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Company stakeholder responsibility:

An empirical investigation of top managers' attitudinal changes

Abstract

Purpose – Company stakeholder responsibility considers stakeholder engagement and management as key to long-term firm success. The purpose of this paper is to examine how top managers' stakeholder responsibility attitudes change and how they balance stakeholder responsibilities and economic interests.

Design – The authors conducted empirical research using the company stakeholder responsibility framework by conducting a repeated cross-sectional survey in in Finland 1994, 1999, 2004, 2009 and 2014.

Findings – The study shows how development in the business context influences managers' attitudes towards stakeholder responsibility. Simultaneously with the expansion of free competition in 1990s Finland, managerial commitment to company stakeholder responsibility strengthened in Finnish industry.

Research limitations and implications – The target group consisting of industrial managers in a single-country context and the social desirability bias present in survey research may both limit the generalizability of the results.

Originality – The study contributes to the discussion of the role of situational factors in the development of corporate responsibility by showing that while economic changes have some influence on managerial attitudes, the expansion of free markets, together with increased regulation in certain areas, appears to influence managers' stakeholder responsibility attitudes to an even greater degree.

Keywords – Company stakeholder responsibility, Corporate social responsibility, Managerial attitudes, Change, Survey research, Finland

Company stakeholder responsibility: An empirical investigation of top managers' attitudinal changes

Introduction

Several authors have stressed the significance of responsibility to successful business (e.g., Bhattacharya *et al.*, 2009; Helmig *et al.*, 2016; Maak and Pless, 2006; Sachs and Maurer, 2009). In particular, North American and Western European companies have developed corporate social responsibility practices and agendas to deal successfully with increased societal expectations (Midtun *et al.*, 2006). In the literature, there is a strong link between corporate social responsibility and the stakeholder approach, with a number of studies over the last decade having used the stakeholder framework to conceptualise corporate social responsibility. For example, it was used to examine managerial decision-making regarding corporate social responsibility (O'Riordan and Fairbass, 2008), to analyse corporate social responsibility communication (Agudo-Valiente *et al.*, 2015; Morsing and Schultz, 2006) and to implement corporate social responsibility in marketing (Maignan *et al.*, 2005) and accounting (Crane *et al.*, 2015).

While some researchers have argued that stakeholder management is a separate function that is strongly linked with corporate responsibility (e.g., Greenwood, 2007), others have suggested that corporate social responsibility necessarily entails stakeholder responsibility (e.g., Fassin, 2012) or that stakeholder engagement could be perceived as corporate responsibility in action (Greenwood, 2007). This article relies on the general understanding that the concepts of stakeholder responsibility and corporate social responsibility complement each other (Helmig *et al.*, 2016; Hillman and Keim, 2001). Freeman *et al.* (2006) have proposed the concept of company stakeholder responsibility as a more fruitful construct than

corporate social responsibility to understand the interwoven relations among businesses, stakeholders and society.

Following the suggestion by Freeman *et al.* (2010, p. 264), this article focuses on examining to whom and for what a company is responsible and on managers' attitudinal changes towards these issues. Theoretically, it builds on previous research arguing that management should consider stakeholder responsibility to be important in decision-making, policy planning and strategy implementation (Bhattacharya *et al.*, 2009; Carroll, 1991; Clarkson, 1995; Freeman, 1984; Mason and Simmons, 2014; O'Riordan and Fairbrass, 2008) and responds to calls for making company stakeholder responsibility measurable (El Akremi *et al.*, 2015; Freeman *et al.*, 2010; Plaza-Úbeda *et al.*, 2010; Sachs and Maurer, 2009).

Empirically, the article investigates business managers' attitudes and the changes therein towards stakeholder responsibility from 1994 to 2014. Through a follow-up survey in the Finnish business context, the present study poses the following two research questions: (1) How did top managers' stakeholder responsibility attitudes change during the research period? (2) How did top managers balance stakeholder issues and economic interests during the research period?

By studying the phenomenon in its historical and societal context, this study makes at least four contributions to previous research. First, it applies the idea of company stakeholder responsibility to offer a comprehensive view of responsibility issues in stakeholder relations. Even if Freeman *et al.* (2006, 2010) provided wide-ranging principles for a company stakeholder responsibility approach, they did not study the topic empirically. Similarly, Sachs and Maurer (2009) and Mason and Simmons (2014) did present all-inclusive frameworks for dynamic corporate stakeholder responsibilities but concluded that empirical investigations were needed. Second, the article contributes to the measurement of stakeholder relationships and responsibilities from a holistic and multidimensional view, as the few existing scales for

measuring stakeholder responsibility have been criticised for their construct deficiency and one-dimensional form (El Akremi *et al.*, 2015). Third, investigating the topic over different time periods helps reveal possible patterns of change and reflections on potential factors behind those patterns. Despite some exceptions (e.g., Kujala, 2010; Lämsä *et al.*, 2008), many empirical survey-based studies in the field of corporate responsibility are cross sectional in nature; historical viewpoints on the topic are scarce. Fourth, the article builds on previous stakeholder research by investigating how managers balance stakeholder issues against economic issues and how they address practical issues raised by the competing roles of stakeholder claims and financial benefits for the company and discusses how the changing economic environment influences managers' attitudes.

The rest of the article is organised as follows. First, the paper's theoretical background of the stakeholder approach and corporate responsibility is presented, after which the article introduces the societal and economic context of Finland, explains its data collection and analysis approaches and presents the research findings. A discussion of the implications and limitations of this research concludes the article.

Theoretical background: Corporate responsibility and the stakeholder approach

Although corporate responsibility has gained much attention in recent years, the concept remains ambiguous and it is difficult to discover an inclusive empirical framework (cf. Carroll, 2016; Matten and Moon, 2008). Freeman (1984) suggested that effective strategic management is based on the stakeholder approach, which broadens the understanding of a firm's responsibilities beyond the economic function and pays attention to constituencies containing customers, employees, suppliers, competitors and owners. During the last few decades, many companies have begun to follow the stakeholder model, realising that

businesses do not exist merely to satisfy shareholders needs but also must acknowledge many other groups with legitimate claims and expectations. Responsibility issues are high on the agenda of most large companies, and small- and medium-sized companies are also recognising their importance (Crane *et al.*, 2013).

