CORPORATE SOCIAL RESPONSIBILITY IN THE RUSSIAN ENERGY INDUSTRY

Benyaminova, A.

CORPORATE SOCIAL RESPONSIBILITY IN THE RUSSIAN ENERGY INDUSTRY

ALINA BENYAMINOVA

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

February 2019

Abstract

CSR has witnessed global resonance (Jamali and Neville 2011), facing different formal and informal institutional environments, which characterise the national identify of each country (Khanna et al. 2006; Hira and Hira 2000). This challenges the understanding of CSR and the validity of the standardised global CSR agenda, as such understanding relies heavily upon the institutional context of the countries (North 1990; Kim et al. 2013).

Responding to requests to contextualise CSR research, this study examines the institutional forces affecting CSR in the Russian energy industry by focusing on the changing set of stakeholders as reflected in CSR activities in the Russian energy sector, such as oil, gas, electrical power and coal. This study is a detailed qualitative analysis of CSR in Russia, a country with different value and political systems from the Western countries where CSR was initially developed. I make reference to a number of theories, which include neo-institutional and stakeholder theories, drawing on Scott's (1995) conceptual model of three institutional pillars, the regulative, the normative and the cultural-cognitive, to examine institutional forces.

This study presents empirical findings drawn from 29 semi-structured interviews with representatives of the Russian energy industry. CSR reports and websites are used to strengthen and verify the use of interview data (Fernando 2010). The findings demonstrate that energy companies are subject to various institutional forces. All three pillars, regulative, normative and cultural, serve as a justification for CSR in the given context. CSR reflects complex interaction between national formal and informal institutions, in addition to the interaction between international institutions.

The findings clearly demonstrate that CSR is a 'traditional' social phenomenon in the Russian energy industry, rather than something that has been originated from the West, shaped by strong informal institutional forces. CSR is a phenomenon with roots dating back to as early as the seventeenth century, supported and valued by the Russian Orthodox Church. CSR reflects old informal institutions in the energy industry, contextualised by the historical and cultural antecedents (Crotty 2016; Halme et al. 2009).

CSR in a transitioning economy brings to the fore the dynamics of stakeholder development. This study places particular emphasis on the role of the stakeholder and identifies that CSR activities are strongly stakeholder driven. I identify a set of stakeholders, and demonstrate that energy companies adopt their CSR activities to the arrival of a changing set of stakeholders, and the importance of the resources that new stakeholders posses in an ever-evolving context.

This study contributes to extending the application of neo-institutional theory to transitioning economies and to a theoretical analysis of CSR practices in an ever-evolving context. My contribution is linked to uncovering recent developments in the complex interplay between the three institutional forces, stakeholders and the changing context. Finally, I contribute to the debate on how CSR practices are shaped by institutional forces relevant to the national business system and those harmonising management practices in a globalised world (Matten and Moon 2008; Jamali and Neville 2011; Jamali et al. 2017).

Table of Contents

List of Tables

List of Abbreviations

The list of abbreviations used in this thesis:

    CSR   Corporate Social Responsibility

    USSR   Union of Soviet Socialist Republics

    NGO   Non-Governmental Organisation

    GRI   Global Reporting Initiatives

    ISO   International Organisation for Standardisation

Acknowledgments

It always seems impossible until it's done. Writing this PhD was indeed a very challenging, painful, lonely, and mentally and physically exhausting experience. But as Russians say, 'you cannot pull a fish out of a pound without effort.' I am grateful for every moment and every second I have had to spend in this 'marriage' of four years with PhD.

During the times when I thought it would never end, that it was impossible, and I could see no light at the end of the tunnel, I was encouraged and motivated by people, to whom I am forever grateful. First and foremost, I would like to thank my supervisors: Dr. Martin Mathews, Prof. Alison Rieple and Dr. Paul Langley. I truly appreciate all your time, ideas, discussions, contribution, support and motivation. At times during the meetings, your good humour really helped. I am thankful for your patience, and for all 'sticks and carrots' you provided during this journey. It has been an honour to work with you.

I must thank all the interviewees who have contributed to my study. Thank you for sharing your CSR knowledge and experience - there is no wealth like knowledge.

To my PHD friends: Hiba Hussein and Lilit Baghdasaryan you arrived into my life and made such a beautiful impact on it. Those long days and nights with coffee, chocolate, food, crying and laughing around the table, and with you, Lilit by my side working on your thesis and pulling your hair out, will stay in my memory forever. To Tatyana Andronic, and Natalie Kelly, for all these years of your friendship. Thank you all for your endless support, patience, listening, calls, texts, dinners, drinks and trips.

I could not have done this without you. Although, without you I would have submitted two years ago.

And of course, this journey would not have been possible without my family. For unconditional love, I am forever thankful and grateful to my father, Artur Benyaminov and my mother Snejana Benyaminova, for your support, motivation, advices, lessons, kindness, protection, sacrifices. You never took the easy way, and you have always done what was best for your children. Thank you to my sister, Valeria Benyaminova, for putting up with me, for making me smile, for your friendship, for your love, for cooking and for cleaning. To my aunt, Irina Rustamova, who has always told me that education is the future, thank you for your friendship and for your love. No matter how badly I fail, I always know my family will treat me as a winner. If this is a success, I dedicate this to my family. Without you, I am nothing.

Author's Declaration

I declare that, except where explicit reference is made to the contribution of others, this thesis is the result of my own work and has not been submitted for any other degree at the University of Westminster or any other institution.

Signatory_____

Date_____

Chapter 1: Introduction

1.0 Corporate Social Responsibility

Corporate social responsibility (CSR) has become mainstream in the business community. According to Carroll (1999), the term CSR was first introduced by R. Bowen in the 1950s, where Bowen explained that 'social responsibility is no panacea, but that it contains an important truth that must guide business in the future.' Since the 1950s, CSR and other related terms, such as corporate responsibility, corporate philanthropy, corporate citizenship and responsible business, have emerged from a variety of Social Science disciplines, such as Political Science and Sociology, Economics and Management (Wang 2015; Matten and Crane 2005; Wood 1991). The concept, on one hand, is well developed; on the other hand, CSR is one of the most controversial concepts in management literature (Svirina and Khadiullina 2017; Friedman 1970; Margolis and Walsh 2003). The field of CSR presents an entire landscape of different theories, approaches and terminologies (Garriga and Mele 2004).

The definition of CSR is loose and open to dispute. Defining CSR is not simple as it 'does not imply the same thing to everybody' (Votaw 1972, p.25). It is an umbrella term for a number of theories and practices, 'all of which recognise that companies have a responsibility for their impact on society and the natural environment, that companies have a responsibility for the behaviour of others with whom they do business and that CSR activities are normally conducted on a voluntary basis beyond legal compliance' (Frynas 2012, p.12). The classic idea of CSR was first limited to philanthropy, but then shifted to an emphasis on business-society relations, where companies have an obligation to work for social betterment

(Frederick 1994; Ismail 2009). In a more comprehensive approach, CSR is presented in literature as a standard, globalised practice, with emphasis on business economic, legal, ethical and philanthropic responsibilities (Carroll 1979; Moon et al. 2010; Kim et al. 2013). CSR takes into account activities beyond making profit, which include environmental protection, health and safety, being ethical in trading, human resources management, social benefits to employees, and relations with stakeholders such as local communities, customers, suppliers and financial institutions (Frynas 2012; Matilainen 2011; Jamali 2010). Under the CSR agenda, companies go beyond the law and do not simply obey regulations (Polishchuk 2009).

However, as CSR has witnessed global resonance (Jamali and Neville 2011), it has faced the different institutional setups of modern society (Campbell 2007; Polishchuk 2009; Kim et al. 2013). As CSR enters new countries, it is faced with an environment comprised of formal and informal institutions, which characterise the national identify of each country (Khanna et al. 2006; Hira and Hira 2000). This makes CSR challenging and in this regard, its understanding relies heavily upon the institutional context of the countries (Kim et al. 2013).

1.1 Institutional theory and CSR

This study adopts neo-institutional theory as a theoretical standpoint for analysing CSR, which enables a comprehensive vision of the role of CSR in 'institutional setups of modern societies' (Polishchuk 2009, p.2). Institutional theory sees companies as being embedded in formal and informal networks of institutions (North 1990). Institutions are systems of 'established and prevalent social rules that structure social interaction' (Hodgson 2006, p.2). The neo-institutional approach broadens the conception of the firm's environment, and emphasises the importance

2

of the social and cultural environments, which have an influence on companies' decision-making (Scott 1995; Ioannou and Serafeim 2012).

Some research on CSR has neglected the role of institutions (Aguinis and Glavas 2012; Brammer et al. 2012). However, variations in socially responsible behaviour are associated with variations in institutions, and the sticks and carrots that they provide to constrain and enable such conduct (Campbell 2007, p.952). CSR includes the aspect of 'society', and the institution-based approach by definition is the most appropriate conceptual lens with which to analyse the 'social' responsibility of a company (Khan et al. 2014). The neo-institutional approach to CSR indicates that firms do not make decisions regarding CSR on the basis of instrumental decision-making, but that these decisions are made 'vis-à-vis' a broader social context (Jackson and Apostolakou 2009, p.374).

Institutional beliefs support the development of organisations, and institutions exhibit meaningful properties due to the processes set in motion by regulative, normative and cultural elements (Scott 2013, p.55). Scott (1995) introduced a framework of three interdependent and mutually reinforcing institutional pillars, the regulative, the normative and the cultural-cognitive, which are useful when analysing institutional forces and pressures on companies (Kostova and Roth 2002; Kim et al. 2013). The three institutional pillars provide their own logic for mechanisms affecting companies' CSR agendas.

1.2 Background to the research

Russia is the largest post-communist and post-transitioning economy, but one which has received little CSR attention in the literature (Glebova et al. 2013). Russia's

3

history as a post-communist economy is characterised by features of institutional upheaval, where not only the political systems of laws, regulations and the financial markets, but also the 'underlying assumptions about the purpose of economic activity,' were destroyed or changed (Newman 2000, p.601; Roth and Kostova 2003).

The energy industry is a controversial industry and continues to be the least trusted (Chebankova 2010). An industry becomes controversial when business practices are socially or environmentally irresponsible, disrupting stakeholders and social expectations and interests, causing social, environmental and ethical consequences (Du and Vieira 2012, p. 413). Berkowitz et al. (2017) argue that CSR initiatives in energy are nothing more than strategies to legitimise companies' activities within society, with employees and within the state (Castello and Lozano 2011; De Roeck and Delobbe 2012). Today, Russia is one of the most energy-dependent countries globally, and energy is the necessary basis of the economy (Ermolaev 2017). Since 1991, the structure of the energy industry has included natural gas, oil, coal and solid fuels, waterpower and nuclear energy. Russia's energy industry employs millions of people, and energy companies' business activities have a substantial social and environmental impact on the country's extensive territories.

The roots of today's Russian energy influences date back to the country's Soviet legacy, where the USSR was the largest oil producer and the main supplier to both Eastern and Western Europe, and is one of the sectors which has organised workers (Goodrich 2013). In Russia, managers do not pay much attention to the elements of traditional Western CSR agendas; the Russian CSR focus is different (Singh 2010). While the idea of CSR is that business has a responsibility towards society, helping

to solve societal and ecological issues, the mainstream CSR agenda has failed to reflect 'a tacit consensus that CSR will vary from region to region and even within regions' (Idemudia 2011, p.1). In this regard, the universal principles for business and stakeholders do not address local challenges and expectations (Hamann 2006), rather they reflect the priorities of Western societies (Idemudia 2011). In Russia, for example, CSR is seen as an instrument used to build relations and sustain legitimacy with stakeholders (Zhao 2012; Friedman and Miles 2006; Henry et al. 2016; Bhattacharyasuch et al. 2009), such as local authorities (Zhao 2012; Cooper 2013; Andreassen 2016), society (Kuznetsov and Kuznetsova 2005) and international financial markets (Aluchna and Idowu 2016). At the same time, CSR in the Russian energy industry is, on one hand, a new phenomenon and on the other, an old one. During the Soviet Union period (1922-1991), importance was placed on the development of resources through planning industrial enterprises around which cities were built (Mallin 2009). Artificial towns, referred to as 'mono towns', were constructed where state enterprises, as an extended arm of the state, accommodated workers and provided significant social support. Those enterprises not only focused on production, but were integrated into all community activities by providing housing and supporting education, sport, healthcare, cultural events and infrastructure. These activities were later recognised as CSR activities in Western countries (Mallin 2009).

In contemporary Russia under President Vladimir Putin (2000-2008; 2012-present), CSR creates a 'safe' distance between corporations and politics at a regional level (Chebankova 2010). This includes a commitment to expanding national growth and to adopting programmes to achieve social peace and solidarity, human rights and social security (Chebankova 2010, p.31). The scope of social benefits provided by

state enterprises during the USSR era resulted in Russian citizens coming to regard companies as 'social care-takers' (Fifka and Pobizhan 2014). 'Social care-taker' is a societal expectation, which prevails within contemporary Russian society. In other words, Russian citizens expect companies to be responsible for social welfare provision (Henry et al. 2016). In the name of CSR, energy companies provide social benefits such as housing, supporting schools, kindergartens, health centres, sport and cultural events. These are considered to be morally appropriate and correct in the given context (Mueller et al. 2012; Khan et al. 2014; Scott 1995).

1.3 The research aim

Recent research into CSR adoption in non-Western contexts and cultures has questioned whether CSR can be regarded as a 'one size fits all' phenomenon or to what extent it is modified and structured by local cultural or economic constraints. Given the diversity of CSR that has been identified in different countries, how and why CSR is adopted in modern Russia is an important question. My study responds to the call to contextualise CSR theory (Crane and Matten, 2016; Crotty 2016) by examining how institutional forces shape CSR in a non-Western context. For the purpose of this thesis, the study is undertaken in Russia, the largest post-communist and post-transitioning economy, by focusing on CSR in the Russian energy industry, which includes oil, gas, electrical power and coal sectors.

To answer the overarching question, it is deemed necessary to look at the institutions and types of pressure, which might shape CSR in the given context. Institutions are the rules of the game in a society (North 1990; Scott 1995; Peng 2003). Underpinned by theoretical foundations, I adopt the three pillars of institutions, the regulative, the normative and the cultural-cognitive (Scott 1995) to

examine institutional pressure on energy companies to implement CSR practices. This conceptual model provides logic for the mechanisms affecting the understanding of CSR; it highlights whether a company adopts CSR in response to legal constraints, moral obligation or culturally supported meanings. Scott's (1995) model produces a country-specific formal and informal institutional profile, consisting of Russia's regulative, cognitive and normative dimensions (Kim et al. 2013).

