

Corporate Social Responsibility and Multinational Corporation Identity: Norwegian Strategies in the Chilean Aquaculture Industry

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ABSTRACT. This study brings an organizational identity perspective to the debate regarding corporate social responsibility (CSR) and multinational corporations (MNCs). The basic proposition is that organizational identities warrant closer attention since they influence CSR strategies. It is further argued that a more explicit distinction between principles and practices, or between ‘being’ and ‘doing’, is needed when debating whether multiple organizational identities are required for MNCs operating in locations characterized by different stakeholder demands. In terms of identity construction, two translation processes are suggested to be pertinent; from hypernorms to organizational principles and the translation of organizational principles to practices. The first translation is relevant since ‘hypernorms’ alone do not create the distinctiveness needed for an organizational identity to develop and the second translation helps in explaining the ability to endorse local contracts.

KEY WORDS: Chile, corporate social responsibility, multinational firms, organizational identity, Norway

ABBREVIATIONS: CSR: Corporate social responsibility; HQs: Headquarters; MNC: Multinational corporation; NGO: Non-governmental organization

Introduction

It is noteworthy that there are few studies concerning how MNCs often struggle to respond effectively to CSR issues that are important to their host countries (Logsdon and Wood, 2005; Meyer, 2004). One consequence is that there is no explicit theory that distinguishes between global and local CSR. This study aims to contribute to the emerging debates

regarding CSR and MNCs by adopting an organizational identity perspective. Identity is an implicit yet salient concept in contemporary theorizing around global/local CSR (Husted and Allen, 2006; Logsdon and Wood, 2002, 2005). Furthermore, the recent arguments that a firm’s CSR activities relate more to its identity than what its product-related actions do are also relevant here (see Marin et al., 2008).

The identity question is interesting in its explicit link between ‘being’ and ‘doing’. Organizational identity scholars claim that how one acts depend on who one is (e.g. Albert, 1998) and consequently that an organization’s identity affects its strategy (Rindova and Fombrun, 1998). Consequently, an organization’s identity may significantly influence its CSR practices. However, there exists considerable confusion regarding the ‘being’ and the ‘doing’ of organizations (cf. Corley et al., 2006). Therefore, this study builds on Nag et al.’s (2007) mandate for researchers to account for beliefs about both ‘who we are’ as an organization as well as the collective ‘doings’.

One issue which links strategy scholars, institutional researchers and business ethicists concern is whether MNCs should follow local practices or act according to global standards. In terms of the identity literature, the issue becomes: Will MNCs develop multiple identities in their different markets or rely on one single identity in guiding their CSR practices? Multiple identities could help firms to cope with location-specific demands and appeal to a heterogeneous set of stakeholders. On the other hand, multiple identities could result in stakeholder confusion and loss of legitimacy.

The article presents a comparative case study of the identities and strategies/CSR practices used by the two Norwegian firms Marine Harvest and Cermaq, two of the world's largest salmon farmers. Chilean and Norwegian production accounts for over 70% of the farmed salmon in the world. The Norwegian presence is significant in Chile, not least through the operations of these two firms. The structure of the article is as follows. The next section provides a literature review, focusing on identity, CSR and the particular case of MNCs. Thereafter, the research methodology is discussed, including the longitudinal case approach which has been employed. The case itself follows, and the article concludes with a discussion on how an identity perspective informs the view and execution of CSR activities in MNCs.

Corporate social responsibility and identity in multinational corporations

Research underpinning global/local CSR studies (Husted and Allen, 2006; Logsdon and Wood, 2002, 2005) includes the responsiveness-integration challenge (e.g. Prahalad and Doz, 1987), Bartlett and Ghoshal's (1989) international strategy typology, institutional theory (e.g. Oliver, 1991) and normative business ethics (e.g. Donaldson and Dunfee, 1994). This section first presents a brief review of these theories and then discusses global/local CSR studies.