While there is no universally shared definition of corporate responsibility, many researchers have concluded that it is closely related to stakeholder management (Fassin, 2012; Helmig *et al.*, 2016; Hillman and Keim, 2001). For example, researchers have used the stakeholder approach to provide an inclusive understanding of corporate responsibility dynamics (Sachs and Maurer, 2009) and studied the benefits stakeholders receive from corporate social responsibility initiatives (Bhattacharya *et al.*, 2009) and the relationship between moral legitimacy and responsible business behaviour from a stakeholder perspective (Elms and Phillips, 2009). The European Union (EU) views corporate social responsibility as a multi-stakeholder phenomenon. According to the EU definition, in order to fulfil corporate social responsibility, companies “should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders” (European Commission, 2011).

Since Freeman’s seminal 1984 work, the stakeholder approach has become popular in business management research and practice (Agudo-Valiente *et al.*, 2015; Harrison and Wicks, 2013; Midtun *et al.*, 2006; Mitchell *et al.*, 1997; Plaza-Úbeda *et al.*, 2010). The term “stakeholder” entered management research and literature in the 1960s (Freeman *et al.*, 2010, pp. 30-31). At first, stakeholders were understood as being a means to a corporate end, but the stakeholder approach has since broadened from an instrumental to a normative outlook (Donaldson and Preston, 1995); today, stakeholders are seen as groups and individuals with interests that firms need to serve (Derry, 2012; Harrison and Wicks, 2013; Maak and Pless, 2006; Mason and Simmons, 2014). Carroll (1991) maintained that responsible business and

stakeholder thinking go together naturally, arguing that corporate social responsibility consists of economic (being profitable), legal (obeying laws and regulations), ethical (doing what is just and fair and avoiding harm) and philanthropic (being good corporate citizen) aspects (Carroll 1991, 2016). According to Carroll (1991, 2016), economic and legal responsibilities are required, while ethical responsibilities are expected and philanthropic desired from companies by stakeholders and society. Therefore, stakeholders are important actors in understanding and measuring corporate responsibility, and stakeholder theory can serve as an appropriate framework to detect and analyse corporate responsibility in different business contexts.

Based on a comprehensive literature analysis, Taneja *et al.* (2011) reported that researchers should pay more attention to the concept of corporate responsibility and develop substantive measurements of it. Likewise, business managers and leaders have to address the complexity resulting from various stakeholder demands and establish valuable relationships with stakeholders (Harrison and Wicks, 2013; Sachs and Maurer, 2009). After having analysed several definitions of corporate social responsibility around the world, Crane *et al.* (2013) concluded that managing externalities and a multiple stakeholder orientation are among the core characteristics of corporate social responsibility. Externalities are the various side effects, such as pollution, that are caused by a firm's actions but are usually not taken into account by economic and financial analyses (Crane *et al.*, 2013). Managing externalities means that a company understands its stakeholder constellation and is able to address stakeholder needs and demands regarding both side effects and the company's direct economic and financial performance. Thus, business management needs to understand the company's role in meeting the needs of customers, employees, suppliers and the general public while returning reasonable profits to its shareholders (Donaldson and Preston, 1995; Freeman *et al.*, 2010; Harrison and Wicks, 2013; Mitchell *et al.*, 1997). Stakeholder interests

are a critical part of contemporary business management, which must meet the expectations of several stakeholders and consider both economic interests and stakeholder concerns.

Freeman *et al.* (2006, 2010) developed stakeholder theory by emphasising the concept of company stakeholder responsibility. For them, the very term “‘company’ signals that all forms of value creation and trade – all businesses – need to be involved.... The main goal of company stakeholder responsibility is to create value for key stakeholders” (Freeman *et al.*, 2006, p. 5). The company stakeholder responsibility framework stresses that business, ethics and societal considerations are integrated (Freeman *et al.*, 2010). Freeman *et al.* (2006) developed the following basic principles for the company stakeholder responsibility framework: it is crucial to “bring stakeholder interests together over time” and “recognize that stakeholders are real and are complex people with names, faces, and values” (Freeman *et al.*, 2006, p. 7). Moreover, it is important to engage in intensive dialogue with both primary and secondary stakeholders and to look for solutions that satisfy several stakeholder groups simultaneously. Companies should engage directly with stakeholders rather than leaving that it to the authorities. Furthermore, marketing is an integral part of company stakeholder responsibility. Instead of trading off one stakeholder’s interests for the interests of another, companies should focus on serving stakeholders better by continuously monitoring and developing processes and by acting with a purpose that fulfils their commitments to various stakeholders. Freeman *et al.* (2006) argue that the company stakeholder responsibility framework recognises the intertwined nature of economic, political, ethical and social issues.

The Finnish business context

Finland is suitable for this study’s purpose, as the concept, if not the actual terminology, of stakeholders and the stakeholder management model have existed for decades in Finnish

management literature and practice (Näsi, 1995; Strand and Freeman, 2015). Stakeholders are also viewed as one of the major motivations for corporate responsibility by Finnish companies (Juholin, 2004; Kourula, 2010; Lämsä *et al.*, 2008; Panapanaan *et al.*, 2003). Beginning in the 1950s, Finland industrialised quickly while building a Nordic-style welfare state and a modern economy. Until the early 1990s, the Finnish business context was a classic example of a centralised market economy based on several coordinating mechanisms beyond individual companies (Tainio and Lilja, 2003). During the 1990s and 2000s, Finnish society and business underwent striking changes. In the context of globalisation, government control and coordination decreased while competition increased (Lilja *et al.*, 2009; Moen and Lilja, 2004; Oinas, 2005). However, public coordination was not completely abandoned. According to Oinas (2005), the Finnish business system combined with the national innovation system to represent a model of a knowledge economy that retains some characteristics of a coordinated economy. As a result, Finland has become a global leader in several national performance measures in areas such as quality of life and happiness, education, trust and transparency, civil liberties and human development and economic competitiveness (OECD, 2014).

At the beginning of the new millennium, corporate responsibility and sustainability issues became important in Finnish society, and companies began to pay more attention to their sustainability strategies and responsibility practices (Lähdesmäki, 2012; Kujala *et al.*, 2013; Lämsä and Viljanen, 2015). While Finnish corporate responsibility plans, programmes and activities had conventionally been more implicit than explicit (Matten and Moon, 2008), firms began to make their responsibility commitments increasingly known at the beginning of the 2000s (Kourula, 2010; Lämsä and Viljanen, 2015). Finnish authorities and the business sector have promoted the implication and disclosure of corporate responsibility in various forms, such as responsibility reports, codes of conduct and value statements (Kourula, 2010).

Fundamentally, Finland is “a transparent and corruption-free country with a high integrity level” (Kujala, 2010, p. 15).