Firstly, I identify the regulative pressures that shape employees' obligation to introduce CSR. The regulative pillar is comprised of legally enforced laws and formal rules established by government and regulatory bodies. The state establishes 'hard' regulations, which act as a coercive mechanism for CSR. Regulations set by the state are important in order to create an environment where companies are socially responsible (Campbell 2006).

Secondly, the normative pillar addresses actions that people deem to be legitimate, as they are expected and considered morally correct and appropriate in the Russian energy industry (Scott 1995; 2001). The normative component represents standards and values, defining goals and aims. I explore if CSR interacts in a normative domain, driven by social norms, values and expectations that are considered morally appropriate (North 1990). Normative forces are placed by a variety of institutions, such as institutional investors, NGOs, and professional associations (Muthuri and Gilbert 2010). This pillar addresses the behaviour and actions that people perceive as the right thing to do in a particular context (Scott 1995).

Thirdly, I identify the taken-for-granted common social beliefs, attitudes, cultural and social meanings (Kostova and Roth 2002; Kim et al. 2013; Scott 1995; Scott, 2001, p.57) which underpin the level of support provided to CSR within the Russian energy

industry. I define national culture, as something that serves as a framework to interpret and give meaning to events that result from the common experiences of group members (House et al. 2004). I provide logic for the mechanism affecting CSR in response to culturally supported meanings.

Finally, studying CSR in a transitioning economy also brings to the fore the dynamics of stakeholder development, because when societies and economies are in state of flux and everything is 'up in the air', changes are more apparent and easier to identify (Sztompka 1999). The transition from communism to capitalism in Russia has meant that, as the state withdrew from its traditional all-encompassing role, newly privatised companies have developed new relationships with newly emerging stakeholders. Identifying this new set of stakeholders is vital as CSR motivations and policies can be driven by particular stakeholders. As Haberberg et al. (2010) note, the decision to adopt socially responsible conduct can be motivated by the instrumental desire to manage stakeholders and structured by local and foreign institutions. On the contrary, others suggest that companies engage in CSR activities as a way to promote socially responsible actions and respond to stakeholder demands (Maignan and Farrell 2000). Theorists who have examined CSR in non-Western contexts have found the range of salient stakeholders to be larger because

CSR has a broader meaning than typically characterised in the West (Nguyen et al. 2018). Each national business system has different institutions and norms (Matten and Moon 2008), and each will have a particular set of stakeholders with different resources and expectations. Different countries have different economic, political, social and cultural settings in which companies operate and relate to their stakeholders (Visser 2008). In attempting to contextualise CSR activities, going

beyond purely national business systems, it is important to take into consideration the extent to which the industry in question is international because stakeholders may be present on both the national and international stage. I contextualise CSR as existing in an ever-changing context, where I highlight how new stakeholders emerge and how organisations adapt their CSR practices to the arrival of said stakeholders, or to changes in existing stakeholders in an ever-evolving context.

1.4 Research methodology

This study utilises a qualitative methodology in order to explore the social phenomenon of CSR in natural settings (Denzin and Lincoln 2000). The knowledge within my study comes from the subjective analysis of CSR views obtained from semi- structured interviews with representatives of the Russian energy industry. Semi- structured interviews allow me to access the data most important to an individual (Brinkmann 2014) and to produce an understanding of the phenomenon on the basis of rich and contextual data. I support the interview statements with publicly available CSR reports and webpages of the companies represented by interview participants. CSR reports and websites are used to strengthen and verify the use of interview data (Fernando 2010), allowing a more holistic and representative understating of the phenomenon in question (Klassen et al. 2012).

1.5 Contribution

My study contributes to the understanding of CSR implemented in the context of the Russian energy industry. My contribution is linked to uncovering recent developments in the complex interplay between the three institutional forces, stakeholders and the changing context. I extend Matten and Moon's (2008)

argument that differences in CSR across national business systems are a function of local institutions, by suggesting that differences in CSR practices are a result of interactions between institutional pressures that are present in Russia and globally.

Drawing on work by Scott (1995; 2001), my study has applied the conceptual three pillar model in order to study institutional pressures for CSR. Using this model, I contribute to the debate on how CSR practices are shaped by institutional forces relevant to the national business system and those harmonising management practices in a globalised world (Matten and Moon, 2008, Jamali and Neville 2011, Jamali et al. 2017). In the Russian energy industry, all three institutional pillars must be taken into account when analysing the institutional forces that shape CSR. All three pillars, regulative, normative and cultural, serve as a justification for CSR in Russia; my study suggests that one pillar alone cannot explain why energy companies adopt CSR. CSR reflects complex interactions between national formal and informal institutions, in addition to the interaction between foreign institutions. Energy companies are susceptible to local institutional pressures; however, they are not totally immune to global institutional pressures.

All three pillars affect how employees perceive different stakeholders, where coercive, normative and cultural pressures have an impact on organizational behaviours. My findings suggest that firms' responses also vary according to different types of stakeholders: environmental CSR is strongly regulatory (Scott 2011), influenced directly by national laws. The state and local communities are important stakeholders, where normative pressure (Scott, 2001) impacts community-based CSR, such as the provision of education, health and social care, based on historical norms of care for one's neighbours – 'doing the right thing'. In this case,

there is a combination of local and international coercive, normative pressures imposed by old and new stakeholders, and national cultural institutional forces, which, taken together modify CSR practices I highlight the arrival of new stakeholders, and how they influence CSR in the Russian energy sector. Two new stakeholders have emerged which shape CSR in Russia-international financial markets and regional and local authorities. I also bring to light the changing role of the state. My findings highlight the role of the Russian State, acting as a coercive mechanism for environmental issues discussed under the CSR umbrella. At the same time, the state also operates as a normative actor, shaping the social pillar of CSR, where companies are required to contribute to social welfare support. CSR's normative orientation is reinforced by socio-economic agreements between the state and companies.

Finally, my study demonstrates that CSR is a 'traditional' social phenomenon in the Russian energy industry, rather than something that has been borrowed from the West. Russia has a long tradition of CSR, shaped by strong informal institutional forces. CSR is a phenomenon with roots dating back to as early as the seventeenth century, supported and valued by the Russian Orthodox Church and manifested through philanthropy. The Russian tradition of philanthropy from the Tsarist era, religious values, the Soviet tradition of paternalistic normative assumptions about enterprises, family values and culture-cognitive frames of Russian citizens, are all normative and cultural institutional arrangements, or institutional baggage, which has survived institutional upheavals (North 1990). Building on ideas from institutional theory and from my data, CSR reflects old informal institutions in the energy industry, contextualised by historical and cultural antecedents (Crotty 2016; Halme et al 2009).

1.6 Thesis structure

This thesis comprises nine chapters. Following the introductory Chapter 1, Chapter 2 reviews CSR literature. I present the fundamental basis of the ideas behind CSR, its definition and the main theories underlying the concept, followed by a review of the literature on institutional theory. I introduce the theory as a theoretical standpoint in order to gain a better understanding of CSR in my study. The conceptual model of the three pillars of institutions is presented in this chapter, which serves as the foundation of my study.

Chapter 3 begins with a discussion on CSR in the Russian context. It reviews the existing literature on how the context and institutional environment have possibly influenced the development of CSR in Russia. A major focus of this chapter is to explain and compare the political, economic and social situation in Russia before and after the USSR period. This chapter begins with the discussion of the political, financial, education and cultural systems, analysing both formal and informal institutions. I then move on to discuss the issue of legitimacy, followed by a discussion on the Russian energy industry.

Chapter 4 outlines the research methodology used to investigate the regulatory, normative and cultural institutional forces on CSR in the Russian energy industry. It provides justification for the adopted methodology. It includes a discussion on data collection techniques, followed by CSR reports and websites. It elaborates on the issue of gaining access to interviewees in Russia, followed by a discussion on data analysis. In Chapter 5 I present the findings concerning the regulative pillar; Chapter 6 presents the findings concerning the normative pillar; and Chapter 7 presents the findings concerning the cultural pillar. The theoretical concepts of each pillar are

briefly restated. I discuss findings under the light of Scott's (1995) conceptual model, and build a bridge between the literature review, the conceptual model and the findings.

In Chapter 8, I discuss the contributions of this study in the light of my findings. In Chapter 9, I present the limitations of the study and provide recommendations for future research, followed by the implications for practice.

.

Chapter 2: CSR and Neo-Institutional Theory

2.0 Introduction

Corporate social responsibility (CSR) is addressed by many disciplines; there are different definitions and perspectives on CSR within management literature (Kuznetsov et al. 2008). Therefore, a necessary point for any related CSR research is to establish the conceptual definition. First, I discuss the concept of CSR, its definition and the main theories underlying the concept. I clarify the key features of the different theories and viewpoints regarding CSR and its role within society. Next, I review the institutional theory literature, introducing the neo-institutional theory as a theoretical standpoint in order to gain a better understanding of CSR in my study. I define and explain that a neo-institutional-based perspective provides a theoretical lens with which to study various practices and attitudes in a particular context. Finally, I introduce Scott's conceptual (1995; 2001; 2013) model of three interdependent and mutually reinforcing institutional pillars, which are useful when analysing institutional forces and pressures on companies (Kostova and Roth 2002; Kim et al. 2013).

2.1 Definition and concept of CSR

CSR has become mainstream in business community. This 'orthodox' concept has developed during the last two decades (Lee 2008, p.53). Carroll (1999, p.268) explained that Howard R. Bowen is a 'father of CSR', who represented the beginning of the contemporary phase of CSR literature. Bowen introduced a first formal publication of CSR in the 1950s, where Bowen explained that 'social responsibility is no panacea, but that it contains an important truth that must guide business in the

future' (1953, p.270). Since the 1950s, CSR and other related terms such as corporate responsibility, corporate philanthropy, corporate citizenship and responsible business emerged from a variety of social science disciplines such as political science and sociology, economics and management (Wang 2015; Matten and Crane 2005; Wood 1991). The concept, on one hand, is well-developed; on another hand, CSR is one of the most controversial concepts in the management literature (Svirina and Khadiullina 2017; Friedman 1970; Margolis and Walsh 2003). CSR field presents a landscape of theories, different approaches and terminologies (Garriga and Mele 2004).

CSR has become crucial in contemporary business discussion, but the definition is loose and open to dispute. The basic idea of the CSR agenda is that companies have an obligation to work for social betterment (Frederick 1994). A widely accepted definition by many researchers defines CSR as an action taken by a company to further improve social welfare beyond the direct economic, technical and legal interests of the company (Campbell 2007, p.951). However, defining CSR is not simple, as 'CSR does not imply the same thing to everybody' (Votaw, 1972, p.25). Frynas (2012, p.12) defined CSR as: 'an umbrella term for a variety of different theories and practices, all of which recognise that companies have a responsibility for their impact on society and the natural environment, that companies have a responsibility for the behaviour of others with whom they do business and that CSR activities are normally conducted on a voluntary basis beyond legal compliance.'

In a more comprehensive approach, Carroll (1979; 1991) introduced a famous definition of CSR, emphasising four elements of responsibility, notably, economic, legal, ethical and philanthropic, which is known as 'The Pyramid of Corporate social

responsibility (CSR)'. Given Carroll's definition, economic responsibilities of any company include profit and shareholder maximisation (Friedman 1970), as the primary incentive for companies. The principle role of business is to create employment, attract investments, develop safe products and services for consumers (Nelson and Prescott 2003). While pursuing economic objectives, companies need to comply with exiting laws (Dusuki 2005). In this regard, the CSR phenomenon addresses the perspective of law whilst pursuing economic objectives. Economic and legal responsibilities entail ethical norms about justice and fairness. Firms operate under the ground rules such as various federal, state and local rules and regulations (Carroll 1991), which are concerned with normativity and the institutionalisation of behavioural norms (Buhmann 2010).

Further, Carroll's definition has addressed CSR from an ethical angle, which implies the ethical responsiveness of companies as expected by society. Ethical responsibilities include practices, which are not codified by laws, but expected or prohibited by societal members (Carroll 1991). Philanthropic responsibilities imply the common desire to see companies contribute toward society's expectations. In response to society's expectations, companies actively engage in initiatives and programmes to promote humane goodwill and welfare (Carroll 1991). For example, in developing countries, CSR is manifested through philanthropy (Arora and Puranik 2004), where any voluntary programme used to promote education, art and sport contributes to the improvement of life. If companies do not contribute financially to humanitarian programmes, they are not regarded as unethical (Carroll 1991). Philanthropy is voluntary, even though there is the societal expectation. Carroll (1991; 2000) introduced four components of CSR, which outline the nature and kinds of CSR to companies. It is a framework to understand the evolving nature of

business economic, legal ethical, and philanthropic performance. Depending on the company's management, size, strategy, philosophy, industry, the economy, the implementation of these responsibilities may vary (Carroll 1991).

CSR meaning varies from organisational philanthropy to government regulations and laws (Polishchuk, 2009). Socially responsible business takes into account externalities caused by business operations. These externalities may be controlled by government regulations, but CSR definition becomes more comprehensive when 'corporate behaviour is not directly dictated by either existing markets or governments' (Polishchuk, 2009, p.3). Under the CSR agenda, companies go beyond the laws and do not simply obey regulations (Polishchuk 2009). CSR takes into account activities beyond making profit, which include environmental protection, health and safety, being ethical in trading, human resources management, social benefits to employees, and relations with stakeholders such as local communities, customers, suppliers, financial institutions (Frynas 2012; Matilainen 2011; Jamali 2010).

Literature observes that there is no compulsory requirement for CSR; CSR is voluntary per definition (Villamayor 2010). The main argument regarding CSR has been that it introduces standards and rules of certain behaviour, followed by business on a voluntary basis. Conversely, CSR is subject to change over time and is inconsistent across different countries, or within a country (Frynas 2012). Literature suggests that countries have different economic, political, social and cultural settings, where companies operate (Visser 2008). Consequently, that which applies to one country may not necessarily apply to another due to differences in culture, values and historic antecedents. This becomes challenging when companies

implement CSR programmes imported from home to a foreign country (Amaeshi et al. 2006). Hence, existing definitions fail to establish guidance on challenges that management face within such phenomenon.

Dahlsrud (2008) explained that the challenge for any business is to understand how CSR is a socially constructed phenomenon, and how this can be implemented as a business strategy. Furthermore, although CSR is a loosely defined concept, the CSR agenda mainly depends on how companies define the phenomenon and the level of importance attached to it (Okoye 2009, p. 622). There is no standard recipe when it comes to CSR activities, as corporate sustainability is a flexible, custom-made process, which reflects various conceptions such as the diversity of actors and related issues (Marrewijk 2003; Okoye, 2009).