Multinational corporations are situated in multiple institutional fields where they usually operate under different pressures (Oliver, 1991). The response may be different management practices in different countries (Gooderham et al., 1999) due to possible institutional voids (Khanna and Palepu, 1997). MNCs face product and market pressures for local adaptation and responsiveness on the one hand, and global standardisation and integration on the other (Prahalad and Doz, 1987). Multi-domestic and global strategies (Bartlett and Ghoshal, 1989) are examples of responses to such pressures. The multi-domestic strategy emphasizes acceptance of and conformity to local laws and standards and significant local autonomy. In contrast, a globally integrated strategy emphasizes a top-down, consistent set of policies and procedures which are to be universally implemented. Such a uniform approach is informed

by the emphasis on universal principles, or 'hyper-norms' (Donaldson and Dunfee, 1994). A multi-domestic approach is feasible when local community norms make local adaptations legitimate as long as the 'hyper-norms' are honoured. The freedom represented by the ability to endorse such local contracts is labelled 'moral free space'. Multi-domestic strategies are further consistent with a large arena of moral free space; they allow for variations in company policies that reflect local uniqueness.

Building on these insights, Logsdon and Wood (2002, 2005) contribute to the field with their concept of 'Global Business Citizenship'. It is the global dimension which articulates the need for addressing both hypernorms and moral free space, and a global business citizen strives to be both locally and globally responsible. Consequently, MNCs may need to respond to both global issues and local aspects when diverse stakeholders and conflicting value systems require complex CSR responses. Integration pressures originate from multinational stakeholders and NGOs, global social problems and the need to economize on CSR. Pressures for CSR responses to local issues are explained by, for instance, stakeholder differences and the demands of host governments. Firms facing global complexity may therefore try to find ways to reconcile conflicting local practices with universal standards. Strong forces for global and local responsiveness are supposed to result in uniform credos or codes (reflecting hypernorms) that apply worldwide, as well as defined local codes and policies to implement the hypernorms (Logsdon and Wood, 2002).

In defining global and local CSR, Husted and Allen (2006, p. 840) build on Donaldson and Dunfee (1994) by suggesting that the former deals with the firm's obligations based on those 'standards to which all societies can be held', whereas local CSR deals with the firm's obligations based on the standards of the local community. Their study builds on a combination of an institutional logic and a strategic management approach. From an institutional perspective, multinational firms will simply replicate existing product market strategies (e.g. multi-domestic or global) in their management of CSR. A strategic approach to CSR requires that firms select a CSR strategy contingent upon the demands of local and global stakeholders, just as firms select an organizational strategy contingent upon global and local

product/market demands, although the pressures need not parallel one another.

Bringing organizational identity into the global CSR debate

The existence of simultaneous global and local responsibility raises the question of whether multiple identities are required for heterogeneous stakeholders, or if an organization's identity makes multiple stakeholder identification possible? This issue relates to the merits of single or multiple organizational identities and the link between identity and strategy. An organization's identity – the theory of 'who we are' as an organization – is conceptualized as those attributes that are fundamental (central) to the organization, that are uniquely descriptive of it (distinctive) and persisting within it over time (enduring) (Albert and Whetten, 1985). These attributes are formed not least by managers and their emphasis on the organization's core principles.

However, in developing the core of an organization it should be acknowledged that its identity is also to be explained by its community relationships (see Czarniawska, 2000). In the language of business ethics, a MNC is a self-defined unit interacting in the context of shared tasks and values. The MNC may have value preferences and a desire to maintain the freedom to make specific interpretations of universal principles (cf. Donaldson and Dunfee, 1994). However, the development of these preferences arguably occurs interactively with the communities the MNC relates to. This presents a particular challenge for MNCs seeking to be perceived as legitimate actors in different locations, in terms of their founding principles and their executed practices. Consequently, both strategic and institutional pressures of legitimacy (Suchman, 1995) can be expected to influence a firm's identity development.

Research methodology

A comparative case study is an approach well suited to enhance understanding of a phenomenon in its real-life context (Yin, 2003), such as identity and CSR in MNCs. The chosen firms in the study

reported here are world leaders in salmon farming. They work in the same industry, have the same home country base and operate in the same foreign locations. This is relevant with regard to how institutional voids (Khanna and Palepu, 1997) and different stakeholder demands are perceived and acted upon.