In addition to societal changes, the economic situation in Finland altered considerably over the research period of this study. The first survey was conducted in 1994, when Finland was still recovering from the harshest recession in its history Ilmakunnas *et al.*, 2008; Kiander and Vartia, 1998). That economic revival proved to be very strong and when the survey was conducted a second time in 1999, the economy was booming (Confederation of Finnish Industries, 2004; Kiander, 2001). It continued to grow until the survey was executed for the third time in 2004 (Statistics Finland, 2005). In 2009, however, practically every industrial sector was suffering from recession (Confederation of Finnish Industries, 2009; Statistics Finland, 2009, 2011). While some improvement took place after 2009, the economic situation was still precarious in 2014 when the latest survey was carried out (Confederation of Finnish Industries, 2014; Statistics Finland, 2014a, 2014b, 2014c). Table 1 summarises the changes in the Finnish economy in terms of the gross national product, the unemployment rate, the volume index of industrial output and the manufacturing confidence indicator in the years surveyed.

Insert Table 1 about here

Methodology

Research instrument for measuring company stakeholder responsibility

The underlying questions of operationalising company stakeholder responsibility require determining who stakeholders are and what stakeholder responsibility issues entail (Freeman *et al.*, 2010). Freeman (1984, p. 46) defines a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. Shareholders or owners, customers and employees are often considered the most salient stakeholder groups, while suppliers and dealers, financiers, community and government, media and non-governmental organisations (NGOs) are perhaps less important but still raise relevant issues for businesses to consider (cf. Kujala, 2010). The natural environment is also often considered an important stakeholder, as there is an inherent interdependency between the economy and ecology (Berman *et al.*, 1999; Laine, 2010).

The final research instrument used in this study covers 56 stakeholder responsibility issues in ten stakeholder relations measured with 63 items in the final questionnaire, as presented in the Appendix. The research instrument was originally introduced by Kujala (2001, 2004) to measure 51 responsibility issues in relation to eight different stakeholders (owners, employees and customers, suppliers and dealers, financiers, community and government, competitors, the environment). The instrument was later refined to include five more responsibility issues related to the media and NGOs (Kujala, 2010).

In the questionnaire, the items were presented in random order with a five-point Likert scales, where 1 denotes “totally agree” and 5 denotes “totally disagree”. To avoid positive and negative connotations (Churchill, 1979), two thirds of the items were presented in positive forms, while one third were presented in negative forms. In the data analysis, inverse statements were turned so that in the results, values close to 1 signify strong stakeholder responsibility and those close to 5 weak stakeholder responsibility. To prevent the influence of social desirability, the use of the words “ethical” and “moral” were avoided (Fisher, 1993). In order to increase construct validity, seven issues were measured with two different

statements (Churchill, 1979). A more detailed discussion of the validity of this instrument is presented in Kujala (2001).

Research instrument for comparing responsibility issues to economic interests

While theoretically the idea of company stakeholder responsibility indicates that business considerations and ethical considerations should not be separated (Freeman *et al.*, 2010), managers often need to weigh economic and responsibility issues. Therefore, 17 paired comparisons (Hosseini and Brenner, 1992; Lämsä *et al.*, 2000) were included in the research instrument. The paired comparisons were presented along a continuum on which respondents had to choose between stakeholder responsibility issues and the company's economic interests, as presented in Table 2. A seven-point Likert scale was used to measure these paired comparisons; values near 4 represent a balance between responsibility issues and economic interests, while values around and below 3 signify that the greater importance of responsibility issues and values around and above 5 the importance of economic concerns.

Insert Table 2 about here

Data collection

The data was collected by means of a census of Finnish industrial companies with more than 100 employees through a postal survey in 1994, 1999, 2004, 2009 and 2014. Managing directors were chosen as the informants, since they make up the top management of companies and top management plays a crucial strategic role in deciding a company's stakeholder orientation (Freeman, 1984; Näsi, 1995). Managing directors are in a position to

foster and control corporate responsibility principles and practices in their businesses (Harvey, 2000, p. 55).

The study populations were 1,075 (in 1994), 1,047 (in 1999), 928 (in 2004), 888 (in 2009) and 535 (in 2014) managers, out of which 357 (33.2%), 325 (31.0%), 198 (21.3%), 193 (21.9%) and 85 (15.9%) responses were received. Response rates in studies where questionnaires are submitted to organisational representatives such as managing directors are typically lower than in the general population, and a response rate of 20–30% is rather typical for a mail survey involving a large sample of firms (Baruch and Holtom, 2008). In general, studies focusing on top executives tend to obtain lower response rates; as top managers are studied more than other groups in organisations, they suffer from over-surveying, with the high number of study and survey invitations tending to reduce response rates (Baruch and Holtom, 2008).

Longitudinal assessments of different data sets are built on the idea that respondents represent the same population every time because it is not possible to trace all individual respondents or to track attitudinal changes of specific respondents, as the surveys were conducted with confidentiality and respondents' anonymity (cf. Kujala *et al.*, 2011). As the response rates are adequate and the population is well represented by the respondents' demographics, building the findings by comparing the different data sets and their results is reasonable. Moreover, despite minor changes between the samples in the different years, the overall respondent profile remained homogeneous during the study period. The typical respondent was a male between 45 and 54 years who had an academic degree, more than 10 years' experience in a managerial position and who did not have ownership in the company. Table 3 presents a more detailed sample profile.

Insert Table 3 about here

Findings

Company stakeholder responsibility

As the results of several different factor analyses, a single factor solution with all or almost all variables loading the same factor was revealed. Therefore, the analysis continued by forming a sum variable based on the means of all questionnaire statements that address company stakeholder responsibility issues. As Cronbach's alphas for this measure vary between 0.786 and 0.842, it has rather high internal consistency. When seven items regarding NGOs and the media were added to the survey in 2004, the internal consistency increased from 0.786 to 0.802.

Insert Table 4 about here

The *t*-test was used to measure statistically significant variations between different years' data sets (Table 4). The results of this analysis show that there was a significant strengthening in company stakeholder responsibility from 1994 to 1999 (the mean changed from 2.22 to 2.11, $p=0.000$). During this time, the economic situation in Finland improved markedly, especially in terms of employment and industrial output volume. After 1999, no significant changes occurred in the sum variable depicting company stakeholder responsibility, although there were substantial changes in the economic environment. However, at the level of individual statements, such changes were observed. To analyse these

changes in more detail, means were calculated for all stakeholder responsibility statements and changes were analysed with the *t*-test (Table 5).