In defining CSR for the purpose of this study, I follow a tradition in the literature followed by (Kuznetsov et al. 2009; Carroll 1979; Polishchuk 2009) that identifies CSR as a situation in which companies intentionally go beyond compliance. This definition distinguishes CSR from other business functions and defines the dividing line between non-CSR and CSR activities. In addition, it implies that companies also have certain responsibilities to society that extend beyond economic and legal obligations formalised in laws and regulations. The next section provides an overview of different CSR theories.

2.2 CSR theories

There is much variation in the theoretical perspectives of CSR, and there is no 'accepted' CSR theory (Choi 1999). Okoye (2009), Garriga and Mele (2004; 2013) classified CSR theories into instrumental, political, integrative and ethical. I provide

an overview of theories and approaches describing the role of business in society.

2.2.1 Instrumental approach to CSR

Instrumental theories represent traditionally accepted theories that emphasise the importance of wealth creation. Any investment that can provide an increase in shareholder value should be considered (Garriga and Mele 2013). From economic perspectives, the company is nothing 'other than an instrument for achieving economic efficiency, cost reduction, and thus wealth maximisation' (Obalola 2008, p. 538). Milton Friedman (1970) echoing the view that business responsibility does not go beyond maximizing shareholders value or wealth. Friedman explained about investments in community: 'It will be in the long run interest of a corporation that is a major employer in a small community to devote resources to providing amenities to that community or to improving its government. That makes it easier to attract desirable employees, it may reduce the wage bill or lessen losses from pilferage and sabotage or have other worthwhile effects'. In this sense, CSR is viewed as a strategic tool to promote economic objectives and maximise profits for shareholders (Jamali 2008).

In going beyond a company's specific legal requirements and duties to shareholders, CSR has encountered criticisms from those who argue that the firm has no responsibilities to any other stakeholder than its shareholders (Haberberg et al, 2010). Friedman argues that shareholders are the only legitimate stakeholders to the exclusion of others when managers decide which policies to follow. This restricted view sees firms acting in a vacuum, a space where business and society only interact through laws and regulations. Companies do not exist in a vacuum and many authors would consider that organisations are answerable to a broader range

of stakeholders in order to conduct business on a basis of trust and ethical behaviour (Mathews and Stokes, 2013). Because all organisations depend on outside stakeholders for resources, CSR motivations and policies will be partly driven by the importance of a particular stakeholder and the resources that this organisation can provide to the focal firm.

The instrumental nature of CSR (Freeman, 1984; Garriga and Miele, 2004) indicates that companies implement policies in order to respond to the power of salient stakeholders who possess key resources (Frooman, 1999; Mitchell, et al. 1997). Identifying the most salient stakeholders is a vital question for managers. CSR motivations and policies will be driven by the saliency of a particular stakeholder and the resources that need to be obtained by the focal firm (McWilliams and Siegel, 2001). All stakeholders, however are not created equal and different managers will see some as more legitimate than others (McWilliams and Siegel, 2001).

Legitimacy is an exogenously driven motivation for CSR practices in which there is great concern for the approval of peers and other external bodies. Coercive factors may also come into play, as key stakeholders in civil society begin to lobby for adoption. Companies also have to make decisions regarding CSR on the basis of a broader social context (Jackson and Apostolakou, 2010). When companies operate in different countries they have to conform to national and institutional institutions in order to gain and maintain legitimacy (Kostova and Zaheer 1999).

During the process of CSR legitimisation adopters and non-adopters 'fight' for control of the field, influenced by the desires of different types of stakeholders who dynamically come into play. Whether these are principally internal or external stakeholders is likely to differ by context (Crane and et al., 2016). Although altruism

or idealism can form part of the motivation, for most companies the decision to develop CSR necessarily requires judgment as to whether it is right or wrong for the company, alongside judgments of its economic worth, whether this is because of greater consumer confidence in the organisation, better access to scarce resources or greater relational capital with key stakeholders. The propensity to engage in such behaviours may also be culturally conditioned (Argandoña, 1998; Cassel, 2001; Garriga and Melé, 2004; Jones, 1995; Stoney and Winstanley, 2001). Theorists who have examined CSR in non-Western contexts have found the range of salient stakeholders is larger because CSR has a broader meaning than typically characterised in the West (Nguyen et al. 2018). For example, African societies may consider a different set of stakeholders to be more salient than would be the case in the West, even within the same industry. The driving principles of Western CSR are at variance with African traditional approaches to community, leadership and business, as Africans are 'community-conscious, have a high respect for power distance relationships and believe in harmonious win-win relationships' (Dartey-Baah and Amponsah-Tawiah, 2011, p.133).

Power is defined as the capacity of one actor to 'bring about the outcomes they desire', (Pfeffer and Salancik, 1974). Power can be based on the type of resource employed by the stakeholder; it can be coercive where the power is based on threat of punishment, and/or utilitarian when power is based on the supply or withdrawal of a resource and, as such, is closely linked to resource dependency or normative power, which relies on a symbolic influence (Mitchell et al. 1997). Adopting an instrumental and transactional approach to the saliency of stakeholders and their influence on CSR policies (Garriga and Mele 2004), leads to propose that the power of stakeholders will vary according to the type, quantity of resources they possess

and how important these resources are to the focal firm (Frooman 1999). Some resources, for example, permits to drill, or licences to trade are of a 'must have' variety and will therefore provoke strategies from the firms concerned. The power of stakeholders comes from their capacity to influence strategies because they have resources that the firm needs to access in order to attain organisational goals. Stakeholder strategies can comprise of withholding resources or influencing the use of a firm's resources (Yang and Rivers 1999; Freeman 1984; Frooman 1999). Each national business system has different institutions and norms (Matten and Moon 2008). Each will have a particular set of (endogenous) stakeholders with different resources and expectations. International (exogenous) stakeholders will possess those resources essential to all organisations within the field, independent of the national context.

Their saliency and expectations will be similar across different national business systems, therefore evoking similar CSR responses from firms in that field. Stakeholder saliency is a function of the dynamic relationship between the stakeholder and the focal firm. It varies according to the possession of one or more of the following attributes; urgency and legitimacy and power (Mitchell et al. 1997; Frooman 1999).

Power, was discussed above in relation to resource dependency. Urgency relates to the necessity to act on a stakeholder's claim in a timely or immediate fashion (Thijssens et al. 2015), while legitimacy finds its source in 'the assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions' (Suchman 1995, p. 574). Both urgency and legitimacy clearly draw their relevance from the importance

and strength of local (i.e., national) norms and institutions, thus giving rise to different reactions from managers when dealing to these stakeholders. Managers must identify and then satisfy the requirements of those stakeholders whom they consider capable of influencing their firm's outcomes. How managers define the most salient stakeholders will depend on their appreciation of each stakeholder's power, legitimacy or urgency (Cantrell et al. 2015; Mitchell et al. 1997). The saliency of stakeholders at any given moment can be defined 'as the degree to which managers give priority to competing stakeholder claims' (Mitchell et al. 1997, p.854). Because of changes in the legitimacy, urgency and power of stakeholders, the firm-stakeholder relationship, is inherently dynamic. Firms needing to satisfy stakeholders will need to re-evaluate stakeholder saliency and modify their policies accordingly. Changes in the institutional framework for a given country can change the saliency of those national stakeholders. A difference in CSR practices across different countries takes its roots in the way that different stakeholders will emerge due to the different resources that they possess. The perception of stakeholder saliency will vary from country to country and thus contributes to the divergence of CSR activities across different national business systems. But in any attempt to contextualise CSR activities, it is equally important to take into consideration, beyond purely national business systems, the extent to which the industry or field in question is international because salient stakeholders may be present on both the national and international stage.

CSR has become associated with stakeholder management and reputational capital (Fombrun et al. 2000). Companies have come to realise that a strategically integrated CSR gains and maintains reputational capital (Fombrun et al. 2000); in other words acting ethically helps to acquire a good reputation (Berman et al. 1999).

CSR reduces negative media reports and develops a strong network of partners within the communities in which they operate, which consequently improves a company's reputation (Babiak and Trendafilova 2011). As the result, reputational gain provides company with economic benefits; it attracts resources, improve its performance and gain a competitive advantage (Babiak and Trendafilova 2011, p.13).

2.2.2   Integrative approach to CSR

Under the light of integrative theories, business integrates social demands into business operations, as business depends on a society (Garriga and Mele 2004, p. 58). This view represents the stakeholder management approach (Freeman 1984; 1999), which modifies the theory to reflect normative orientation (Obalola 2008). The theory recognises the need to be responsive to the demands of society members who might be affected by the firm's actions; satisfying shareholder value is not enough. A person, an informal group, a company or an institution can be perceived as a stakeholder. This theory is based on the underlying assumption that managers satisfy those involved in business operations as they can influence a company's outcomes (McWilliams et al. 2006). In recent times, firms have been pressured by non-financial stakeholders, such as non-governmental organisations (NGOs), activist, communities, governments and media, who demand what they consider to be responsible corporate practices (Garriga and Mele 2013). In defining the objective of business, the non-financial stakeholders are taken into consideration and managed, since stakeholders might withdraw support for a company.

2.2.3 Political approach to CSR

Political theories represent the idea of interactions between business and society, on the power and position of business and inherent responsibility. Garriga and Mele (2004) highlighted two main theories, frequently employed to understand the role of a business entity in a community. These theories are corporate constitutionalism (Davis 1960) and corporate citizenship (Altman 1998; Altman and Vidaver-Cohen 2000). Davis (1960) introduced business power as a new element in the CSR debate, where business is seen as a social institution, which must use power responsibly. His theory called 'corporate constitutionalism' suggests that a company has a power, which is limited by the stakeholder's pressure. If companies do not act according to society's expectations, they risk losing the power. Different constituency groups channel business power in a supportive way and protect others against unreasonable corporate power (Davies 1967, p.68). Corporate citizenship or 'the business citizen' emphasises the notion of a sense belonging to a community, where business takes into account the community where it is operating. Both theories recognise that social responsibility arises from a company's social power, where that company is seen as a citizen with community involvement (Garriga and Mele, 2004). The proponents of this view are mainly focused on the rights, responsibilities and partnership of business within a society.

2.2.4 Ethical approach to CSR

Finally, a group of ethical theories focus on the ethics' principles and appropriate actions (Garriga and Mele 2004), which cement the relationship between companies and society where they operate (Jamali 2008). These theories focus on various

stakeholders, such as shareholders, employees, suppliers, the local community and government, who hold expectations toward the business corporations, communicating what is right and what is wrong within the society. Stakeholder theory, which has been included within the integrative theories groups, has become an ethically based theory since Freeman argued that 'managers bear a fiduciary relationship to stakeholders' (Freeman 1984). The stakeholder theory attempted to find the requirements to consider various individuals that might affect or can be affected by a firm's decision on a normative moral theory. Donaldson and Preston (1995) explain that the stakeholder theory has a normative core based on two ideas; stakeholders are persons or groups with a legitimate interest in corporate activities, and the interests of all stakeholders are of intrinsic value (Garriga and Mele 2004; 2013). Following this theory, a socially responsible company is required to pay attention to the legitimate interests of all appropriate stakeholders. To summarise, a stakeholder approach grounded in ethical theories presents a different perspective on CSR, where ethics play a vital role.

2.2.5 Conclusion

Following the discussion above, one can conclude that most CSR theories are focused on the following aspects: achieving long-term profits, integrating social demands, using business power in a responsible way and contributing to a good society by doing what is ethically correct (Carroll 1979; Moon and Wooliams 2000).

This study adopts neo-institutional theory as a theoretical standpoint for analysing CSR, which enables a comprehensive vision of the role of CSR in 'institutional setups of modern societies' (Polishchuk 2009, p.2). The neo-institutional approach to CSR indicates that firms do not make decision regarding CSR on the basis of

instrumental decision-making, but that these decisions are made 'vis-à-vis' via a broader social context (Jackson and Apostolakou 2009, p.374). Since CSR has become mainstream among global business communities, it faces different institutional contexts in new countries (Kim et al. 2013; Campbell 2007); different regulations, norms, cultures, expectations and behaviours. This leads to discussion from an institutional perspective, which this study capitalises on in order to analyse CSR.

2.3 Neo-Institutional Theory (IT) and CSR: theoretical framework

2.3.1 Introduction to institutional theory

Institutional theory explains that institutions are powerful patterns of social action, which influence how individuals and organisations think and act in social contexts (Scott 2001; Bondy et al. 2012). As per definition, institutions are formal or informal rules, regulations, norms and understandings that constrain and enable behaviour (North 1990). Institutionalisation is a framework as opposed to what is considered as a formal theory. It indicates collective action as the foundation for how political and social institutions are understood.

Istitutionalisation views organisations as social actors, which are constrained by norms, rules and expectations and restricts the conduct of individuals and groups (Frederickson and Smith 2003). Hodgson (2006) explained that an organisation is a type of institution itself, where he defines institutions 'as systems of established and prevalent social rules that structure social interactions' (2006, p.2). Organisational institutionalism comes from phenomenology and cognitive psychology, which defines institutions as 'formal rules and taken-for-granted cultural frameworks, cognitive

schema, and routinised processes of reproduction' (Campbell 2006, p. 926). This assumes that actors within organisations are motivated more by logic of appropriateness (March and Olsen 1995) whereby action is constrained and enabled by cultural frames, schema, and routines, usually referred to informal institutions. The logic of appropriateness is a perspective on how people's actions are to be interpreted, where actions are seen as driven by rules of appropriate behaviour, organised into institutions (March and Olsen 2006). Within this, both cognitive and normative components are included in the appropriateness of rules. Actors follow these rules as they seen rightful, legitimate and are expected.

This represents the neo-institutional theory approach, which broadens the conception of the firm's environment, and emphasises the importance of the social and cultural environment (Scott 1995). Neo-institutional theory suggests that companies are surrounded by social structures, which have an influence on companies' decision-making (Ioannou and Serafeim 2012). In other words, formal organisations are embedded in a social and political environment, where social institutions shape practices and structures such as rules and beliefs. Moreover, institutional theory sees companies as being embedded in a nexus of formal and informal rules (North 1990). Neo-institutional theory, in particular, has stressed how companies adopt institutionalised forms of behaviour to increase external and internal legitimacy (Scott 1995). The theory of legitimacy is discussed later in this chapter. The key point being that companies attain legitimacy by conforming to formal and informal institutions in a social context (Kostova and Zaheer 1999).