Although aquaculture has traditions spanning thousands of years, the modern and increasingly global business is still a young industry. It carries a promise of a blue revolution; producing most of the world's marine produce, thus alleviating both poverty and food shortages. On the other hand, it is regarded by many as a health hazard and as being environmentally unsustainable (see e.g. The Economist, 2003). Among the four major salmon producing countries, Norway and Chile are the two with the largest differences in terms of social and physical infrastructures (Canada and Scotland are the other countries).

During the data collection period Marine Harvest, the market leader, merged with Fjord Seafood ASA and Pan Fish ASA. The group is listed on the Oslo Stock Exchange and its activities concern fish farming and seafood processing in Norway, Chile, Canada and the UK. The group employs 6,600 people with an annual revenue of NOK 13.5 billion (www.marineharvest.com). It is Fjord Seafood which is the focus of this article. The second company is Cermaq. Similar to Marine Harvest, Cermaq has a pronounced focus on sustainability. They produce fish feed in their subsidiary EWOS and farm salmon and trout in their subsidiary Mainstream. Cermaq has a diversified presence in the four major salmon farming markets. Annual revenues of NOK 9.8 billion and 4,072 employees make Cermaq one of the leaders in the industry. The company is also listed on Oslo Stock Exchange. Whereas Marine Harvest's main shareholders are private actors, the Norwegian Ministry of Trade and Industry holds more than 40% of Cermaq's shares (www.cermaq.com).

The main source of data collection was in-depth interviews (see [Appendix A](#)) with individuals at Cermaq's HQs and its subsidiaries, Fjord Seafood, Marine Harvest, and a number of additional stakeholders. In total, 66 interviews (46 in Chile and 20 in Norway) were conducted between 2003 and 2008. All the interviews were recorded and

transcribed. In addition, press articles as well as company documents have been used. Questions asked encompassed the firms' overall strategic approach and view of CSR, corporate values and codes of conduct, challenges at home and in overseas markets with regard to such codes, and other stakeholders' views of the firms, their strategies and CSR approaches.

The analytical process adopted here is captured by the notions of abduction and systematic combining (cf. Dubois and Gadde, 2002). This implies that the interplay between theory and data form a basis for theory development rather than for theory building. Of particular interest is the link between the theoretical concepts and the case information that emerge over time. The study began with a combination of CSR literature reviews and a focus on the strategies, the 'doings', of the MNCs. As the cases evolved, the notion of organizational identities successively emerged. As a result, the study focused on the underlying principles of the organizations.

The cases were initially analysed separately before comparisons were made. Intra- and cross-case patterns regarding stability and change in the core constructs developed the notion of translations. Central issues used in the analysis included the possibility of separating 'being' and 'doing' but also how these dimensions are bridged. The research quality has been enhanced by the longitudinal approach adopted, which has allowed for recurrent feedback sessions, and due to the possibility of triangulating both multiple stakeholders and data sources.

Norwegian multinationals in Chile

The case describes the Chilean salmon industry, including stakeholder criticism. A presentation of the MNCs' identities (main principles) is then followed by three brief illustrations of the practices employed. Table I summarizes the presentation.

TABLE I
Characteristics of Cermaq and Fjord

	Cermaq	Fjord
Criticism	Criticism from a number of stakeholders such as owners, media, NGOs, and unions, regarding environmental practices as well as working conditions. It is problematic to grade the level of criticism, but Cermaq and particularly its farming subsidiary Mainstream often received more accusatory comments	
Principles	Official principles: the sharing of success and concerns, business mindedness, integrity, prudence and preparedness Cermaq's sustainability principles include environmental, social and product principles Interpreted 'theory of who we are': We are business-minded farmers and feed suppliers with a sustainable shareholder focus	Official principles: satisfying customers, committing to results, embracing change, delivering trust, and having a fighting spirit Interpreted 'theory of who we are': We are corporate citizens with a stakeholder focus based on profitable production and value added processing of salmon
Practices	No pronounced CSR strategy. Relevant issues concern: Improving operations and sustainability in foreign markets Internal promotion practices Mechanisation-manual labour tradeoffs Minor sponsoring of local schools and cultural events	Explicit and multi-domestic CSR strategy including practices such as: Family, education and housing programs Medical assistance, counselling and dental care Bus service, etc.