Insert Table 5 about here

From 1994 to 1999, company stakeholder responsibility was notably stronger in many individual statements. Environmental issues in particular were considered more positively in 1999 than in 1994, as stakeholder responsibility strengthened regarding all five environmental statements. Stakeholder responsibility in employee relations strengthened in working conditions, development possibilities, education and the right to a just wage. Stakeholder responsibility also strengthened regarding owners (dividends, retained earnings), competitors (bribery, tacit agreements, denigration, healthy marketing practices, honourable competitive methods), community and government (compliance with laws, good citizenship, tax base) and financiers (co-operation). The only issue in which stakeholder responsibility weakened from 1994 to 1999 was co-operation with competitors. No change occurred in relations with customers or suppliers and dealers.

From 1999 to 2004, the Finnish economic situation remained fairly steady. Stakeholder responsibility strengthened in relations with customers (product safety, pricing, packaging), employees (working conditions, right to a just wage, hiring policies), competitors (bribery, tacit agreements), community and government (good citizenship, tax base) and the environment (product recycling). However, stakeholder responsibility weakened in employees' right to participate and in some environmental issues (protecting the environment,

extinction of species). Managers' attitudes did not change regarding stakeholder responsibility issues regarding owners, suppliers and dealers and financiers.

Between 2004 and 2009, a clear economic downturn had taken place and stakeholder responsibility also weakened to some extent, especially in relations with customers (emphasising long-term customer satisfaction, cutting down product quality to reduce costs, putting sales before information in packaging), competitors (fair play, co-operation), suppliers and dealers (paying bills on time, co-operating with suppliers), financiers (long-term relations, returns on investment) and media (information). However, stakeholder responsibility strengthened in relations with competitors in terms of bribery and honourable competitive methods and in employee relations regarding hiring policies. As to owners, community and government, NGOs and environmental issues, managers' stakeholder responsibility attitudes remained at similar levels in 2004 and 2009. From 1994 to 2009, company stakeholder responsibility continuously strengthened in hiring policies, bribery and honourable competitive methods and weakened in customer satisfaction and co-operation with customers.

While the economic situation improved to some extent from 2009 to 2014, it remained rather uncertain when the most recent survey was carried out in spring 2014. There were only a few changes in company stakeholder responsibility during the last research period, though it strengthened in product safety and quality and in working conditions. In fact, product safety and working conditions were the two issues where stakeholder responsibility strengthened throughout the whole research period from 1994 onwards.

In sum, company stakeholder responsibility strengthened from 1994 to 1999 regarding owners and employees, competitors and financiers, community and government and the environment. This trend largely continued regarding employees, competitors and community and government until 2004 and even until 2009 in hiring policies, bribery and honourable

competitive methods. The change in customer relations occurred for the most part after 1999, as stakeholder responsibility first strengthened from 1999 to 2004, then weakened from 2004 to 2009 and regained strength again from 2009 to 2014. For the most part, managers' attitudes towards company stakeholder responsibility issues were higher in 1999 than in 2009, which represent the best and worst economic situations respectively among the instances under examination in this study.

Responsibility issues compared with economic interests

The study results show a sense of balance between responsibility issues and economic interests among Finnish top managers (Table 6). The values for the paired comparison measures varied between 3.69 (in 1999, $\alpha=0.753$) and 3.93 (in 2004, $\alpha=0.776$ and in 2009, $\alpha=0.791$). At the level of individual statements, balance was demonstrated especially in avoiding denigration and fair play in competitor relations, social responsibility in general, informing customers and environmental friendliness and minimising pollution. Responsibility issues were emphasised in customer satisfaction and product quality, promoting foreign competition, informing shareholders and financiers and in working conditions, whereas economic interests were emphasised in issues that addressed fairness in supplier relations, price cutting, preserving jobs, openness in media information and acknowledging NGOs' opinions.

Insert Table 6 about here

While there were no statistically significant changes in managers' perceptions of responsibility issues when compared with economic interests, there were some changes in individual paired comparisons. At the beginning of the research period from 1994 to 1999, informing financiers, working conditions, social responsibility and preserving jobs gained importance, whereas from 1999 to 2004, informing shareholders became less important in comparison with economic interests. From 2004 to 2009, customer satisfaction became less important, while managers' attitudes towards acknowledging NGOs' opinions gained importance. From 2009 to 2014, no statistically significant changes occurred in managers' attitudes towards stakeholder responsibility issues compared with economic interests.

Discussion

This study provides a comprehensive view of Finnish perspectives on company stakeholder responsibility from a historical perspective. The results confirm several previous studies' findings regarding the importance of the stakeholder approach among the management of Finnish companies (Juholin, 2004; Kourula, 2010; Kujala *et al.*, 2010; Lämsä *et al.*, 2008; Näsi, 1995; Siltaoja, 2010). Finnish managers' stakeholder responsibility was strongest regarding customer satisfaction and product quality, informing financiers and shareholders and working conditions of employees. In general, these represent the key stakeholder responsibility issues that have been shown to be important in previous literature, as owners, customers and employees are typically viewed as the key stakeholders (Lämsä *et al.*, 2008).

Earlier research has shown that firms tend to emphasise stakeholder relationships that can have significant impacts on their financial performance, such as customers and employees (Berman *et al.*, 1999). This study thus supports earlier research results on Finnish companies'

responsibility actions as often motivated by business benefits and competitive advantage (Juholin, 2004; Lähdesmäki, 2012; Siltaoja, 2010). Such patterns can be seen as evidence of strategic stakeholder management, in which the reason for taking stakeholder concerns seriously is to improve financial performance, rather than intrinsic stakeholder responsibility, in which the reason for addressing stakeholder concerns is a moral commitment to stakeholder responsibility (Berman *et al.*, 1999).

The importance of employees among stakeholder groups can also be explained by changing business realities. A challenging new international environment exerted pressures on companies to develop their own competitive advantages. Even if such advantages were based on several resources and avenues, Finnish society chose the development of a knowledge-based economy as its core strategy to succeed (Moen and Lilja, 2004; Oinas, 2005). At a company level, this strategy meant that the understanding of employees as a valuable resource increased, and companies began to develop human resource strategies to advance employee competence and make them a source of businesses' competitive edge (Luoma, 2000; Viitala and Järnlström, 2014).

Regarding environmental issues, the shift towards stronger stakeholder responsibility was greatest at the beginning of the research period. Environmental management practices became more generalised along with the internationalisation of Finnish business in the 1990s, as companies began to note environmental challenges and craft environmental reports (Onkila, 2011). Respondents' attitudes show how, by the beginning of the new millennium, environmental issues had become part of everyday business practices; it was only the recent emergence of the climate change issues that earned them special attention again during the most recent research period (Heikkinen, 2014).