Barley and Tolbert (1997) explained that various actors create institutions through a history of negotiations that lead to mutual social expectations and interpretations of

conduct. To some extent institutions are linked to socially accepted rules of the game (Chaney et al. 2016, p.473). Scott (1995; 2001) presented three elements or pillars, which underpin the institutional framework and reflect the highly distinctive ways that form and shape institutions (Scott 2013); namely, the regulatory, the normative and the cultural components, that give institutions the resilience they need to last and reproduce (Scott 2013). The regulatory pillar is comprised of legally enforced laws and formal rules established by the government and regulatory bodies. The normative component represents standards and values, defining the goals and aims. Cultural institutions are those that are in the shared reference frameworks, where certain practices are taken-for-granted (Zucker 1977). Neo-institutionalism influences companies where they unconsciously adopt practices in response to these institutional pillars (Oliver 1991). Any change to these pillars has a direct or indirect impact on how individuals within companies behave. Institutional theory offers an explanation of individual and organisational behaviour (Lee 2008). In particular, the framework provides a comprehensive theoretical view for the understanding and acceptance of various attitudes and practices within a certain social context (DiMaggio and Powell 1991; Scott 1995).

2.3.2 CSR and institutional theory

Neo-institutional theory presents a framework for analysing CSR, which enables a comprehensive vision of the role of CSR in 'institutional setups of modern societies' (Polishchuk 2009, p.2). Campbell (2007, p.952) argues that 'variations in socially responsible behaviour are probably associated with variation in institutions and sticks and carrots they provide to constrain and enable such behaviour'. According to this viewpoint, institutional context influences the rules and understanding by which

companies operate (Morgan and Kristensen 2006), and causes companies to act in a similar or different way (DiMaggio and Powell 1983; Kostova 1997). Consequently, this thesis underpins the theory that institutions both constrain and allow certain behaviour. In particular, this thesis claims that institutions are essential for companies to be socially responsible, as institutional arrangements shape companies' actions.

Some research on CSR has neglected the role of institutions (Aguinis and Glavas 2012; Brammer et al. 2012). However, given that CSR includes the aspect of 'society,' the institution-based approach by definition is the most appropriate conceptual lens to analyse the 'social' responsibility of a company (Khan et al.2014). Existing literature acknowledges that corporate responsibility is dependent on an embedded in an institutional environment of formal and informal institutions, which characterise the national identity of each country (Khanna et al. 2006). Institutional environment is related not only to formal institutions referred to, such as government laws and regulations, but, far more importantly, to informal ones such as societal norms, religious values and social traditions. In this regard, the institutional environment has been referred to as the 'rule of the game' (Thelen 1999), defining companies whilst also being regarded as an important antecedent of the nation's development (Halkos and Skouloudis 2016).

A neo-institutional approach to CSR suggests that companies do not make decisions regarding CSR on the basis of instrumental decision-making, but that these decisions are made 'vis-à-vis' a broader social context (Jackson and Apostolakou 2010, p.374). For example, companies face many pressures to adopt CSR practices at the industrial sector level (Beliveau et al. 1994). Companies operating in similar

industrial sectors face identical pressures, which as a result, force companies to adopt similar CSR practices and policies to maintain legitimacy. Alternatively, when companies operate in different countries at that level, companies have to confirm to national institutions in order to gain and maintain legitimacy (Kostova and Zaheer 1999).

Institutional contexts influence the rules and understandings by which companies conduct business activities (Morgan and Kristensen 2006). Institutional beliefs support the development of organisations, and institutions exhibit meaningful properties due to the processes set in motion by regulative, normative and cultural elements (Scott 2013, p.55). Scott (1995; 2001; 2013) introduced a framework of three interdependent and mutually reinforcing institutional pillars, which are useful when analysing institutional forces and pressures on companies (Kostova and Roth 2002; Kim et al. 2013). The three institutional pillars provide their own logic for mechanisms affecting companies' CSR agenda. All three pillars must be considered together in order to obtain a comprehensive understanding of social phenomenon. Therefore, institutional theory is a useful framework for understanding how the institutional environment influences CSR (Campbell 2007; Aguilera and Jackson 2010; Bashtovaya 2014), as it provides an understanding of the forces behind and within companies.

Matten and Moon (2008; Babiak and Trendafilova 2011, p.406) argue that when it comes to CSR 'the motives of managers, shareholders, and other key stakeholders, shape the way corporations are governed…and institutional theory brings interdependencies between them and interactions among stakeholders into the analysis, which is vital for understanding CSR, given its societal orientation.' Given

this logic, this theoretical framework is useful since it emphasises that employees of companies make corporate decisions based, not only on economics, but also in response to external normal, values and traditions embedded in the society in which companies operate (Shah 2011).

Underpinned by theoretical framework, I base my study on the neo-institutional theory. I argue that an understanding of CSR depends on the institutions under which companies operate (Doh and Guay 2006; Khan et al. 2014). Therefore, my thesis uses the three 'pillars of institutions' demarked within the institutional theory by Scott (1995) to identify institutional pressures on CSR. I adopt the conceptual model of institutional pillars and North's (1990) formal and informal institutions to examine the pressures from within these institutional pillars.

2.3.3 Three pillars of institutions

The theoretical framework of this thesis centres on the three pillars of institutionalisation as put forth by Scott (2008). It is necessary to take a look at the individual characteristics of each pillar (the regulative, the normative and the cultural-cognitive) to understand how institutional forces work, and identify what may support and motivate CSR within a particular context. Institutions are influenced by social forces or pillars, which determine the institutional atmosphere of a certain setting (Scott 2001). The main characteristics of each pillar are presented below (see Table 1).

Table 1: Three pillars of institutions (Scott 2001)

The Pillars	Regulative	Normative	Culture-Cognitive
Basis of compliance	Expedience	Social Obligations	Taken-for- granted/Shared understanding
Basis of order	Regulative rules	Binding expectations	Constructive schema
Mechanisms	Coercive	Normative	Mimetic
Logic	Instrumentality	Appropriateness (role)	Orthodoxy
Indicators	Rules/Laws/ Sanctions	Certification/ Accreditations	Common beliefs/Shared logics of actions/Isomorphism
Affect	Fear Guilt/Innocence	Shame/Honour	Certainty/Confusion
Basis of Legitimacy	Legally sanctioned	Morally governed	Comprehensible/ Recognisable/Culturally supported

Each pillar serves as a justification for a business social conduct, as well as reinforcing each other and working together as part of the same social system (Hess 2008). Each pillar has an individual characteristic, providing an understanding of how these forces work. These are vital ingredients of institutions; they make and support institutions (Scott 2001, p.59). Scott (1995) pillars are reproduced via identities, values and the behaviour of human actors. In this regard, these activities provide stability and meaning to social behaviour.

Following Kostova and Roth (2002; Kim et al. 2013), my thesis examines the effects of the institutional environment in a more systematic format, by looking into the institutional profile, defined as a set of regulatory, normative and cultural-cognitive pillars within a given country. This framework will provide logic for the mechanisms affecting CSR. Each pillar provides a different rational for legitimacy: being legally sanctioned, morally authorised or culturally supported (Macfarlane et al. 2013). The regulative component represents a combination of laws and formal rules, as well as sanctions for violation (Bashtovaya 2014). The normative component consists of 'social norms, values, beliefs and assumptions that are socially shared and carried out by individuals' (Kostova 1997, p.180). According to Scott (1995; North, 1990) the normative pillar of institutions defines what is right and appropriate for individuals in a

society. The cultural-cognitive concept addresses taken-for-granted, common social beliefs, attitudes, social identity and cultural and social meanings that social actors attach to things (Scott 1995). And although the three pillars reflect various aspects of the same institutional environment, they invoke different types of motivation for the adoption of social patterns (Kostova and Roth 2002). I now examine separately each of the three pillars.

2.3.4 Regulative pillar

The regulative pillar is based on rules, sanctions, controls and mechanisms. According to Scott (2007) institutions can be regulatory systems, which limit and regulate the behaviour of companies. Following Table 1, the legitimacy is based on legally sanctioned rules and laws, with expedience as a basis of compliance. Coercion is the mechanism of control and the logic is instrumental, where companies are faced with strong law enforcement. Sanctions, force and expedient are central ingredients of the pillar, and when coercive power supported and constrained by rules, there is the realm of authority (Scott 2012). This indicates that power is institutionalised. The regulative pillar is driven by power and governance systems with standards, which companies have to comply with. As mentioned before, the regulatory pillar implies explicit rules and laws and the foremost agent is the state (Scott 2001).

The state might establish 'hard' regulations, which act as a coercive mechanism for CSR, whereas industries implement 'soft' regulations to which companies voluntarily adhere (Muthuri and Gilbert 2010). Strong government and industrial regulations encourage companies to implement CSR. In both ways, hard and soft regulations and laws modify and guide corporate behaviour to prevent individuals and companies

from suffering the penalty of non-compliance. The economist and political scientist view agents, who impose construct rule systems or conform to rules as pursuing their self-interest, thus behaving instrumentally and expediently. The instrumental logic underlines the regulative pillar, where laws, codes, regulations and any formal structures are crafted to advance interests. By conforming to set rules individuals or companies seek rewards or wish to avoid sanctions.

Regulatory pressure through state regulations impacts a firm's CSR activities (Campbell 2007). Depending on the context, the state generates various regulatory pressures on CSR, facilitating and approving particular practices (Moon and Shen 2010), and consequently this improves relations between companies and stakeholders (Albareda et al. 2006). Following this logic, Campbell (2007, p.963) explains that firms are most likely to be socially responsible the more they confront to strong state regulations and laws, which urge socially responsible behaviour (Campbell 2007, p.963; 2006).

A number of scholars believe the regulative aspects of institutions constrain and regularise organisational behaviour (Scott 1981; 2012), and at the same time driving the change. The regulative element emphasises conformity to legal systems as the bases of legitimacy. Regulations set by the state are important to create an environment where firms can perform in a socially responsible way (Campbell 2006). However, it is not just an implementation of regulations, rather the capacity of the state to impose regulations and control behaviour. In developing economies, the weak legal systems and limited capacity of the state to enforce regulations, imply institutional voids (Khanna and Palepu 1997). Moreover, companies under these circumstances 'seek to control or otherwise capture regulators in ways that bend

them towards the will of the corporations they are supposed to oversee' (Campbell 2007, p.954). Due to concerns that the state's regulations might be too weak to protect the industry, companies may be involved in self-regulation and sanction, which might be monitored by external actors, for example, NGOs, trade unions and other community based organisations.

Campbell (2006) argues that regulations are not usually the government's responsibility as various industries may implement their own regulations in order to secure certain required standards. These regulations have set standards to which companies are expected to conform to. The government is usually associated with the self-regulations imposed by an industry (Campbell 2006). However, self-regulations lack monitoring, effective enforcement measures and support from the state (Campbell 2006). On one hand, state allows such activity to shift its own responsibilities. On the other hand, firms implement their own regulations to avoid any state intervention, and consequently have more control. Sometimes self-regulations arise due to companies' concerns that the state's regulations might be inadequate to protect the industry (Campbell 2006). Hence, industrial self-regulations are required to be effectively implemented and controlled. If the government cannot provide support, there is the possibility that self-regulation may be insufficient and consequently fail. As per Scott (2012) there are distinctive types of emotions, which might be encountered with the regulative institutions of society. The power element of the pillar and a system of rules of enforcement on one hand might encounter fear, dread and guilt, on another hand, relief, innocence and vindication. From the regulative perspective, individuals and organisational members change as they have to and not necessarily because they want to, with coercion and fear action as key factors perpetuating the change (Palthe 2014).

2.3.5 Normative pillar

The normative pillar's emphasis is placed on normative rules, which introduce a prescriptive, evaluation and obligatory dimension into social life (Scott 2001). The normative pillar's legitimacy is based on morality and social obligations with or without formal enforcement. The normative pillar includes actions, social norms, societal belief, values, and/or expectations that are considered morally appropriate and correct (Marquis et al. 2007; Khan et al. 2014; Scott 1995; North 1990). The pillar addresses the behaviour and actions people perceive to be legitimate and the right thing to do in a particular context (Scott 1995). Values are 'conceptions of the preferred or the desirable, together with the construction of standards to which existing structures or behaviours can be compared and assessed' (Scott 2001, p.64). Norms indicate 'how things should be done; they define legitimate means to pursue valued ends' (Scott 2001, p.64). In this conception, values indicate a desirable situation, and norms specify how things should be done to achieve that desirable situation.

The values and norms, which build the normative system, are translated into certifications, standards and professional codes of conduct that companies have to comply with (Bashtovaya 2014). This includes actions, social norms, societal beliefs, values and expectations that they consider to be morally appropriate (North 1990). The normative aspect of institutions takes the form of rules of thumb, occupational standards, and educational curricula (Scott 2001). These normative standards, which are widely accepted within a society, increase the likelihood of socially responsible behaviour, as normative systems define objectives and goals and indicate appropriate ways to achieve these (Scott 2001). The normative pillar stress the

importance of a logic of 'appropriateness'; it does not imply what choices are in my own best interests as per instrumental logic, but rather what is the appropriate behaviour for me.

The normative pillar is based on values and expectations of corporate behaviour, as well as on standards, certifications, and conventions given by authority systems. As per Scott '…emphasis here is placed on normative rules that introduce a perspective, evaluation and obligatory dimensions into social life' (2001, p.54). Normative processes have the logic of appropriateness and moral obligation, whereas the logic of the regulative pillar is that of instrumentality and legally sanctioned, and define a priori the role that society gives to each social actor.

Normative theorists emphasise the role of social obligation and are likely to focus on informal structures rather than formal structures. From the normative perspective, a sense of duty and moral obligation form the essential ingredients of what drives change in the organisation. Furthermore, norms direct behaviour and influence how things should be done. In other words, the normative pillar provides rules by which targets must be met. The normative systems can also evoke strong feelings, but those are different from those feelings caused by the violation of rules and laws. Feelings associated with the trespassing of norms include a sense of shame or disgrace, or for those who exhibit ideal behaviour, feelings of respect and honor. The conformity to or violation of norms involves a self-evaluation, guilt or self-respect.

According to Kim (et al. 2013), when developing CSR agenda, actors in companies need to consider national normative pressures such as social norms, values and expectations. For example, some countries consider social justification as a profitable business motive, whereas other countries accept profit as a business motive. These

normative pressures on CSR result primarily from social obligations, societal moral rules and expectations, and professional standards that firms comply with. In addition, the conceptual model identifies normative values, which are set by a variety of social actors, including the media, institutional investors, NGOs, educational and professional associations and social movement organisations (Muthuri and Gilbert 2010). Companies are most likely to behave in a socially responsible way if stakeholders monitor their actions (Campbell 2006). These actors shape cognitive frames and mind-sets, and set standards for legitimate practices within this context.