The Chilean salmon industry

The US \$2.2 billion industry makes salmon Chile's fourth most important export commodity (Vignolo, 2007). However, despite Chile's sustained rate of growth and development of physical and social infrastructure during the past 20 years, income inequality and welfare differentials have been maintained by market-oriented policies (Soto and Torche, 2004).

The industry is criticized for not expanding workers' rights to include better remuneration, endorsed unionization, and social support and protection. Environmental concerns include the handling of waste, water treatment and the use of antibiotics to treat fish disease, issues which are particularly controversial in Chile. A recent outbreak of infectious salmon anaemia (ISA) has seriously affected both Marine Harvest and Cermaq (see e.g. Olivares et al., 2008).

As a result, the Norwegian MNCs have faced criticism from various stakeholders. The Norwegian media has accused Cermaq of exploiting its employees and the environment (Ergo, 2003). NGOs charge Marine Harvest of lacking an emergency plan for work-related injuries, or one for transporting workers to a medical centre, both of which are health and safety norms in Chile (see e.g. www.pure.salmon.org).

The minister of Trade and Industry, Dag Terje Andersen, stressed in 2008 (during a speech in Chile) that he expected Norwegian firms to help increase salaries and working conditions in the industry. The Norwegian Confederation of Trade Unions (LO) visited Chile in late 2007 due to a request from Chilean unions. Afterwards it was stated that 'we expected to find the same standards in work conditions and work environment at Marine Harvest and Mainstream's facilities in Chile as in Norway' (www.frifagbevegelse.no/magasinet/article3201287.ece). Cermaq CEO Geir Isaksen stressed, on the other hand, that being Norwegian in Chile is an impossible policy; 'in Chile we must be Chileans' (Verdensmagasinet X, 2007, www.xmag.no/id/130.0).

Cermaq's identity

In 2003, Cermaq's HQs gathered its subsidiary managers for a week-long meeting in Barcelona.

The purpose was to discuss the group's identity construction and strategic development. The result was the creation of the 'Cermaq Passport to Sustainable Aquaculture.' The Passport identifies a number of principles; the sharing of success and concerns, business mindedness, integrity, prudence and preparedness. The Cermaq Passport intends to establish legitimacy towards stakeholders that find aquaculture to be unsustainable in its present form. It is also a tool to increase corporate unity, i.e. to become 'one firm'. However, Cermaq made it clear that 'local flavouring' of the Passport was necessary in the different subsidiaries: 'We need to understand Chile's interpretation of our European way of thinking. They may see another reality, I am quite sure there is another reality' (Cermaq manager).

These different realities created global/local tensions, as experienced by the Cermaq HQs; 'for the Chileans business mindedness is point one, two and three. ... They are very focused on the bottom line'. In the Norwegian context: 'we cannot only be soft and nice and do environmental politics; we need to make some money too'. Identity and legitimacy concerns resulted from these tensions. For example, one Chilean executive argued that 'Geir Isaksen (Cermaq's CEO) was very clear with us ... That we as managers are responsible for applying certain strategies, which are more related to the employees. We are not only to worry about the market or the results, but the employees. To be honest, when I started in this business, I did not think in that way'.

The Passport explicitly articulates that the shareholders are most important among Cermaq's stakeholders. This is expressed in long-term obligations focusing on 'business mindedness' and shareholder interests. Hence, an explicit acknowledgement of CSR did not appear to fit with these principles, and Cermaq's management team accordingly doubted that they, and other commercial firms, were adequately equipped to identify and solve broader societal issues. However, in 2008 the group re-emphasized that sustainable aquaculture was the mission that governed all of its operations. Cermaq's new sustainability principles include environmental, social and product dimensions, such as ambitions for good labour practices, providing decent work tasks and earning local community acceptance.

