0.6987631	-1.34
Size of the company	**-0.0437266***	-1.92
Age of the company	0.0747347	1.13
Industry	-0.0009504	-0.09
Number of domestic competitors	-0.0403613	-1.32
Number of international competitors	**0.0282205****	2.49
Economic performance	**0.1925324****	2.69
Economic performance compared to competitors	**0.2463841***	2.33
Constant	**3.267252*****	4.24
Adjusted R squared	0.2573	
F	7.52	
N	162	
Prob > F	0	

Notes:
* Results significant at a significance level of $p < 0.05$
** Results significant at a significance level of $p < 0.01$
*** Results significant at a significance level of $p < 0.001$

Table A 3. Regression results for philanthropic/environmental CSR

	Philanthropic/Environmental CSR	t-value
National institutions	**-1.643019****	-2.54
Industry	-0.0155258	-1.33
Number of domestic competitors	-0.0427558	-1.54
Economic performance	**0.2285409***	2.23
Economic performance compared to competitors	0.1887686	1.28
Constant	**4.304999*****	4.81
Adjusted R squared	0.1925	
F	8.75	
N	162	
Prob > F	0	

Notes:
* Results significant at a significance level of p <0.05
** Results significant at a significance level of p <0.01
*** Results significant at a significance level of p < 0.001

Table A 4. Regression results for local community CSR

	Local community CSR	t-value
National institutions	-0.7445261	-1.18
Size of the company	**-0.0603781***	-2.17
Age of the company	0.0832467	1.14
Industry	-0.0158212	-1.44
Economic performance	**0.5134026*****	6.23
Constant	**2.875359*****	3.26
Adjusted R squared	0.2262	
F	12.27	
N	162	
Prob > F	0	

Notes:
* Results significant at a significance level of p <0.05
*** Results significant at a significance level of p < 0.001

Table A 5. Regression results for suppliers CSR

	Suppliers CSR	t-value
National institutions	**-1.123256***	-1.94
Size of the company	**-0.0816477*****	-4.14
Industry	-0.0128243	-1.24
Number of domestic competitors	-0.0656459	-1.68
Number of international competitors	0.0271905	1.72
Economic Performance	**0.3154664*****	5.81
Constant	**4.778739*****	6.45
Adjusted R squared	0.2774	
F	14.30	
N	162	
Prob > F	0	

Notes:
* Results significant at a significance level of $p < 0.05$
*** Results significant at a significance level of $p < 0.001$