The likelihood of firms being engaged in CSR is influenced through formal and informal normative sides. From a more formal perspective, the normative pillar includes standards, certifications and accreditations that companies need to conform to. For example, in a global economy, companies are engaged in multinational operations, forcing NGOs to establish different codes of conduct and controlling firms' behaviour. NGOs have various tactics to monitor corporate actions, which include appealing directly to the firms themselves, demonstrations, pressuring local governments and organising media campaigns to gain public attention (Keck and Sikkink 1998). However, the degree of success depends mainly on the political institutions through which they operate, which are different across various countries. From an informal perspective, there are social obligations, societal moral rules, social expected reputation and honour embedded within this context.

National normative pressures such as social norms, values and expectations will lead to a national CSR approach (Campbell 2006). Following this logic, the differences in CSR orientation and a global strategy within a single international company, are challenged by structures and practices that are considered acceptable within a

certain context (Gualtieri and Topic 2016). Normative institutions may look identical or similar from one country to another; in combination with other institutions and the socio-economic context they can produce different outcomes for CSR (Blasco and Zølner 2010).

2.3.6 Cultural-cognitive pillar

The cultural-cognitive elements of institutions stress the shared conceptions that constitute the nature of social reality and create the frames through which meaning is made. The cultural-cognitive pillar bases its legitimacy on culturally supported meaning and a shared understanding of conduct. The mechanism is mimetic, which reproduces a shared understanding and status quo rationale by nature. It indicates the shared conceptions that constitute the nature of reality in society and introduces the frames through which meaning is made (Scott 2001, p.67). The cultural pillar does not operate in coercive or normative ways. The cultural system operates at multiple levels, from the shared definitions of local situations, to the common frames and belief patterns that include a company's culture and organisation fields, to the shared assumptions and ideologies defining political and economic systems (Scott 2013, p.68). These levels are nested, and allow broad cultural frameworks that shape beliefs. It is based on the perception of symbols, words and signs, which produce an effect on the way one builds the meaning of objects. Over the years, much progress has been made in developing indicators of cultural-cognitive elements. The elements as 'relevant features of shared understandings, professional ideologies, cognitive frames or sets of collective meanings that condition how organisational actors interpret and respond to the world around them.' (Scott 2013, p.69). With regards to CSR, cultural elements include cultural values, ideology and identity and these

encompass common or shared beliefs about what constitutes responsible corporate behaviour.

As per the pillar, compliance occurs in circumstances because routines are followed as they are taken-for-granted 'as they way we do these things'. The logic is employed to justify conformity is that of orthodoxy, the perceived correctness and soundness of underlying actions. The dimension of this pillar is expressed in feelings from the positive affect of certitude and confidence, and from the negative feelings of confusion or disorientation. Those align themselves with cultural beliefs are likely to feel connected, and those who are at odds are regarded as 'clueless' or 'crazy'.

Business activity is enabled or constrained by cognitive-cultural pressures (Campbell 2007), which address taken-for-granted common social beliefs, attitudes, social identity and cultural and social meanings that social actors attach to things (Scott 1995). A cultural component of an institutional environment is embedded in cultural values and beliefs, specific for a particular context of a country (Bashtovaya 2014). These beliefs are culturally formed in comparison to the regulative and the normative pillars, which are legitimated by legal sanctioning and moral governance (Scott 2008, p.51). Scott argued that to understand and explain these actions the cultural framework must be taken into account. This refers to a cultural framework that shapes activities according to an individuals' interpretation. The cognitive (or cultural) aspect of an institution includes the symbols, words, signs and gestures, and the cultural rules and framework that shape the understanding of the reality and the frames through which meanings are developed (Scott 2001). Companies usually conform to these rules unconsciously, and these institutional aspects from a culturally supported basis of legitimacy are unquestioned (Li et al. 2008, p.331).

The way issues are considered and perceived may differ according to culture; this can explain the level of support provided for CSR activities (Scott 2001, p.57). This is explained by the way individuals from different cultures have formed and developed thoughts on particular subjects in a collective way. This will eventually have an impact on their perception, cognition and behaviour (Hofstede 2001, p.10). When it comes to defining culture, there is no universal definition agreed (Miras-Rodrigues et al. 2015; Pedrini et al. 2016). Hill (1997, p.67) explains culture as a system of values and norms shared amongst people in one group, and when taken together constitute a design for living. The system of values and norms, which belongs to one group, sets this group apart from another. In my study, I employ the culture definition presented by House et al. (2004), who argue that culture is something that serves as a framework that allows one to interpret and give meaning to the events resulting from the common experiences of group members. This is then transmitted over generations given its great importance. Therefore, it is logical that my study assumes culture to be the characteristics of people conditioned by a similar background and life experiences. The fundamental feature of culture is any social behaviour that may be explained and understood by a culture. This is a social design that influences social processes and the majority of practices (Miras-Rodrigues et al.2015). Following Ralston et al. (2008), religion, history and education are identified as cultural factors, which are necessary when explaining national culture.

When it comes to CSR agenda, its practices, policies and understanding depend on cultural traditions (Welford 2005). For example, in collectivist cultures, people expect loyalty between companies and employees, as responsibility for others dominates within a group. Whereas, in individualistic cultures CSR is an individual-oriented practice, as people are more motivated by individualist and professional incentives

(Gardberg and Fombrun 2006). In a collectivistic society, a voluntary activity might be with corporate group engagement. In contrast, volunteering is an individual decision in individualistic cultures. Cultural-cognitive frameworks offer the deeper foundations of institutional forms (Scott 2008). Institutional logic, which consists of systems and assumptions, provides the infrastructure on which not only beliefs, but norms and rules rest (Scott 2008, p.429), as cultural elements such as values, ideology and identity encompass common or shared beliefs constituting responsible corporate behaviour. In this regard, the company management interpret cognitive-schemas and create common definitions of socially responsible behaviour within their companies (Muthuri and Gilbert 2010). Companies conform to established cultural frameworks where conduct is culturally acceptable within the institutional environment of operations. In other words, actors' actions are constrained and enabled by culture (Campbell 2006). Under this light, CSR is different among different countries, as culture has an effect on CSR behaviour (Miras-Rodriguez et al. 2015).

Selznick (1957) described institutionalisation as a process, which occurs over time when people in an organisation shape set of interests that have integrated into the environment. Selznick's characterisation of institutionalisation was a precedent to Scott's (2008) assertion that while three pillars work in interconnected way in some circumstances one pillar might be dominating over the other pillars. This might cause different actions and behaviours to be developed and supported. Scott (2008) emphasised the distinctive nature of each pillar, but he did not mentioned that most institutional forms involve different combinations of elements of all three pillars as opposed to only elements from one pillar.

In the critique of the three pillars framework, Phillps and Malhotra (2008) explained that because the different elements of each pillar operate at different ontological levels, they cannot be merged into one framework. They explained that the fact that regulative and normative mechanisms externally managed by actors, it makes them very different to cultural and taken-for-granted mechanisms. The coercive and normative mechanisms result from strategic thinking, whereas cognitive mechanism results from conditioning thinking (Phillips and Malhotra 2008, p. 717). Whereas Scott (2012) explains that cultural-cognitive elements are amenable to strategic manipulations and subject to processes under the regulative and normative agents' control.

The Scott's (2008) framework of three encompassing pillars may encourage the view that 'everything is an institution'. Similarly, separating institutional pillars into sub-categories and associated attributes reduces the framework to an empirical taxonomy, risking losing the wider view of institutional relations under study (Abdelnour et al. 2017). By permitting analyses to focus on sub-elements presented by Scott, the framework provides the narrow operationalisation of institutions. As per Scott, understanding of institutions requires considerations of three pillars in tandem, rather that focus solely on one institutional pillar. Consequently, capturing dimensions of institutions that shape CSR – rules, legitimacy and cognitive effects.

Organisations tend to act with social responsibility if regulatory or cultural institutions create a suitable set of incentives for the acquisition of social responsible behaviour when linking CSR and institutional theory (IRMA 2018). As per Scott (2007) if the company were to be provided with a regulative-normative framework and cognitive structures to adopt a socially responsible behaviour then institutions would give

meaning and stability to such behaviour. The degree to which companies adopt socially responsible behaviour depends on the country in which companies located, as they depend on the institutional pressure that the institutions in those countries apply.

Based on the analysis of literature on three institutional pillars, it may be concluded that firms owe many of their decisions to institutional pressures (Simpson 2012). Notably, three pillars provide three related, but different, bases of legitimacy (Scott 1995, p.47). Institutional pressure on an organisation can be regulative (government regulations imposed by the state), normative in the form of industry standards, societal expectations from stakeholders, as well as cultural-cognitive pressures in response to taken-for-granted common social beliefs. Given this conceptual model, institutions fit neatly into a typology, with each type having a unique process of affecting outcomes (Trevino et al. 2008). According to Scott (1995), no one institutional pillar dominates another, and to obtain a comprehensive understanding of social phenomenon, all three pillars must be considered together. In this thesis, I adopt three pillars of institutions in order to obtain a comprehensive understating of social phenomenon such as CSR. This conceptual model will examine the process by which institutions influence and shape CSR in the context of the Russian energy industry. Scott's (1995) three institutional pillars provide logic for the mechanisms affecting CSR understanding and highlight whether companies adopt CSR in response to legal constraints, moral obligation or culturally supported meanings. I now move to the next section, where I provide an overview of CSR and legitimacy.

2.3.7 Legitimacy and CSR

Neo-institutional approach to CSR is widely used in literature explaining why

companies act in socially responsible ways. According to the literature of institutional theory, CSR is undertaken to gain and improve legitimacy by societal actors (Young and Makhija 2014). Neo-institutional theory defines 'legitimacy' as 'the degree of cultural support for an organisation' (Meyer and Scott 1983, p.201; Beddewela and Fairbrass 2016). Legitimacy is a generalised perception that a company's performance and actions are appropriate and desirable in socially constructed systems of definitions, values, norms and beliefs (Suchman 1995). In other words, by adopting legitimacy-seeking conduct, companies intend to secure and maintain access to vital resources from institutional constituents, which are essential for a firm's survival (Beddewela and Fairbrass 2016). Firms need more than material resources and technical information in order to survive and expand in a social environment; they 'require social acceptability and credibility' (Scott 1995, p.71).

In this regard, firms develop rational and pragmatic strategies in response to the public expectations to keep social compact with a society (Kuznetsov et al. 2009). Beddewela and Fairbrass (2016) explain that companies may adopt two main strategies to gain legitimacy; first, they conform to isomorphic pressure arising from external institutions, or may engage in managing these institutional pressures by adopting legitimacy-seeking strategies. They further indicate, that by conforming to three institutional pressures such as mimetic, normative and coercive isomorphic pressures (DiMaggio and Powell 1991), companies gain and maintain legitimacy. Coercive isomorphism occurs when firms are exposed to pressure from a more powerful authority, such as a national government. As a result, companies adopt practices to support the legitimacy. In contrast, normative isomorphism is said to occur where firms are required to adopt different practices as a result of imposition by professional groups. Mimetic isomorphism is deemed to exist where companies

imitate practices to respond to uncertainties adopted by a successful organisation in the same industry. Following this logic, legitimacy can be gained and maintained by conforming to laws and complying with morals, and through adopting a common frame of references (DiMaggio and Powell, 1991).

According to Scott (1995, p.45), legitimacy reflects 'cultural alignment, normative support or laws,' which diminishes the possibility of societal penalties. Societal members and government actors, who develop, enforce laws and uphold norms of conduct, are important actors in the company's environment who accord legitimacy (Young and Makhija 2014). Suchman (1995) argues that legitimacy affects how people act towards companies; actors perceive the legitimate firms as more worthy, meaningful and trustworthy. Under this light, a legitimate company attains stakeholder approval, improves ability to compete for resources, and provide incentives during times of crisis (Deephouse and Suchman 2008; Babiak and Trendafilova 2010).

Consequently, companies are willing to enhance legitimacy to gain access to various resources, which would allow firms to perform (Thurner and Proskuryakova 2014). In other words, legitimacy is a certain status, which a company attains (Slim 2002). It is a generalised perception that a company's performance and actions are appropriate and desirable in socially constructed systems of definitions, values, norms and beliefs (Suchman 1995). It allows companies to perform with a general agreement of people and groups, informal and formal organisations and governments that create the social environment in which company functions. Similarly, it is a generalised perception that a company's performance and actions are appropriate and desirable

in a socially constructed system of definitions, values, norms and beliefs (Suchman 1995).

Following the neo-institutional approach to CSR, actors within companies act in a socially responsible way to improve the perception of legitimacy by societal actors (Young and Makhija 2014). Under this light, to gain legitimacy, companies follow the rules of appropriateness (Friederike and Wehmeier 2010). In other words, they follow rules, which prescribe more or less appropriate action (Martin and Olsen 2004).

Given the logic of appropriateness, rules of appropriate behaviour are organised into institutions that are seen to drive human action (Goldmann 2005). March and Olsen (2004, p.4) argue when humans follow a logic of appropriateness, they use 'criteria of similarity and congruence, rather than likelihood and value' to lead decision- making. Decisions tend to be driven by rules, which are rooted in the individual identity or collective actor, and guide their behaviour by defining appropriate actions. Therefore, actors follow rules, which suggest an appropriate conduct, and thus complete obligations condensed in a community or group. These are the practices and expectations of institutions (March and Olsen 2011).

While DiMaggio and Powell (1983) provide direction by focusing on coercive, normative and mimetic processes of social reproduction, Scott (1995; 2005; 2008) differentiates between three types of elements that underline institutional order: regulative, normative and culture-cognitive pillars. In this thesis, I adopt Scott's three pillars and argue that a nation's institutional environment consists of laws and regulations, as well as social institutions (normative and cultural) that lead companies to predictable outcomes. In this regard, I argue that all three pillars, with their mechanisms (coercion, normative and mimetic) matter when it comes to attaining

organisational legitimacy. It is the institutional mosaic of a society that influences the decisions of companies in society (Trevino et al. 2008).

2.3.7 Institutional change

The main role of institutions is to provide 'the rules of the game in a society.' In other words, institutions reduce uncertainty by establishing a stable, although not necessarily efficient, structure to human interaction within society (North 1990, p.6). They are relatively resistant to change, and by definition 'are the most enduring features of social life…giving solidity across time and space' (Scott 2013, p.57). They can be transmitted across generations, reproduced or maintained. And although institutions function to provide stability and order, they do change. Institutions undergo change, and much of these changes occur through conflicts and contradictions between institutional elements. They can be destabilised by shocking events, such as war and financial crises.

Fundamental and comprehensive changes introduced to the formal and informal rules of the game refer to the institutional transition, which takes place in many emerging or transitioning economies (Peng 2003; Newman 2000). Institutional change is a complicated process, as changes occur in formal and informal constraints, and in effectiveness of enforcement (North 1990). North further explained that some 'formal rules may change overnight as the result of political and judicial decisions; informal constrains embodied in customs, traditions, and codes of conduct are much more impervious to deliberate policies' (1990, p.6).