The Mainstream way

Cermaq's success in 'being Chilean' in Chile was to a significant extent explained by its farming subsidiary, Mainstream, and its clear view of 'the Mainstream way'. Cermaq also relied on Mainstream in terms of turnaround operations in overseas markets. However, Mainstream did not seem too pre-occupied with becoming, say, Canadian, when managing operations in Canada. The farming sites that Cermaq acquired in Canada were dirty, badly managed and located in popular tourist areas. Mainstream worked to improve this because it made good business sense, not because of an inherent desire to please external stakeholders. Improved sustainability resulted from better operations: 'By concentrating on our business mindedness we improved our sustainability dramatically' (Mainstream manager). A strict business focus resulted in recognition and appraisal by Canadian authorities, which were impressed by the environmental improvements that Mainstream achieved. The managers stressed that they only continued to do their job, which meant that they had been 'as close to the fish as possible, that is where the money is'.

Working in Mainstream should be challenging, 'almost scary' according to its managers, due to the established performance expectations. High salaries were not the reason for working in Mainstream, but the pride and joy that followed from being part of a 'winning team'. The firm has expanded primarily through acquisitions, where on average 80% of the managers in the acquired firms have left the company in the first few months. This opened up for middle managers within the company, since the policy was that 'we do not hire managers, never. We recruit them from within' (Mainstream CEO).

EWOS Chile's community work

Chile has been a challenge, not only in terms of organisational aspects, it is a different kind of society ... take salaries, the best paid in Chile make as much as us, whereas the lowest paid make 1/8-1/10 of the lowest paid in Norway ... a Norwegian would say that's no way to live (Cermaq manager).

EWOS Chile offered most of its workers a salary that was ~50% higher than the minimum wage in Chile. This level was fairly competitive in the industry. The workers benefitted from health insurance in that the firm covered expenses on top of existing social security arrangements. In the canteen, both workers and managers ate their meals together. Various informants suggested that EWOS Chile was a good place to work.

About 100 employees were involved in packaging the fish feed. These workers had the lowest salaries, and the highest union participation and employee turnover. Packing feed is hard manual labour which easily could be mechanized, (as was the case at all other plants in the Cermaq group). The plant manager had a particular pitch for these workers: '...we know that the job is not that good, but this is what we can offer you. And this is the salary, we offer you a clean factory, good food...'. Keeping these workers in employment was based on economic rationality, but also viewed as part of the community philosophy. The firm expressed a commitment to try to avoid mechanizing the packing lines, as long as the salaries remained low.

Fjord seafood's identity

Fjord's so-called 'Value Wheel' stressed the necessity of satisfying customers, committing to results, embracing change, delivering trust and having a fighting spirit. These values were part of Fjord's 'one company' ambitions. Fjord was explicit in its intentions of being a good corporate citizen and to contribute to society. Fjord's main stakeholders were 'ourselves, society, employees and shareholders'. However, as stressed by Fjord's management, '...this does not mean that we do not focus on profitability, efficiency, how to optimise our business'. Being a corporate citizen and doing business 'goes hand in hand, we are not here (in Chile) to be social workers but this is related. You must be able to have two thoughts in your head at the same time'.

Fjord worked explicitly with the 'Value Wheel' and what was done in Chile was regarded as unique and seen as a good example for the entire corporation. Fjord's view was that CSR in countries like Chile has much stronger implications than in 'the

West': 'You feel that you can contribute with something. You can help people and you see that they appreciate it. It is much more difficult to satisfy a Norwegian; although they have everything they still expect much more' (Fjord CEO).

Taking a lead in CSR

In 2004, Fjord conducted a survey with the aim of discovering concerns among its employees. Different topics emerged such as family, education, housing, infrastructure and domestic services. The result was the creation of a social action committee focusing on three areas: (i) formal education (training and schooling), (ii) social education (education regarding alcoholism, drugs and child abuse) and (iii) social responsibility (homes for minors).