Interestingly, the respondents did not put great emphasis on NGO relations. In the literature, NGOs have been argued to have a growing influence and strong expectations

regarding the openness, transparency, and social responsibility of business (Burchell and Cook, 2008). This does not yet appear to have materialised in Finland, however, where the markets have only recently fully opened to international competition (Lilja *et al.*, 2009). Nevertheless, managers' attitudes towards acknowledging the opinions of NGOs in decision-making have gained importance compared to economic issues from 2004 to 2009. The future will determine whether societal development will strengthen the position of NGOs as important stakeholders of companies. This issue is also connected with the continuation of the welfare state in Finland and raises the question of the political role of corporate responsibility as a crucial issue that should be considered more deeply in the future.

The follow-up perspective of this study combined with its large empirical data set permitted an examination of the changing context of the business-society relationship. The study lends support to the argument that stakeholder responsibility is inseparable from its context (e.g., Fooks *et al.*, 2013; Freeman *et al.*, 2012; Kim *et al.*, 2013; Schlierer *et al.*, 2012; Young and Thyil, 2014). In particular, this study shows that changes in societal and economic contexts affect company stakeholder responsibility and shape its content. While company stakeholder responsibility has enjoyed increased scrutiny in recent years, existing studies have not paid enough attention to the broader context in which companies operate, such as the societal and economic context employed in this study (Agudo-Valiente, 2015; Bhattacharya *et al.*, 2009; Plaza-Úbeda *et al.*, 2010; Sachs and Mauer, 2009).

The findings show that there was a significant overall change in stakeholder responsibility at the beginning of the research period, when not only did the economic situation improve significantly, but also the Finnish business context had a greater free-market orientation, Finland became a member of the EU and internationalisation and globalisation influenced Finnish business in many ways (Kiander, 2001; Moen and Lilja, 2004). Environmental responsibility in particular became stronger, but stakeholder

responsibility also strengthened in relations with owners and employees, competitors and financiers and community and government. While the beginning of the research period was characterised by strengthening in environmental and social responsibility, the change from 1999 to 2004 concentrated on customer, competitor and employee issues. By 2009, the internationalisation and globalisation of the business environment had become an everyday reality for Finnish companies (Lämsä and Viljanen, 2015; Lilja *et al.*, 2009), while a drastic economic downturn had occurred after the 2008 global financial crisis. This was clearly reflected in weakened stakeholder responsibility, especially in issues regarding customers and financiers and regarding suppliers and dealers. For the most part, company stakeholder responsibility remained unchanged during the most recent research period, as did the economic situation in Finland.

Changes in managers' stakeholder responsibility attitudes also reflect the substantial opening of the Finnish business environment, which evolved from a coordinated market economy to a competitive international system with an emphasis on knowledge and innovation over the period of study (Lämsä and Viljanen, 2015; Lilja *et al.*, 2009; Moen and Lilja, 2004; Oinas, 2005; Tainio and Lilja, 2003). Until the 1990s, Finland was a fairly closed economy characterised by state-led coordination, hierarchical organisations, largely state-owned corporations and even the approval of cartels (Tainio and Lilja, 2003). Therefore, industrial companies did not have any well-developed mechanisms to address various stakeholder issues in the new market situation at the beginning of the 1990s, when the development of appropriate relationships with different stakeholders became crucial to companies in both domestic and international markets. This study implies that such change did not happen quickly but rather required a decade to take effect. Due to both the change in the country's fundamental business environment and the increase in international business in the 1990s, multinational companies of both Finnish and foreign origin became important

players in the economy (Lilja *et al.*, 2009) and, consequently, targets for increased stakeholder demands and expectations (Hendry, 2005). In addition, Finland joined the European Union in 1995, which meant that the volume of laws and regulations increased and businesses had to pay more attention to the details of appropriate conduct. This is clearly reflected in the responses regarding acceptable business practices in relations with competitors, where stakeholder responsibility strengthened visibly during the research period.

When company stakeholder responsibility was compared with economic interests, the results of the research showed that top Finnish managers generally balanced these issues. However, it appears that managers expressed stronger stakeholder responsibility when they did not need to consider economic matters, which is related to changes in the Finnish economic context in the survey years. A clear change towards stronger stakeholder responsibility compared to economic issues occurred at the beginning of the research period when the economic situation was improving. Later, when a financial downturn occurred, stakeholder responsibility weakened. The study thus suggests that both the overall financial environment and a firm's particular economic position affect managers' stakeholder responsibility attitudes, but the degree and specific nature of this influence needs further examination.

Since company stakeholder responsibility is a dynamic and multidimensional phenomenon (Plaza-Úbeda *et al.*, 2010; Sachs and Maurer, 2009) and thus difficult to capture empirically, this study contributes to the empirical research on company stakeholder responsibility by providing an approach to measuring the phenomenon (Freeman *et al.*, 2006, 2010). The instrument used in this study is especially suitable for analysing the content of and changes in managers' overall stakeholder responsibility attitudes and in examining the balance between responsibility issues and economic interests. The high alphas indicate that the instrument succeeds in capturing the overlap in stakeholder interests (Freeman, 2010) and

the analysis showed that company stakeholder responsibility is a holistic construct that consists of a wide variety of specific responsibility issues.

Limitations and future research

The present study has certain limitations. First, the target group of the survey consisted of managing directors in large industrial companies, which leaves out such target groups as managers from the service sector, managers at smaller companies and middle managers or supervisors. In the service sector, the customer role is different, as services are often co-produced with customers. In these businesses, the role of employees is also important in providing quality services and in building sustainable customer relationships. In the future, research could be directed at service business to advance comprehension on the importance of different stakeholder responsibility issues in this rapidly growing sector.

Second, the research was based on survey data and quantitative analysis. A well-known phenomenon in survey research is social desirability bias, which refers to respondents' over-reporting admirable attitudes or under-reporting those that are not socially respectable (Krosnick, 1999). To minimise the influence of social desirability bias, the present study followed Fowler's (1988, pp. 94-95) advice by (1) striving to minimise the sense of judgment in the questionnaire and attitude statements, (2) using self-administered questions in a postal survey and (3) assuring confidentiality and anonymity to respondents. The response rates were satisfactory, taking into account the target population of the research. The research data was obtained by a census method and the questionnaire was sent to all representatives of the target population. The responses rates varied from 33.2% (1994) to 15.9% (2014) of the population, which is reasonable, especially since respondents were not offered any incentive to participate in the study and they capably represented the target population in terms of industrial background.

Moreover, while the research instruments used in this study have not been validated with statistical procedures, they have been used in earlier cross-sectional studies and therefore allowed for using an unusual data set that represents several time points over a 20-year period. Although this data set offers the rare possibility to track changes in top managers' stakeholder attitudes, there is much room for other research methods in the field. A qualitative approach could offer a more in-depth view of stakeholder responsibilities in general and offer a richer understanding of company stakeholder responsibility.