A radical change in the institutional environment is referred to as institutional upheaval (Newman 2000; Roth and Kostova 2003). Newman (2000) explained

'institutional upheaval', as rapid change being the norms and values that underlie and legitimate economic activity. This then results in a fundamental change in society's political system, in legal and regulatory frameworks and in its economic systems and financial infrastructure (Newman 2000, p.603), which is usually followed by extreme uncertainty and ambiguity. This rapid change requires the 'movement from one 'template-in-use' used for organising, to another, but the institutional context 'no longer provides organisational templates, models for action or knowledgeable sources of legitimacy' (Newman 2000, p.605; Roth and Kostova 2003). An institutional context applies normative pressures on firms to change (Newman 2000). However, Roth and Kostova (2003) indicated that even if there are ways to organise new templates in the institutional context, they might be so far from the historical normative base that firms will not be able to acknowledge and adopt them.

According to literature (Roth and Kostova 2003; Matilainen 2013), institutional upheaval is characterised by 'institutional imperfection' and 'institutional baggage'. Roth and Kostova (2003) proposed these two mechanisms in order to explain a firm's responses to this upheaval. The gap between the existing and desired institutional arrangements is referred to as 'institutional imperfection.' It is the degree to which institutions (practices and structures) are not well defined and the inconsistency between these institutions, which diminishes over time due to the changes in society, whereas institutional baggage implies the strength and pervasiveness of the institutional arrangements that existed before such radical change. When both mechanisms are strong, it becomes difficult to establish new institutional arrangements. In particular, informal institutions are strong and embedded in their customs and traditions; they tend to survive and stay relatively unchanged. Conversely, formal rules change rapidly, for instance, as in the result of political

decision. Therefore, this makes CSR challenging (Matilainen 2013). Furthermore, where the institutional arrangements go through a radical change, institutional baggage and imperfection have an influence on CSR and on the type of CSR expectations that a society holds.

In addition, a significant amount of institutional baggage is the result of a strong attachment to the previous system in cognitive and behavioural scripts (Barley and Tolbert 1997). Scripts are referred to as 'institutional templates' (Roth and Kostova 2003), which are 'the cognitive schema informing behaviour and routines appropriate in particular context' (Johnson et al. 2000, p.573). Depending on the context, companies will find it either more or less challenging to get rid of or to create and adopt new institutional templates as required by the institutional upheaval. At the same time, firms operating in countries underpinned by the institutional upheaval, may not be able to recognise the need for new templates or be able to create one, due to the high levels of 'taken-for-grantedness' in this context (Roth and Kostova 2003).

To summarise, in general, institutional upheaval results in confusion and uncertainly, and creates an environment lacking in norms, values, templates and models regarding appropriate strategies and systems. However, understating what constitutes responsible behaviour in business depends upon institutional arrangements and individuals' views, as well as time and place (Campbell 2007). Overall, CSR is evolving along with the whole institutional framework, including formal and informal constraints within context. Matilainen (2013) suggests that the notions of institutional imperfection and institutional baggage provide a means with which to frame firm responses. Considering the neo-institutional theory and CSR, I

argue that this framework might provide an additional insight with which to explain CSR understanding in context where an institutional development has not been straightforward, and institutional baggage and institutional imperfections affect individuals and organisations.

2.4 Conclusion

This chapter has argued that the neo-institutional theory presents an adequate framework for analysing CSR. Given that CSR includes the aspect of society, the institution-based approach by definition is the most appropriate conceptual lens with which to analyse the 'social' responsibility of a company. This theory enables a comprehensive vision of CSR role within the institutional setup of modern society. The chapter has explained that corporate responsibility depends upon, and is embedded in, the institutional environment of formal and informal institutions, which characterise the national identify of the country. The institutional environment is related to formal institutions, which involve government laws and regulations. Notably, the informal institutions involve societal norms, religious values, social traditions and expectations. These institutions provide 'rules of the games', defining companies as important antecedents of the nations development.

Reviewing institutions reveals the central elements, such as regulative, normative and cultural, as vital ingredients of institutions and building institutional structures. Scott's (1995) conceptual model introduced three interdependent and mutually reinforcing institutional elements, known as pillars, which are useful when analysing institutional forces and pressures upon companies. In adopting Scott's framework in my study, I will provide my own logic for mechanisms affecting firms' CSR agenda. By considering all three pillars I aim to obtain a comprehensive understanding of

social phenomenon, such as CSR within the Russian energy industry. My research setting is Russia, and I study which of Scott's (1995) institutional pillar dominates the structuring of CSR within the energy industry. The context of Russia is unique in the sense that it is the largest post-communist economy in the world, with 'distinctive characteristics of CSR in Russian business' (Soboleva 2006). This brings me to the next discussion in Chapter 3, where I present the issues of CSR within the Russian context, in particular the energy industry.

Chapter 3: The Russian Context

3.0   Introduction

Russia, the largest post-communist and post-transitioning economy in the world, has not stayed immune to CSR (Kuznetsov et al. 2009). The 'conventional wisdom' regarding CSR in post-transitioning economies is that CSR never existed in countries before the collapse of the USSR (Koleva et al. 2010), and Russia is one of the countries that 'shows least interest' towards CSR (Crotty and Rodgers 2012; Chebankova 2010). Conversely, Svirina and Khadiullina (2017, p.204) argue that with emergency of new Russia, which has transitioned from a planned to a market economy, Russia society and its business has shown an increased interest towards social responsibility, emphasising that business also has some social responsibility.

In 'Corporate Social Responsibility: A case study approach' Mallin (2009) citing Crane (2007), writes in a section about CSR in Russia: 'While there is a plethora of different approaches to CSR in these countries, one might argue that in some respects Russia and China represent the most extreme cases. Russia on the one hand has seen privatisation and the turn to capitalism accompanies rather weak and corrupt governmental institutions resulting in what some would refer to 'as a cowboy economy'. It is, therefore, little wonder that CSR is still a largely unknown concept in Russia and for many Russian business people, bears a strong resemblance to communist times' (Crane et al. 2007, p.12 cited by Mallin 2009, p.81).

The current idea of social responsibility in Russia demonstrates the interaction of informal Soviet institutions and formal institutions of the present (Svirina and Khadiullina 2017, p.204). In other words, CSR understanding and its implementation

are influenced by the Soviet legacy. Matten and Moon (2008) stated that a historically grown institutional framework that shapes national business systems might affect a company's social responsible behaviour. Institutions, as I argue in my thesis, provide sticks and carrots used to constrain and enable certain behaviour, and are important in the influence of relations between companies and key stakeholders (Aguilera and Jackson 2003). These institutions influence CSR implementation and understanding and provide the sticks and carrots to constrain and enable socially responsible behaviour. Although CSR is a global norm, the conception of CSR has distinctive characteristics in Russia, which might be explained by the historical antecedents and on the basis of the country's established institutional regime (Kuznetsov et al. 2009).

Whitley's National Business System model (NBS) considers four types of institutions to verify the national business system, which are the political, the financial, the educational and the cultural. Whitley (1999, p.33) defines NBS as 'distinctive patterns of economic organisation that vary in their degree and mode of authoritative coordination of economic activities, and in the organisation of, and interconnections between, owners, managers, experts, and other employees.' Such an approach emphasises that the historical development of institutions defines the business system of a country, emphasising both formal and informal institutions, which guide corporate behaviour (Amable 2008, p.771). I apply Whitley's model approach to analyse the historical, social-political and economic environment for CSR in Russia (Fifka and Pobizhan 2014), analysing both formal and informal institutions. When looking at different institutions, I focus on the past decades such as the USSR (1917-1991), post-Soviet and the Putin regime (2000-2008; 2012-present), with the emphasis on CSR. This chapter discusses CSR in the Russian context and the Russian energy industry. A major focus of this chapter is to explain and compare the

political, economic and social situation in Russia before and after the USSR period. This chapter begins with the discussion of the political, financial, education and cultural systems, analysing both formal and informal institutions. I then move on to discuss the issue of legitimacy, followed by the Russian energy industry discussion. In this chapter, I review the existing literature on how the context and institutional environment have possibly influenced the development of CSR in Russia, in particularly within the energy industry.

3.1 Political system

CSR is not isolated from the political context (Belal and Momin 2009). Therefore, the first dimension of Russia's institutional context is a political system and the role of state or government, which is expected to influence the allocation of company's activities (Bowen and Clercq 2008). The most important feature of any political system is the power of the state and 'the extent to which states dominate the economy and share risks such that businesses become dependent upon state policies and actions' (Whitley 1999, p.48).

The history of Russia during the 20th century has gone through revolutions, civil war, establishment of far reaching state control of the economy bringing the country to collectivization and nationalization (Fairbrass and Zueva, 2009). Meier (2003) has pointed out that Russians today are afraid of the past rather than the future. A long history of centuries where rules have feared 'great risings-up by restive, uncontrollable malcontents: the uneducated serfs in the 18th and 19th centuries and 'the toiling masses' of the 20th century, the nominal beneficiaries of the 1917 revolution' (Holden and Vaiman 2013, p.132). As the result, Russians do not have any trust in the organs of state and that explains why Russians put trust on close

personal relations: it is all about trusting people, but never institutions (Holden and Vaiman 2013, p.132; Puffer and McCarthy 2011).

According to Russian school of history, Russia is forever destined to be ruled 'by the fist of autocracy' (Sixsmith 2011), where the Western political system of democracy will never be applicable, as it is in the nature of the country to be ruled by autocracy. Sixsmith further explains that from the earliest rulers, the country was too disorderly and big to be ruled on devolved matters, and only the *silnaya ruka (strong hand)* of centralized autocracy could keep together the empire and different people (2011).

Concerning the development of CSR the literature indicates that there are 'distinctive characteristics of CSR in Russian businesses' (Preuss and Barkemeyer 2011; Soboleva 2006; Polishchuk 2009, Kuznetsov et al. 2009) as the result from the country's history where a strong absolutist state – first the Tsarist and then the Soviet legacy – held a responsibility on all aspects of social life. Going back to history, Svirina and Khadiullina (2014) explained Russian empire had a long tradition of CSR, which was approved and supported by Russian Orthodox Church and society. As of example, before the revolution in 1917, merchants and industrialists invested money in local infrastructure to provide benefits such as building schools, libraries and railroads to support local communities (Khodorova 2006). However, in the times of USSR the social responsibility was a state responsibility; the Soviet State and the Communist Party of the Soviet Union committed to take care for citizens' material and spiritual needs.

3.1.1 The Soviet Union

The development of CSR has distinctive characteristics in Russia (Preuss and

Barkemeyer 2011; Soboleva 2006; Polishchuk 2009, Kuznetsov et al. 2009) as a result from the country's history where there was a strong absolutist state; first the Tsarist, and then the Soviet legacy, held a responsibility on all aspects of social life. The state enterprises in the USSR started practicing CSR much more vigorously, and was later recognised as CSR activities in Western countries (Mallin 2009). Going back to history, Svirina and Khadiullina (2017) explain that the Russian empire had a long tradition of CSR. For example, before the revolution in 1917, merchants and industrialists invested money in local infrastructure to provide benefits such as, building schools, libraries and railroads to support local communities (Khodorova 2006). In the USSR era, social responsibility was a state responsibility; the Soviet State and the Communist Party of the Soviet Union committed to take care of citizens' material and spiritual needs.

The Communist party had control over the economic, political and social aspects of life for almost 70 years, emphasising the creation of cultural institutions with a strong education system, strict control systems and the strong enforcement of regulations, along with a support for culture that was loyal (Fedorova 2013). State-owned enterprises and collective farms held responsibility for delivering social services and supporting the infrastructure in mono towns where natural resources were extracted (Henry et al. 2016). The company towns, so-called 'mono towns' are considered to be historical landmarks of the Imperial Russian and the Soviet Union (Mizobata 2011). Dayman 2008 (p.2) explains 'these cities were practically parts of the plants, embedded in the communal and social infrastructure of the USSR.' Mono towns were artificial towns built around enterprises, for security reasons in remote areas of the country (Cooper 2012). For example, in the case of nuclear weapons, some of these mono towns had highly restricted access. Employees had restricted contact with

those living outside, but were compensated by good social benefits such as pay and housing.

CSR has always presented itself in the times of the Soviet Union, but in various forms and models (Smirnova 2012). CSR has been referred to as the 'national model of social responsibility', which involved ethical, philanthropic, economic and political responsibilities of the State (Smirnova 2012, p. 404). The concept '*sotsialka,*' meaning labour protection and improvement of labour conditions, was popular in Soviet times and (Mizobata 2011) highlights the current CSR practices. There were no private companies and responsibilities were fulfilled by the planned economy (Pridantsev 2010).

The main goal of any state organisation was the achievement of an economic plan and the expansion of production (Apressyan 1997). Companies did not have responsibility for marketing, management, finance or the environment, as these were considered the government's role. Furthermore, business ethics were not under discussion as under the 'communist ideology, there was no need for any additional value justification of economic activity' (Apressyan 1997, p.1562).

3.1.2 The collapse of the Soviet Union

In 1991, the Soviet Union collapsed, bringing radical changes in the institutional environment. Mikhail Gorbachev initiated the deconstruction period during the ear of 'perestroika' restructuring (Anchan et al. 2003). During the transition years of perestroika between the mid-1980s and the 1990s (Mallin 2009), Russia was seen as a tabula rasa (Crotty 2016), with institutional changes taking place, moving from a planned to a market-based economy. The fall of communism is an example of

institutional upheaval, with a rapid change in the full set of institutional structures (Roth and Kostova 2003). Not only the political system, laws, regulations and financial markets but also 'the underlying assumptions about the purpose of economic activity were destroyed or significantly changed within a short time' (Newman 2000, p.602; Roth and Kostova 2003, p.315).

The collapse of communism changed the business environment, the understanding of CSR activities and the overall role of business within Russian society (Matilainen 2013). The collapse had weakened the institutional environment in the country, and had at the same time introduced democratic institutions, which started to change the situation consistently, but slowly (Klimova 2013). Entrepreneurial practices had emerged in the country with substantial growth in the private sector of the economy, however entrepreneurial activities at the capital accumulation stage were mainly of a criminal nature (Klimova 2013). The first stage of privatization (1992-1994) involved the mass privatization of state-owned enterprises with low stock market values, most of the manufacturing industry (Buck 2003). The second stage (1995-1996) involved privatization of companies engaged in the production of raw materials such as oil, gas, metals and utilities providing energy and communications (Buck 2003). From 1996 privatization have continued in energy and telecoms (Buck 2003).