In 2005, Fjord was rewarded for having the best human resource strategy in the industry, and the firm also received awards for its societal work. Fjord's CSR practices included medical assistance and optical care as well as counselling. The 'wellbeing' service worked as a complement to the health plans that each employee had, with an 80% pay back. The firm's dental clinic had all the necessary services and treated 5,000 patients during 2005 (employees and their family members). A bus service was also appreciated since transportation costs were significant for the workers. In the same year, 109 employees started formal education between primary and high school levels, and 73 students graduated. Fjord also doubled donations given by employees to children's homes. Five centres were beneficiaries, which also were visited regularly by firm representatives. In 2005, about 10,000 people passed through Fjord's program, at a cost of US \$240,000. In addition to these issues, Fjord was an early mover in reducing the use of freshwater lakes for the production of smolt.

Working with values and emphasizing human issues was perceived as particularly important in Chile. As an illustration, Fjord had an active theatre group, and one of their performances was about corporate values. The show, watched by all 600 employees at the Chilean plant, illustrated a ceramic company in trouble. Something had to be done, including the style of and approach to work. In order to embrace change the employees of the

fictional company had to deal with personal values which intentionally captured the principles behind Fjord's 'Value Wheel'. This was one way of 'living our values', according to Fjord's management.

Discussion

There were notable differences between Cermaq and Fjord, in particular in the ways in which the firms perceived and dealt with CSR. Cermaq maintained a restricted view of CSR globally, in line with its core principles and shareholder approach. Fjord on the other hand, perceived that Chile required a multi-domestic approach and therefore had CSR practices that were more developed there than elsewhere.

There is a saying which stresses that 'if you want to feed a hungry man, don't give him a fish, but teach him how to fish'. While Fjord had approximately 5,000 people benefitting from its dental services, Mainstream offered toothbrushes to its employees. Arguably, these choices in dealing with a societal issue were reflected not so much in the firms' product/market strategies as in their respective organizational identities; these actions were in accordance with the core principles of the firms. Fjord's 'theory of how we are' opened up for an explicit focus on CSR, whereas Cermaq's and Mainstream's approach explains why the group preferred to promote *ex-ante* precautions via brushing rather paying the *ex-post* costs.

There are also important similarities that should be highlighted. Although the MNCs had different approaches to CSR, it is suggested that both cases illustrate: (1) that identity influences CSR (as argued above and further illustrated below); (2) the value of a conceptually clearer distinction between principles and practices and (3) the importance of translating hypernorms into organizational principles, which are further translated into actual practices.

Mainstream had a very clear understanding of its core principles and the 'Mainstream way' of working. The employees were, first and foremost, 'citizens of Mainstream', and this identity influenced what they deemed to be the appropriate actions. The Mainstream case illustrates that stable principles are translated into consistent practices. Their organizational identity and operations were in accordance

with the 'Mainstream way', which explains why the managers performed essentially consistent practices in Chile and Canada.

However, the Mainstream case also illustrates that the firm's own principles were strong enough to break with the Chilean traditions regarding managerial recruitment. Instead of hiring managers with traditional backgrounds and with education from the few schools normally considered adequate, Mainstream deviated from established institutional norms by promoting middle managers.

Both EWOS Chile and Fjord provide similar illustrations; whereby stable principles are translated into location specific practices. For example, consider the EWOS Chile case. The subsidiary has, to our knowledge, not been criticized for using manual labour in the packing process. Yet, the demand of using *the same standards* in Norway and Chile, as requested by the Norwegian Confederation of Trade Unions, would increase local unemployment. This is because EWOS Chile would have to mechanize this 'not so good work'.

Cermaq tried to balance the 'Chilean reality' by translating its core principles. This does not imply that the EWOS subsidiary manager, in his special pitch to these employees, referred to a *different* set of principles. He was trying to find a legitimate combination of 'business mindedness' and 'prudence', two of the group's core principles. However, in Chile, he could translate the principles into practices which included manual packing. That would not be the case in Norway; it is not good business sense to do manual packing in Norway, and it would not, arguably, be regarded as a decent work task.

Similarly, recall the plays based on the corporate principles which were performed by Fjord's Chilean theatre group. Imagine the same play set up by one of Fjord's Norwegian units. It is likely that the Norwegian actors would have illustrated the principles in a different way, by conducting different practices. Changing the basis for conduct, the unifying corporate principles would have been a more significant adjustment, however. In terms of maintaining legitimacy, it would arguably be more challenging for the HQs to explain why they strive for trust and a fighting spirit in, say, Chile, but not in Norway. It is a different issue to suggest that trust occasionally may translate into different practices in the two countries.