Fourth, while the study was based on a large database, it was carried out in a single-country context. As the paper demonstrates, there are some particular features of the Finnish business context during the research period that likely affected some of the changes in respondents' responsibility attitudes. This naturally narrows the generalisability of the research results to other countries. However, the results could be generalised to societal contexts where the business environment evolved from a coordinated market economy approach to a global business context. The broader Baltic region may share certain features, so countries like Estonia, Latvia and Lithuania could serve as fruitful platforms for further studies of company stakeholder responsibility. Such studies could also offer additional insights into the conceptual development of company stakeholder responsibility and into how top managers regard the usefulness of stakeholder management practices.

Finally, although the study argues for overlap in stakeholder interests and for the intertwined relation of business and society, the framework used in this study and its empirical results both indicate a certain polarisation between stakeholder responsibility and economic interests. However, the paired-comparison research instrument allowed respondents to weigh responsibility and economic issues and encouraged respondents to express their views on a continuum between the two, rather than simply choosing one or the other. As breaking down the polarisation between responsibility issues and economic issues is a great

challenge for both researchers and business managers, there is a need for further development of theoretical concepts, practical tools and sensitive measures that combine the social and economic dimensions of business.

Conclusion

The value of this study lies in the follow-up research approach combined with the large empirical data set, which offers the possibility of understanding the longitudinal development of the relationship between business and society. This article focused on examining to whom and for what a company is responsible and on managers' attitudinal changes towards these issues. It employed a cross-sectional mail survey in Finland in 1994, 1999, 2004, 2009 and 2014 to seek answers to the following questions: How did top managers' stakeholder responsibility attitudes change during the research period? How did top managers balance stakeholder issues and economic interests during the research period?

The study makes at least four contributions to the literature. First, it concludes that the framework adopted is suitable for the empirical investigation of company stakeholder responsibility. While that concept has been acknowledged by previous researchers (Freeman *et al.*, 2006, 2010; Mason and Simmons, 2014; Sachs and Maurer, 2009), there is general agreement that more empirical research on company stakeholder responsibility is needed. As demands placed on companies by various stakeholders become more challenging and complex just as companies act in an uncertain and interconnected business environment, long-term business success depends on a company's ability to act responsibly for all stakeholders in business and society (Freeman *et al.*, 2006, 2010; Maak and Pless, 2006). The company stakeholder responsibility view considers stakeholder engagement and management as crucial to firm long-term success, so practical knowledge about responsibility in stakeholder relations

is important (cf. Freeman *et al.*, 2010, p. 264) and empirical research on company stakeholder responsibility contributes to both stakeholder theory and management practice.

Second, this study contributes to previous literature by responding to the call for a holistic and multidimensional company stakeholder responsibility framework. While previous literature has emphasised stakeholders' role in creating an all-inclusive business-based rationale for corporate social responsibility (Sachs and Maurer, 2009; Mason and Simmons, 2014), recent measurements regarding stakeholder responsibility have concentrated only on certain stakeholder groups, such as consumers or customers (Alvarado-Herrera *et al.*, 2015; Hillenbrand *et al.*, 2013; Öberseder *et al.*, 2014; Pérez *et al.*, 2013) or employees (El Akremi *et al.*, 2015). Moreover, it has been argued that suitable existing scales for measuring stakeholder responsibility are scarce; those that do exist have been criticised for being one-dimensional and limited in their constructs (El Akremi *et al.*, 2015). While Plaza-Úbeda *et al.* (2010) developed a more comprehensive scale to measure the process of stakeholder integration, they focused on the instrumental perspective and did not pay attention to the moral-ethical perspective. As the framework used in this study has proven to be especially useful when overall stakeholder orientation is of interest, the study makes an important contribution to the existing literature that measures company stakeholder responsibility.

The third contribution relates to tracking the connection between societal change and stakeholder responsibilities, thanks to the study's historical viewpoint. The follow-up data combined with the notable changes in Finnish society and business offered the possibility of discussing managers' attitudinal changes in a wider social context. The study highlighted such changes in Finland and detected certain patterns in the changes over the 20-year period during which the country underwent significant changes in its business structure. Since such structures vary across societies, it is crucial to consider the specific societal and economic contexts when investigating company stakeholder responsibility. In Finnish industrial

companies, stakeholder responsibilities were adopted for the most part during the 1990s, when free competition began to flourish. The findings show that company stakeholder responsibility is not a static phenomenon; instead, it is dynamic and context-bound, even if changes can be slow and vary in different societies. Therefore, the study supports previous research that suggested that societal context has an influence on stakeholder management and stakeholder responsibility (Fooks *et al.*, 2013; Freeman *et al.*, 2012; Schlierer *et al.*, 2012; Young and Thyl, 2014).

Finally, the present study contributes to previous stakeholder research by investigating how managers balance stakeholder issues and economic issues. While the stakeholder responsibility concept has been developed to overcome the separation thesis that business activities are inherently separated from ethical issues (Freeman, 1994), it is often the case in practice that managers must decide how much to emphasise economic issues as opposed to stakeholder responsibility issues. Therefore, unlike most previous research that has concentrated on examining if and how stakeholder responsibility leads to economic success (e.g., Barnett and Salomon, 2012; Hillman and Keim, 2001), this study addressed the practical issue of the competing roles of stakeholder claims and companies' financial benefits. By presenting paired comparisons (cf. Hosseini and Brenner, 1992) of situations in which managers must weigh economic interests and stakeholder issues, the study examined how managers actually balance different expectations against each other. Moreover, as the research period covers both good and bad economic times, the study offered insights into how economic changes can influence managers' attitudes. The study shows that managers' stakeholder responsibility attitudes follow changes in both the overall economic environment and a firm's own financial realities. While economic changes have some influence on managerial attitudes, the broad advancement of free markets together with increased regulation in certain areas affect stakeholder responsibility attitudes even more significantly.

Whether the results of this study apply to other societal and economic contexts needs further examination.