According to the new Russian Federation Constitution, the government acts as per the principles of social responsibility (Svirina and Khadiullina 2017). In this regard, the country is positioned as socially responsible and must hold the responsibility for social welfare. Following the disintegration of the Soviet Union, social welfare responsibility was passed to the municipal and regional authorities (Glebova et al. 2013), which lacked the financial resources to support infrastructure. Henry et al.

(2016) explain that in practice, municipalities look to the regional governments for financial funds, whereas regions depend on federal governments. This consequently created a dilemma in welfare provision, since 'many of these social services had been administrated through state enterprises. The end of the planned economy meant that state enterprises could not afford to maintain them, but neither could regional and local governments could afford to take them over (Remington et al. 2013, p.1858). Following this, after almost 75 years of complete state control over production in the Soviet Union, services and goods in Russia were 'spun off to the private sector' (Brooks 2002).

The role of the state to provide social goods was shifted toward industries, and the socially responsible behaviour of companies became an integral issue of national socio-economic development (Svirina and Khadiullina 2017), where private companies were pressured into providing additional voluntary funds for infrastructure and welfare within the local communities (Brooks 2002). Activities such as transport, heating, water and waste disposal became the responsibility of newly privatised companies, but most of them did not have any interest in retaining them. Mantilainen (2013) explains that the financial position of newly privatised companies has weakened considerably since the collapse of the planned economy system; thus social obligations became an issue for companies. The transition to a market economy forced companies to become efficient economic actors in order to maximise wealth for their shareholders (Mantilainen 2013). Tulaeva (2007) explains that the state was supposed to offer financial support to firms in order for them to provide social responsibilities, but the support was not enough to cover the costs. Therefore, partly in response to the lack of funds, the nations state' and companies' inabilities to address many social issues became obvious. In fact, surviving became the major

goal of most enterprises (Mallin 2009), thus the major enterprises dropped their traditional role as social service providers to become profit-maximising firms. As a result, ill-equipped local governments were unable to sustain the infrastructure required to keep communities operating; infrastructure from cultural to transportation and communication began to collapse (Mallin 2009).

The country went through a revolution, where a market economy was built through a biased process of privatisation, traumatising the country financially (Avtonomov 2006) and entrepreneurial activities at the capital accumulation stage were mainly of a criminal nature (Klimova 2013). The transition from a planned economy to market-based economy had failed, and in its place a 'chaotic' (Lane 2000) form of capitalism has emerged, dominated by corruption and the 'unrule' of law (Crotty 2016). The fragmentation weakened the rule of law along with the state's capacity to provide 'sticks and carrots.' According to Lane (2000, p. 499), chaotic capitalism can be defined as a 'social and economic system, which lacks institutional coordination and promotes social fragmentation: goals, law, governing institutions and economic life lack cohesion.' Its characteristics are uncertainty about the future, elite disunity, the absence of a dominant and mediating class system, a mixture of media of exchange, criminalisation and corruption, rent-seeking entrepreneurs, inadequate political interest articulation and an economy in decline characterised by inflation, unemployment and poverty.

This transition has left the country supervised by a weak state with a weak enforcement regime, fragmented from areas where it has previously been responsible; barter surrogates, tax avoidance, crime, weak institutions, capture over the state by 'oligarchs' (Crotty 2016). So-called oligarchs (Hellman 1998) had the

ability to shape regulations to service their own interest and governed the Russian Federation together with elites (Hanson and Teague 2005). The largest firms in major Russia's industries ended up in the hands of a few dominant oligarchs (Mallin 2009), and were run in the traditional fashion to maintain the system of management that was under the Communist regime (Crotty and Rodgers 2012).

The relationship between workers and employers changed dramatically since the provision of non-monetary benefits was stopped. During the stages of privatization, social benefits and wages were much lower or non-existent, as the result an entire generation was left without the resources, which were normally provided by the company of which they worked (Mallin 2009). Due to the lack of a well-functioning government, by 1998 the country had become bankrupt; there was a shortage of almost every product, empty stores, bribery, powerless governments, a collapsed banking system and furthermore, the central government defaulted on its debts (Mallin 2009).

3.1.3 The Putin regime

Since the collapse, Russia took upon itself a combination of three fundamental tasks, and each would have been a different challenge: building a nation state, democracy and a market economy (Sutela 2013). Change is always conditioned by historical asset and liabilities inherited, and there would never be a 'clean-cut with the past' (Sutela 2013). The political system of Russia is still affected by the Soviet heritage and the transition period (Smirnova 2012). The societal acceptance of a market system remains to be an issue despite the fact that reforms started more than a decade ago; firms were not able to gain the status of legitimacy within the society as

many companies are engaged in fraud, corruption, crime and other antisocial behavior (Kuznetsov et al. 2009).

After Vladimir Putin ascended to the Russian presidency in 2000, he engaged in attempts to restore the state's capacity, to strengthen the rule of law, and to open markets for global trade (Crotty 2016). The strong economic growth between 1998 and 2004, was possibly one of the fastest ever experienced by Russia (Mallin 2009). The lack of functioning institutions during the Boris Yeltsin presidential term (1991-1999) as well as an economy closed to global markets in Soviet times, discouraged any international trade. Putin decided to tighten the regulatory framework to start trading abroad, especially in extractive and heavy industries. In this regard, institutions were strengthened, the fiscal and the judicial systems were re-established to reduce corruption, increase tax revenues and enforce property rights (Abdelal and Tarontsi 2010).

It was not until Putin came to power, that the formal and institutional relationships were improved between business and the State (Chebankova 2010). Under the new regime, CSR has been introduced as one of the main policy initiatives to create a 'safe' distance between corporations and politics at a regional level. This policy called on all large and medium-sized businesses to take careful consideration towards financial duties, and to contribute towards social development within the area of companies' operations (Chebankova 2010 p.25).

In July 2004, Putin stated that 'CSR concerned the adoption of a diligent approach towards fiscal contributions, and a more proactive stance towards investments into the sphere of science, education and human resources' (Chebankova, 2010, p.31). Putin introduced CSR, as one of the main policy initiatives, to create a 'safe' distance

between corporations and politics at regional level (Filippov 2012). In 2004 'A Social Charter of Russia's Business' was adopted by the RSPP (The Russian Union of Industrialists and Entrepreneurs), which introduced ethical principles for the development of social mission. This included a commitment to expand national growth and to adopt programmes to achieve social peace and solidarity, human rights and social security (Chebankova 2010, p.31). Since 2005, 200 companies have engaged in over 350 various CSR programmes (Chebankova 2010). Literature argues that CSR became the centre of the relationship between the now quite strong private sector and a new strong central government (Mallin 2009).

CSR introduction by Putin is linked with the Yukos case (Chebankova 2010; Ptichnikov and Park 2005). Yukos, the largest oil company, was one of the first companies, which was deeply involved in modernising the social infrastructure of the regions where it had operations in the late 1990s (Klimova 2013), but was later prosecuted for tax evasion (Chebankova 2010). On the other hand, Khodorova (2006) argues that CSR was introduced as a form of social compensation for unfair privatisation, in which the capital belonged to society and was transferred to industrial companies. On the normative level the state had now become the leading political player with a high level of expectation towards CSR (Mallin 2009); companies were expected to make repayments to society. Putin called on firms to increase their efforts in the field of CSR in 2004. Since then this call has been repeated by him many times (Kuznetsov 2008); leaders in the private sector are well aware that in the new market driven economy, CSR is an expectation from the government. Khodorova (2006) explains that companies make repayments to society through donations to education, housing, culture and infrastructure; this is part of the business agenda.

Putin also decided to manage and control Russia's civil society development, and sought to rein in the activity of Russia's 300,000 domestic and international NGOs (non-governmental organisations) (Crotty and Rodgers 2012). The role of NGOs is separate from the realm of government (Wapne 1996), and act as 'watchdogs' drawing attention to noncompliance within or weaknesses of regulation, and at the same time NGOs also responsible for ensuring that companies and industries fulfill responsibilities (Borzel and Buzogany 2010; Crotty and Hall 2012). Manchleder (2005) explained that such decision was motivated by the perception that NGOs and their foreign donors were ruining the country's reputation. One can assume that since the state has an ability to shape regulations, they do it to service their own interest. Russian philanthropy always has played a significant role in helping to alleviate major social problems in the country. And the Russian government made an effort to exert greater control over Russia's voluntary nonprofit sector and enable NGOs to collaborate with the state and companies to address important social issues and deliver resources to those in need (Luvshin and Weitz 2006). On another hand, NGOs developed erratically during the times of weak and incomplete regulation in the country, which led NGOs acting as criminal organisations or fronts for commercials with individuals whose primarily purpose was chasing overseas grant money (Crotty et al. 2014). The collapse of the USSR marked charities with 'a black trail of fraud' as funds were used in money laundering schemes (Klimova 2013).

3.2 Financial system

The Russian financial market is very young, with much activity having started in the late 1990s or early 2000s (Hebb et al. 2015). The financial system used to accumulate the capital is necessary in order to sustain growth and institutional

change remains an issue in Russia (Bruno 2012). After change of the economic system, the Russian financial system has gone through failures (Fifka and Pobizjan 2014), and it 'is rather a drag than a booster for future growth' (Popov 1999). The absence of a legal framework (Cooper 2012), the nature of privatisation, high inflation and a decentralised banking system (Popov 1999) during the transition, stalled the development of an effective banking sector in Russia, leaving Russian banks with insufficient capital reserves and dependent on the relations with the state and local businessmen (Fifka and Pobizhan 2014). In financial systems, the dominant institutions are large banks or state agencies and ministries, which make capital allocation decisions through an administrative process in times of capital shortages (Ioannou and Serafeim 2012). These are stakeholders for any company, since they provide capital and finance firms' operations (Ioannou and Serafeim 2012).

During the Soviet times, the role of state owned banks was very different from the Western system. The state owned banks responsibilities included: to monitor the internal account money flows, ensure the flows are in line with the plans of a central planning authority, responsible for monetary transactions with foreign countries and ensure there were cash reserves to pay the wages, mostly in cash (Holopainen 2009).

Following the collapse, the relationship between business and government emerged on the federal level dominated by the cut-throat competition for influence on centres of decision–making, on concrete decisions in the interests of business groups (Yakovlev 2006). The number of such centers was limited to the presidential administration, the Central Bank, the Ministry of Finance, the Ministry of Foreign Economic Relations, which guaranteed a company millions of dollars in extra profits,

while causing loses in the state budget. Business performance in sectors such as finance, banking, heavy industry largely depended on decisions made by agencies of the federal government (Yakovlev 2006). Prior the crises in 1998, Russian enterprises exhibited 'extraordinary ingenuity in maintaining soft budgets constraints, resorting to diverse forms on non-monetary transacting, generally summarized as 'barter'' (Cooper 2012). Barter allowed unprofitable enterprises to survive without facing bankruptcy and pay wages and taxes to local, regional and federal governments.

In mid 1990s, 2,600 banks were established to run business activities and cash flow of one single enterprise in Russia (Holopainen 2009). The baking system depended on the relation with the State and businessman, and had no capabilities or experience to recognise reliable customers or lack of capital. In line with political and economic development, liquidity issues, lack of confidence against banking sector and poor risk management, the financial and currency crises broke down the largest banks in August 1998 (Yakovlev 2006; Holopainen 2009; Kirdina and Vernikov 2013). Banking development featured slow recovery from the financial crises, followed by institutional and structural adjustments in 2003-2005, which brought improvements of banking activities and of the regulatory framework (Balling 2009). In 2005, funds from the federal budget were allocated to support small companies for the first time in many years – credit was available from Russian banks (Yakovlev 2006). However, Russian banks are still unable to provide sufficient capital reserves for the Russian private financial sector, which prevents them from being able to meet the credit requirements of new Russian businesses (Bruno 2012). The financial system is faced with a problem of low banking system capitalization, where the ration between GDP and the availability of capital stands at 25% in comparison to other

development countries where it is close to 100% (Bruno 2012). Large-scale commercial banks still have close ties with energy companies and political authorities, with inadequate loan capabilities and controlled by unknown shareholders (Pickles 2008). The modern Russia inherited the banking system of the USSR, where large banks have the state as a main stakeholder (Wendt 2015)

There are more than 900 financial institutions in Russia. However, financial institutions, lending to and investing in companies, prefer to distance themselves from their client's environmental, social and governance issues, currently understood as the ESG concept in the financial sector (Wendt 2015). A CSR strategy becomes significant when Russian companies are seeking to raise capital on international markets financial markets (Aluchna and Idowu 2016). On the normative level, companies are exposed to in-depth due diligence analysis of environmental, social and governance issues, which is standard practice for international finance institutions (Wendt 2015). International finance institutions apply social, environmental and governance requirements to investments made in Russia (Wendt 2015). In this case, the issue of whether or not a company upholds social or environmental standards may be an important criterion and might impact on the cost of capital (OECD 2008).

In this regard, Russian financial institutions do not impose any institutional pressure for CSR and place greater responsibility on companies seeking to raise capital. The financial infrastructure remains inefficient and banks do not play the role of stakeholder (Pickles 2010). Capital accumulation is a long process, which requires economic stability and steady growth (Bruno 2012). Russian banks are still unable to provide sufficient capital reserves for the Russian private financial sector, which

prevents them from being able to meet the credit requirements of new Russian businesses (Bruno 2012). The financial system is faced with a problem of low banking system capitalisation, where the ratio between GDP and the availability of capital stands at 25% in comparison to other development countries where it is close to 100% (Bruno 2012).

3.3 Cultural system

McCarthy and Puffer (2008) propose that antecedents for socially responsible behaviour in Russian firms are traditional values, and the country has a long history of CSR, approved by society (Svirina and Khadiullina 2017). However, the country might not share the same cultural and social values and norms that underpin CSR in 'Western' nations (Blowfield and Frynas 2005). Individuals from different cultures have formed and developed thoughts on CSR in a collective way; therefore the level of CSR activity varies across nations. CSR is indeed a concept inherently context-specific, with national culture playing an integral role in influencing how society expects companies to behave (Ringov and Zollo 2007).

The institutional environment relates not only to formal institutions such as government laws and regulations imposed by the state, but, far more importantly, to informal ones such as religious values, which set the rules of the game for company conduct. Ralston *et al.* (2008) identified religion as a cultural factor, which is necessary when explaining the national culture. The evidence suggests that religion plays an important role in shaping individual perception of CSR (Brammer et al. 2007), and may influences executives' attitudes and their contribution to CSR (Mazereeuw-van der Duijn Schouten et al. 2014). Religious values generate the cultural system of Russia and act as an informal institution, which provides the

structure to human interaction within Russian society. Svirina and Khadiullina (2017) explain that the Russian empire had a long tradition of CSR, which was approved and supported by the Russian Orthodox Church and by society. Brammer et al. (2006, p.239) argue that Russian Orthodox has a greater concern across all areas of social responsibility, which may be perceived as a response to the primacy of the institutional church as a mediator and as an authority on all life aspects within the Orthodox tradition. As per the Christian faith, there are calls upon people to love their neighbours, in business as well as in everyday life – 'to do justice, to love kindness, and to walk humbly with your God' (Mazereeuw-van der Duijn Schouten et al. 2014).