Theoretical implications

The implications are outlined in Table II.

By following an institutional logic, Husted and Allen (2006) argue that MNCs will simply replicate the existing product/market organizational strategy (e.g. multi-domestic or global) in their management of CSR. The product/market strategies of both case firms have multi-domestic traits, but whether the CSR strategies adopted by Cermaq and Fjord correspond with their product/market strategies is not the main point; the issue is more fundamental. If CSR is related to the 'being' of organizations, something this article has tried to illustrate, we then need to pay more attention to the purpose of organizations when studying CSR practices. By anchoring CSR in the identity of firms, it could even be argued that it is the firm's overall view of CSR and its ambition (or not) to become a global business citizen which will influence its product/market strategies, and not the other way around.

Similarly, from an international strategy viewpoint, it can be debated if firms should select a CSR strategy contingent upon the demands of local and global stakeholders, *just as* firms select an organizational strategy contingent upon global and local product/market demands. The selection of strategy is influenced, and may draw differently, on firms' principles and their practices. The assumptions underpinning the international strategy typology may simplify the distinction between 'being' and 'doing'. By 'only' responding to stakeholder pressures, the firm leaves no room for controlling its own identity development.

This study's identity approach resembles the work by Logsdon and Wood (2002, 2005) in that a limited number of principles guide firms. That firms should strive for global integration of their basic principles is in line with the identity approach advocated in this article, as is the idea that an acceptable variation of norms justifies local implementation in a multi-domestic manner. It is suggested that the 'global business citizenship' process would benefit from a clearer distinction between principles and practices. Logsdon and Wood (2002) argue that strong forces for global and local responsiveness result in uniform credos or codes (reflecting hypernorms) that apply globally, as well as defined local codes to implement

TABLE II
An identity perspective on CSR in MNCs

Different perspectives on global/local CSR	Institutional theory	International strategy	Global business citizenship
	CSR is based on replication of existing product/market strategy	CSR is contingent upon the demands of local and global stakeholders	A limited number of principles guide firms These basic principles are globally integrated An acceptable variation of norms justifies local implementation of policies in a multi-domestic manner Firm-specific principles need to reflect hypernorms
Organizational identity	MNC principles influence CSR and product/market strategies	The demands of local and global stakeholders influence CSR strategies but not necessarily in the same way as the firm's product/market strategies are influenced	Organizational identities reflect hypernorms, but the distinctiveness required calls for a translation process of hypernorms into organizational specific principles. This process is primarily influenced by institutional legitimacy The translation of firm specific principles into practices is primarily influenced by strategic legitimacy

the hypernorms. Their emphasis is essentially on the principles and the external pressures which shape organizational identities. The process further entails that moral free space allows for variations in company policies that reflect local uniqueness. This article's contention is that organizations are more constrained in how much they can vary their principles in comparison with how the principles legitimately can be translated into different local practices. In other words, it seems plausible to suggest that principles primarily face institutional legitimacy pressures (translating hypernorms to organizational principles), whereas the practices (including the translation of organizational principles into practices) are more open for strategic legitimacy (cf. Suchman, 1995).

It is also unclear how hypernorms and the freedom provided by the ability to endorse local contracts

relate to an organization's identity. That is, as Logsdon and Wood (2002, 2005) point out, firm-specific codes or principles need to reflect the hypernorms. However, these globally shared principles may result in central and enduring attributes, but they do not provide the distinctiveness needed for organizational identities.

Managerial implications

It may seem unnecessary to claim that legitimacy would be questioned if managers were to strive for, say, integrity and prudence in one location, followed by some other principles in a second market, and a third set elsewhere. Nevertheless, many organizational value statements, 'corporate passports' and the

like, do not provide a clear distinction between principles and practices (including the ones presented in this study). In dealing with global and local dimensions, managers are advised to consider their own firms' credos and value statements in these dimensions.