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TABLES

Table 1: Changes in the Finnish economy

	1994	1999	2004	2009	2014
Gross national product	3.6%	3.9%	3.7%	-8.2%	-0.4%
Unemployment rate	16.6%	10.2%	8.8%	8.2%	9.0%
Industrial output volume index	10.1%	17.5%	9.6%	-28.4%	-2.3%
Manufacturing confidence indicator	+ 30	+ 20	+ 6	- 26	+ 1

Table 2: Paired comparisons for the research instrument (Kujala 2004, 2010)

Customers
Informing the customer - Getting the order/deal
Product quality - Cutting costs
Customer satisfaction - Cutting costs

Employees
Working conditions - Minimising costs
Preserving jobs - Cutting costs

Owners
Informing shareholders - Raising the capital

Financiers
Informing financiers - Getting risk capital to the company

Suppliers and dealers
Fairness in supplier relations - Maximising the cycle speed of storage

Competitors
Fair play in competition - Winning the bidding competition
Avoiding denigration - Winning the bidding competition
Declining price cutting - Getting new customers
Promoting foreign competition - Protecting own products against competition

Community and government
Social responsibility - Minimising taxes

NGOs
Acknowledging NGOs' opinions - Economic interest

The Media
Openness in informing - Strategic competitive advantage

The Environment
Minimising pollution - Maximising profits
Environmental friendliness - Economic interest

Table 3: Sample profile

	1994		1999		2004		2009		2014	
	n	%	n	%	n	%	n	%	n	%
Sex										
Male	345	96.6	309	95.1	186	93.9	183	94.8	80	94.1
Female	11	3.1	15	4.6	9	4.5	10	5.2	5	5.9
Unknown	1	0.3	1	0.3	3	1.5	0	0.0	0	0.0
Age										
Younger than 45	94	26.3	74	22.8	35	17.7	30	15.5	14	16.5
45–54	209	58.5	157	48.3	84	42.4	98	50.8	33	38.8
55 or older	47	13.2	83	25.5	73	36.9	60	31.1	31	36.5
Unknown	7	2.0	11	3.4	6	3.0	5	2.6	7	8.2
Income*										
80,000 euro/year or less	221	61.9	133	40.9	51	25.8	21	10.9	8	8.5
80,001–100,000 euro/year	55	15.4	72	22.2	35	17.7	34	17.6	11	13.0
More than 100,000 euro/year	54	17.9	112	34.5	106	53.5	133	68.9	61	71.8
Unknown	17	4.8	8	2.5	6	3.0	5	2.6	5	5.9
Managerial experience										
Less than 5 years	48	13.4	44	13.5	31	15.7	32	16.6	9	10.6
5–10 years	126	35.3	83	25.5	50	25.3	49	25.4	24	28.2
More than 10 years	170	47.6	192	59.1	110	55.6	108	56.0	47	55.3
Unknown	13	3.6	6	1.8	7	3.5	4	2.1	5	5.9
Ownership										
No ownership	258	72.3	218	67.1	134	67.7	138	71.5	60	70.6
Less than 50% of the shares	73	20.4	60	18.5	34	17.2	47	24.4	9	10.6
50% or more of the shares	24	6.7	22	6.8	10	5.1	7	3.6	5	5.9
Unknown	2	0.6	25	7.7	20	10.1	1	0.5	11	12.9

*In 1 January 2002, Finland changed the currency from FIM to euro (1 euro = 5,94573 FIM). The categories used in the 1994 and 1999 surveys were FIM 500,000/year or less, FIM 500,001–600,000/year and more than FIM 600,000/year (Kujala 2004, 2010).

Table 4: Sum variables for company stakeholder responsibility

Sum variable	1994	α	Change/ Sig.	1999	α	2004	α	2009	α	2014	α
58 items, scale 1–5	2.22	0.829	+/-0.000	2.11	0.828	2.06	0.786				
63 items, scale 1–5						2.11	0.802	2.14	0.822	2.10	0.842

Table 5: Changes in itemised company stakeholder responsibility statements

Responsibility issues	1994 mean	Change/ Sig.	1999 mean	Change/ Sig.	2004 mean	Change/ Sig.	2009 mean	Change/ Sig.	2014 mean
Customers									
Customer satisfaction	1.28		1.29		1.29	-.026	1.43		1.44
Product safety	2.01		1.94	+/0.13	1.73		1.64	+0.001	1.34
Product quality II	2.20		2.03		1.84	-.008	2.14	+0.000	1.67
Pricing I	2.87		2.85	+/0.12	2.55		2.58		2.62
Packaging	2.73		2.66	+/0.36	2.48	-.012	2.72		2.53
Employees									
Working conditions	1.68	+/0.007	1.53	+/0.000	1.30		1.33	+0.009	1.17
Dev. possibilities II	1.82	+0.000	1.58		1.48		1.51		1.54
Education II	1.71	+/0.11	1.58		1.56		1.62		1.52
Dev. possibilities I	1.93	+/0.000	1.68		1.66		1.72		1.57
Right to just wage	2.27	+/0.003	2.06	+/0.040	1.90		1.87		1.77
Hiring policies	2.47		2.46	+/0.19	2.23	+0.001	1.87		1.70
Education I	2.04	+/0.000	1.82		1.86		1.93		1.89
Employees right to participate	2.29		2.18	-0.000	2.53		2.32		2.39
Owners									
Dividends	2.20	+/0.001	1.93		2.08		2.02		2.17
Retained earnings	4.06	+0.000	3.78		3.68		3.59		3.69
Competitors									
Bribery	2.15	+0.000	1.82	+0.000	1.42	+0.000	1.16		1.12
Tacit agreements I	1.47		1.43	+0.006	1.24		1.19		1.10
Tacit agreements II	2.01	+0.000	1.71	+0.004	1.48		1.42		1.38
Denigration	1.86	+0.010	1.68		1.55		1.58		1.60
Fair play	1.89		1.80		1.65	-0.016	1.84		1.67
Healthy mark. pract.	2.33	+0.012	2.13		2.00		2.09		2.05
Hon. comp. meth.	3.22	+0.010	3.00		2.93	+0.029	2.67		2.80
Co-operation	2.76	-0.024	2.95		2.95	-0.002	3.34		3.52
Suppliers and dealers									
Paying the bills	1.51		1.41		1.41	-0.022	1.61		1.53
Co-operation	1.58		1.49		1.42	-0.000	1.66		1.59
Community and government									
Compliance with laws	1.61	+0.000	1.40		1.34		1.42		1.30
Good citizenship	1.73	+0.000	1.50	+0.046	1.38		1.42		1.48
Tax base	3.92	+0.001	3.64	+0.038	3.42		3.40		3.17
Financiers									
Long-term relations	1.57		1.62		1.54	-0.013	1.76		1.88
Co-operation	1.97	+0.048	1.84		1.90		2.05		2.17
Returns	1.95		2.05		1.92	-0.005	2.19		2.27
The environment									
Pollution	1.93	+0.000	1.67		1.65		1.68		1.48
Product recycling	2.48	+0.000	1.99	+0.033	1.81		1.73		1.67
Environmental friendliness	2.22	+0.000	1.76		1.87		1.78		1.67
Protecting the environment	1.95	+0.000	1.70	-0.000	1.97		1.89		2.06
Extinction of species	3.08	+0.010	2.84	-0.099	3.12		2.93		2.93
Media									
Information					2.80	-0.010	3.11		2.96