Kelleher (1997) claims that managing a US \$25 billion company is a different task from managing a US \$25 million company. However, it is first and foremost a question of changing one's practices, not one's principles. 'One firm' ambitions require managers to take a stabilizing view of their firms' principles. The translation of these principles into legitimate action depends on a careful understanding of local context. In this respect, a firm that remains stable may lose its identity (cf. Normann, 2001). Translating between hypernorms and organizational principles, and between organizational principles and the associated practices, is essential when developing strategies and adjusting to evolving stakeholder demands.

In terms of multiple organizational identity creation and management, the implication from this study is for the core principles of a firm to influence a more consistent identity that transcends product or market life cycles (cf. Collins and Porras, 1996). This does not imply that organizational identities cannot change. Both external pressures and internal desires may transform a firm's core principles. However, it is questionable why every stakeholder would need a tailor-made identity to identify with.

Conclusion

This study contributes to the current literature in a number of ways. First, it introduces the organizational identity concept into the debate regarding CSR in MNCs. CSR is conceptualized as rooted in an organization's identity, that is, firms select a CSR strategy contingent upon their organizational

identities. Second, acknowledging the confusion regarding organizational 'being' and 'doing', an explicit distinction between principles and practices is stressed. Correspondingly, a MNC seeking global legitimacy is argued to balance responsiveness and adaptability with respect to local norms and contingencies regarding its practices, while its principles are stabilizing and more consistent. This implies that the study questions the value of developing multiple organizational identities. Taking a stable view of a firm's internal principles does not equal an ethical absolutism since there is flexibility in how the principles are translated into actions. Finally, translating hypernorms to firm-specific principles is suggested as necessary for the creation of a distinctive organizational identity, and the translation of firm-specific principles to local practices is proposed to influence the ability to endorse local contracts.

The identity concept does not disqualify institutional or strategic approaches in understanding global/local CSR issues. Instead, it provides another perspective. Rather than using institutional theory to stress how existing practices in the form of product/market strategies will influence CSR, institutional pressures regarding the underlying principles become even more pertinent. Future research may consider the contextual nature of this study's focus on Chilean and Norwegian aquaculture. Interesting issues which deserve further attention include studies which focus upon translation processes in different settings, and whether the institutional and strategic dimensions of legitimacy influence in the ways suggested by this paper.

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Appendix 1: Interview schedule

Firm/location/year				
Cermaq HQ	Norway 2003 Project manager	Norway 2004 Project manager Finance and currency security Deputy CEO Deputy Director General and Legal Adviser from the Ministry of Trade and Industry	Norway 2005 Deputy CEO CEO	Norway 2007 CEO
Mainstream	Chile 2005 Group CEO CEO Scotland 2 X CEO Chile Sales & Market manager Chile Production manager Chile Fresh water manager Process plant manager Process plant manager Administration and Finance manager Chile CEO Canada	Chile 2006 CEO		
EWOS	Norway 2003 International co-ordinator	Norway 2004 Group CEO CEO Norway Plant manager Production and Logistics manager International co-ordinator R&D manager Project manager R&D	Chile 2004 2 X CEO Chile Plant manager Chile Financial controller International co-ordinator	Chile 2005 2 X R&D manager Chile Sales manager Chile Technical manager Chile
Fjord Seafood	Norway 2005 Strategy and business development	Chile 2005 CEO Chile Group CEO	Chile 2006 HR manager Union leader	
Marine Harvest	Chile 2005 CEO Chile			
Chilean Salmon Farmer 1	Chile 2005 President	Chile 2006 R&D manager Project manager		
Chilean Salmon Farmer 2	Chile 2005 President			

Firm/location/year				
Supplier 1	Norway 2005 CEO	Chile 2005 2 X CEO Chile 2 X Technical manager Chile Manager assistant	Chile 2006 CEO Chile Technical manager Chile Administration and Finance Chile	Chile 2008 CEO Chile Market manager Norway
Supplier 2	Norway 2005 CEO Chile Veterinary	Chile 2005 Technical Director and Legal Representative Chile		
Other	Chile 2005 Industry pioneer Lawyer 'Lonko' indigenous peoples chief Community activist	Chile 2006 CEO SalmonChile (industry organization)		

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