Table 6: Changes in stakeholder responsibility issues compared with economic interests

Stakeholder responsibility issues Scale 1–7	1994	Change/ Sig.	1999	Change/ Sig.	2004	Change/ Sig.	2009	2014
Overall	3.79		3.69		3.93		3.93	3.83
	$\alpha=0.782$		$\alpha=0.753$		$\alpha=0.776$		$\alpha=0.791$	$\alpha=0.874$
Customer satisfaction	2.73		2.61		2.61	-.020	2.93	2.75
Product quality	2.79		2.78		2.75		2.86	2.68
Promoting foreign competition	3.14		3.11		3.30		3.44	3.40
Informing shareholders	3.23		3.09	-.018	3.40		3.36	3.27
Informing financiers	3.29	+/.000	2.91		2.99		3.09	3.04
Working conditions	3.45	+/.000	3.08		3.23		3.22	3.07
Avoiding denigration	3.81		3.67		3.76		3.66	3.74
Fair play in competitor relations	3.81		3.76		3.86		3.97	3.81
Social responsibility	4.12	+/.000	3.61		3.79		3.56	3.43
Informing customers	4.17		4.14		4.29		4.50	4.16
Environment friendliness	4.27		4.15		4.18		4.36	4.27
Minimising pollution	4.47		4.34		4.49		4.46	4.42
Fairness in supplier relations	4.68		4.64		4.63		4.75	4.70
Declining price cutting	4.69		4.55		4.63		4.51	4.51
Preserving jobs	5.04	+/.007	4.76		4.93		4.69	4.46
Openness in informing media					4.77		4.49	4.64
Acknowledging NGOs' opinions					5.15	+/.023	4.87	4.84

**APPENDIX: Survey items concerning company stakeholder responsibility issues
(Kujala 2001, 2004, 2010)**

Stakeholder

Responsibility issues

Itemised statements for the questionnaire

Customers

Customer satisfaction

Long-term customer satisfaction is more important for our company than random short-term profit.

Information

Truthful information to our clients in all situations is the number one priority in our company.

Product safety

Product safety always has priority when we design new products.

Product quality

I: The impression the product makes is more important than its actual quality.

II: We may cut down quality in our products to cut down costs.

Advertising

I: In advertising, we place truthful information even before impact.

II: Increase in sales is the most important effect of advertising.

Pricing

I: The prices of our products are mainly based on their production costs.

II: Pricing in our company is a market-based process, meaning that our products have the highest possible prices that we can get from each market.

Packaging

Sales effects are more important considerations in our package design than information.

Employees

Discrimination

We have sometimes had to let female employees go, for example, for family reasons.

Honesty

I: Honest relationships with employees is a very important principle in our company.

II: We inform employees of all matters concerning the operations of our company.

Working conditions

Special attention is paid to work safety and working conditions in our company.

Developing possibilities

I: Our company offers employees possibilities to develop themselves, for example, through work rotation and support of self-education.

II: Our company supports the leisure time activities of its employees.

Education

I: We offer our employees opportunities for education to bring out their potential talents.

II: Our company offers employees training opportunities specially related to their own tasks.

Right to just wage

We guarantee competitive salaries in our industry to our employees.

Hiring policies

When we hire new employees, age, sex, or any possible close relationships play no role.

Firing policies

In cases when we have to let people go, we always consider the employee's viewpoint.

Right to privacy

We don't interfere with our employees' lives outside of work.

Right to participate

Employees are represented in decision making in our company based only on legitimate representation.

Security

Our company takes into consideration each employee's overall life situation when making decisions regarding, for example, salaries and laying off people.

Stability

As a business executive, I am personally responsible for the continuity of the employees' jobs.

Right to organise

We motivate an active labour union in our company.

Owners

Reporting

We report to the owners all matters that influence the operation of the company.

Dividends

We guarantee annual dividends for the owners.

Retained earnings

We invest most retained earnings in the future.

Financiers

Long-term relations

To finance our operation, we try to create long-term relationships with different financial institutions.

Information

We give financiers only favourable information about the company.

Co-operation

Relations with our financiers are based on co-operation.

Returns

Our financiers should get a good interest on the capital they have invested in our company.

Risk evaluation

Financiers are themselves responsible for the safety of their investments.

Suppliers and dealers

Fair business practices

In relations with suppliers, we try to play by the rules of fair business practices.

Paying the bills

We always pay suppliers' bills on time and as agreed.

Co-operation

Our relationships with suppliers are based on co-operation and reliable long-term relations.

Bidding

We always include all real and final costs into our offers.

Competitors

Bribery

We are ready for bribery in countries where it is a common practice.

Tacit agreements

I: Our industry has a tacit agreement to keep prices at a certain level.

II: We try to limit the entry of new companies into the industry in co-operation with our competitors.

Denigration

In a competitive situation, we may tell even unpleasant things about our competitors to customers or in public.

Fair play

We have always played by the rules of fair play in relations with our competitors.

Consistency and stability

We strive towards logical consistency in relations with our competitors.

Healthy marketing practices

We try to avoid using too tough of methods in marketing.

Honourable competitive methods

Sometimes competitive situations force us to take tough measures.

Foreign competition

Our company tries to shield against foreign competition, for example, by influencing the standards of product approval.

Price cutting

In competitive situations, we sometimes must cut prices drastically.

Co-operation

We readily cooperate with our competitors.

Community and government

Compliance with laws

We always try to comply with the spirit of law, not only its words.

Good citizenship

It is part of our company's operating principles to respect instructions from public administration and to promote general welfare.

Co-operation

Co-operation with public administration is an important part of our company's operations.

Tax base

We try to minimise the taxes payable by our company.

NGOs

Dialogue

We discuss with different nongovernmental organisations about the social impacts of our operations.

Influence

Nongovernmental organisations' opinions and views influence our company's decision making.

The media

Transparency

We aim to be open with all issues regarding our operations in relations to the media.

Openness

We treat all requests made by media representatives with openness.

Information

We tell the media only the necessary information about issues regarding our operations.

The environment

Pollution

We pay special attention to the environmental effects of our operations.

Product recycling

We take care of the recycling of our products.

Environmental friendliness

Environmental friendliness is one of our basic principles.

Protecting the environment

We promote protection of the environment in our business practice.

Extinction of species

Protection of species under the threat of extinction is included in our operating principles.