A long tradition of CSR was valued and approved by the Russian Orthodox Church in the times of the Russian empire (Svirina and Khadiullina 2017). During the communism, religion was replaced with a scientific atheistic view and the religious institutions, which had monopolistic role prior to the revolution, were weakened or disabled (Froese et al. 2004). The state supported the atheistic campaigns, while desecrating, repurposing and destroying churches and houses for prayers across the Soviet Union until the late 1980s (Froese et al. 2004).

With the collapse of the USSR, Russian people started seeking for a new system of moral values and the reason to live, leading them to religion as the source of values (Smyslova 1999). This period is referred to as 'a religious renaissance', where the hope emerged that Orthodoxy could be a solution for moral crises emerged during the transitioning period. The Russian Orthodox Church gained its importance and responsibility for the culture, social and spiritual welfare of the Russian people (Smyslova 1999).

Jamali (2007) explains that countries with a strong Christian background embrace more philanthropic activities than other countries. These philanthropic activities grounded in cultural values and seen as 'best' CSR initiatives. In fact, CSR is manifested through philanthropy in Russia (Fifka and Pobizhan 2014; McCarthy and Puffer 2008; Crotty 2016). The Russian Orthodox supports and requires charitable activities (Brammer 2006); it is an institution, which triggers the development of a cultural-cognitive mind-set towards philanthropy. It provides the rules of the game in a given context, and acts as a motivator of philanthropy (Hemingway and Maclagan 2004).

Philanthropy has a long history; it is traditional and grounded in cultural values as early as the 17th and 18th centuries (Mallin 2009). From the time of Catherine the Great, individuals donated money to the Church, as the main instrument of charitable activities, which then supported hospitals, orphanages and shelters (Coutts 2015). During the communist regime, the state held the main responsibility to take care of citizens' material and spiritual needs; philanthropy was non-existed, unmentioned and forbidden (Khodorova 2006). In the late 1990s, corporate philanthropy started to emerge and became an integral part of the CSR strategy (Coutts 2015). Companies started to develop philanthropic programmes strategically, aligned with business activities (Coutts 2015; Belyaeva and Eskindarov 2008). In Russia, the corporate philanthropy is perceived as a form of social compensation for unfair privatisation during the transition, when the capital belonged to the society was transferred to industrial companies. In the post-Soviet economy, 'where the mercy and compassion, as everything else, are expected to be privatised, the revival of private philanthropy becomes imperative' (Dinello 1998, p.123). Companies are now expected to make

repayments to the society though donations to education, housing, culture, and infrastructure (Khodorova 2006).

Culture during the Soviet legacy was 'something to be produced, invented, constructed or reconstructed' (Rogers 2011, p.22). The Soviet society was a clear example of a collectivistic society, with collectivist-oriented economic ideology. The unity and equally played an important role, and individualistic qualities were undesirable, suppressed and outweighed by the state's goals (Holt et al.1994; Vadi and Vereshagin 2006). Russians continue to sacrifice their individual needs and prioritise the welfare of the in-group, behaving as required and expected in the in-group (Michailova and Hitchings 2006; Vadi and Vereshagin 2006; Triandis 2002, p.26). At the same time, the transition has made individuals self-determined agents, concerned with securing individual economic survival (Apressyan 1997). The national economy found itself in a state of shock where no less than one half of all Russian workers stopped receiving salaries or pensions. The 'shock-therapy' has brought the neglect of social welfare, leaving one-third of the population below the poverty, trying to solve issues independently of the state The homeless, street children, beggars and scavenging elderly became highly visible in Russia, indicating that social support were indispensable (Dinello 1998).

Russia has been classified as a family-related collectivist culture, which implies dedication of one's life to the family (Realo and Allik 1999) The society adheres to the principle where an individual works primarily to ensure family security, honoring parents, elderly people and respecting traditions (Triandis 1995). It is the society 'with strong family ties coupled with an equally strong distrust of unrelated members of the wider community' (Kuznetsov and Kuznetsova 2008). The family historically had an

important role in national Russian culture, extending economic support to each other and being a unique source of education and information (Vadi and Vereshagin 2006).

As per Waldman et al. (2006), there is no significant relationship between CSR and in-group collectivism, which is related to individual loyalty in families or companies. Instead, CSR is related to institutional collectivism, which is explained as 'the degree to which organisational and societal institutional practices encourage and reward the collective distribution of resources and collective action' (Hu and Wang 2008, p.3). Regarding the collectivistic culture, managers have values, which stress long-term relationships with stakeholders, and recognise that they take responsibility for the community (Waldman et al. 2006). Canestrino and Magliocca (2016) argue that Russians tend to sacrifice their needs and prioritise the welfare of the in-group, behaving as required of the collective. It is the country with high institutional collectivism, which tends to promote CSR (Waldman et al. 2006), where companies and societal institutional practices encourage and reward collective action. The Russian state has a strong and clear responsibility to protect and uphold traditional values for the survival of the nation-state (Wilkinson 2014). Russia's traditional values family (Wilkinson 2014). CSR is championed as a reflection of personal values (Hemingway and Maclagan 2004), and religion and family are traditional institutions, which influence social values, and the degree of CSR adoption (Mattern and Moon 2008). Christian notions of right and wrong and a traditional ideology of collectivism predict CSR values (Waldman et al .2006) and lead to cultural pressure on CSR in Russia.

Russia's national culture is closely interlined with its political environment (Fifka and Pibizhan 2014). The end of socialism brought rapid and radical change, where

cultural construction was in 'ruins' (Grant 1995). However the socialistic values of communism are still embedded and the movement towards capitalism is not yet determined (Ralston et al. 2008). Russian culture is characterised by a high degree of paternalism where the role of the superiors is to provide guidance, protection and care to the subordinate, and the role of subordinate in return is to be loyal to the superiors (Aycan et al. 2000). In Russia, superiors such as authorities and top management are often referred to as 'father' (Canestrino and Magliocca 2016). Under paternalism the state makes decisions for other people; this is often beneficial, but prevents people from making their own decisions (Iankova 2008). The origins of paternalism are traced back to the 15th century after the Mongol invasion, when there was the need for a strong paternalistic exchange relationship between the subordinates and the central power in order to rebuild the country (Puffer 1996). The Soviet Union was run by paternalistic figures, responsible not only for workers' performance, but also for their entire lives (Blam et al. 2016). These socialistic values, attitudes, social meanings that Russians attach to things, constrain business activity in the given context. These are strong informal institutions, which are embedded in the customs and traditions and remained relatively unchanged.

3.4 Education

Whitley (1999) explains that the education system includes institutions, which develop and certify the competences and skills of individuals. Educational institutions such as schools and universities in the course of the whole history protected Russia's cultural and intellectual heritage, questioning the norms of society and beliefs, brought up leaders of the governments and 'gave birth to the great titans of thinking' (Yachina 2014, p.2544).

Transformation of education in the Russian history related to transformation of the society and peoples' consciousness (Yachina 2014). The Russian Revolution of 1917 envisaged a future socialist state, where 'there would be no distinction of material reward. Each individual would have the fullest opportunity to develop potential talent' (Service 2000, p.296). According to the revolutionist Trotsky, the new revolutionary state would generate a new kind of person who will become 'incomparably stronger, more intelligent, more subtle. His body will be more harmonious, his movements more rhythmical, his voice for musical; the forms of daily existence will acquire a dynamic theatricality. The average human type will rise to the level of Aristotle, Goethe, Marx' (Holden and Vaiman 2013). However, the immediate post-Revolution years rapidly proved that many revolutionary leaders lacked competences for running the socialist state, where daily government running required ever-growing groups of bureaucrats with a talent for the stamping papers and dealing with documents (Figes 1996). The Soviet education was focused on providing deep fundamental knowledge, learn to think globally, and be able to creatively handle complicated problems (Yachina 2014). At the same time talents were subordinated to the will and needs of the Communist Party. Any false or unguarded statement or accusation could lead to imprisonment (Holden and Vaiman (2013)

Following the collapse, the Marxist-Leninist ideology was no longer applicable. The Soviet education model was based on the collective and centralised control, which was inconsistent with a new model, emphasising on individual choice, self-development and independent thinking (Anchan et al. 2003). The government had to deconstruct ideology-driven education system to suit educational demands of the market economy (Bray and Borevskaya 2001;Anchan et al. 2003). In 1992, the new educational reform failed to move towards new demands. Firstly, breaking away from

Soviet ideology was challenging, as Soviet values, attitudes and mentalities were embedded. Secondly, during the USSR educational institutions were under industrial enterprises patronage, which provided maintenance and financial support (Bray and Borevskaya 2001). This to some extent continued during the transition, where 5% of state education expenditure was covered by state enterprises (Kliachko and Rozhdestvenskaya 1999). The economic barriers paralysed the education system, leaving the government unable to provide funding and education (Anchan et al. 2003).

The past economic and political events had a significant impact on the education sector. There was a slow yet progressive movement, which now 'represents a sort of hybrid of a liberal model or, to say milder, aim of liberalization, and an administrative model' (Mironov 2008). Fifka and Pobizhan (2014, p.194) indicate that the transition away from the Soviet legacy has been slow, but a positive legacy is the high rate of tertiary education; 54% of the entire labour force has completed tertiary education, one of the highest rates globally. When it comes to CSR education, Mallin (2009) indicates that the demand for education and training in CSR has become significant, and with that expansion has come acceptance of the different traditional types of CSR activities (p.81). Vlasenko (2017) explains that there has been a clear request from businesses to introduce CSR study into the system of modern higher education. Some companies establish their own corporate universities for personal development, and only a few state-owned universities are introducing CSR courses for students.

As per Vlasenko (2017), students are aware of the importance of CSR within business, yet they do not have enough knowledge about the concept and methods.

Whereas in Europe, educational institutions directly or indirectly set standards for legitimate companies' practices by including CSR as an option or as a compulsory part of business education (Matten and Moon 2004; 2006). In Russia, CSR education is at an early stage (Visser and Tolhurst 2010). Academic institutions can increase students' knowledge of the positive impact of CSR strategy, concepts and tools, which 'characterise a sound and integrated CSR approach' (Sobczak et al. 2006, p.464). But in the Russian context, educational institutions do not act as normative systems, which define objectives and goals and provide rules to indicate appropriate ways to implement CSR. The normative orientation of CSR is not reinforced by education curricula, which consequently reduces the likelihood of socially responsible behaviour.

3.5 Legitimacy in Russia

In Russia, managers do not pay much attention to the elements of traditional Western CSR agendas (Singh 2010). The Russian CSR focus is different. The Russian public regard dishonesty and its connections as the key to successful business. Fundamental issues such as ownership rights, the role of contract, the concept of legality and the notion of business ethics, are vague and contribute to an unfavourable image of the business community (Kuznetsov and Kuznetsova 2005). The legitimacy challenge for any company operating in Russia is very much in establishing trust and conducting business in an honourable and acceptable way, which will gain respect and support from society (Kuznetsov and Kuznetsova 2005).

While the earlier stages of market reforms caused suspicion and mistrust between the people, business and the state (Hedlund 2001), Putin managed to improve formal and institutional relationships between businesses and the state (Chebankova 2010;

Crotty 2016). Oligarchs were forced into exile and some into prison (Puffer and McCarthy 2007), and important industries such as oil and gas went back into state ownership (Vahta et al. 2011). The capture of business was achieved by creating excessive regulations, which implied that ignoring regulatory requirements was no longer an option. In such case, no matter how law abiding, there was always a risk to ignore at least one (Yakovlev 2006). In this line, if companies did not want to face excessive punishment, firms would give the state 'absolute dominance over business' (Yakovlev 2006, p. 1054).

Kuznetsov and Kuznetsova (2008) argued that the societal acceptance of the market system remains an issue in the country, and the issue of legitimacy is characterised by a deep mistrust of the political system and in large companies, which is still prevalent among large parts of the population (Fifka and Pobizhan 2014; Andreassen 2016). Russian citizens are still confused about what to expect from the business and CSR could be a way in which to sustain legitimacy. Following the logic of the legitimacy as explained in Chapter 2, companies operating within the Russian context are expected to adopt CSR to overcome the unfavourable image in the society (Kuznetsov et al. 2009; Andreassen 2016). Fifka and Pobizhan (2014) indicate that preserving legitimacy seems to be an important motive for companies to adopt country-specific CSR practices, in particular in the times when confidence in companies falls. CSR is closely interlinked with legitimacy as much as the latter describes purposeful adherence to socially expected conduct (Kuznetsov and Kuznetsova 2008). To gain legitimacy, any company must be constructed on a solid base of values and business ethics (McCarthy and Puffer 2008, p.233), and act in a desirable and appropriate way within the existing social system of norms, values and beliefs (Kuznetsov and Kuznetsova 2008).

At the same time, Russian managers do not believe that CSR activities will improve the image of companies in the eyes of the public, since society is not engaged in any significant dialogues with firms on CSR (Andreassen 2016; Kuznetsov et al. 2009; Crotty 2016). In Russia, medium and large companies are still in the process of adopting CSR practices as part of their daily operations, and therefore, are not accountable to the majority of stakeholders (Singh 2010). However, in transitioning economies, the legitimacy and power of stakeholders differs from the West; in Russia companies are seen as a source of funding rather than a 'potential target of critical activism' (Stoian and Zaharia 2012, p.383).

The political context influences the nature of CSR and, as discussed earlier, the state took the initiative in promoting CSR and therefore citizens have no means by which to impose any pressure on the firms (Singh 2010). Hellman (1998; Lynch 2002) indicate that Russia's economy in particular is prone to state interference and control, due to historical, cultural and political reasons. When it comes to the business-CSR-state relationship, existing research mainly focuses on the role of regulations (Campbell 2007), as well as legitimacy with the state, which acts as a regulator stressing coercive influence on the business (Zimmerman and Zeitz 2002). For instance, Indonesia's 2007 Corporate Law 40 and 2007 Investment Law 25 obliges companies to implement social and environmental responsibilities (Waagstein 2011). However, in transitional economies, such as Russia, in a situation where the regulation enforcement might be problematic, the civil society is weak, the non-regulator processes such as business resource control, normative and ideological influence play an important role in dictating the form of CSR (Zhao 2012). Consequently, CSR has become an 'instrument of forming relations with the state' (Cooper 2013). Companies engage in CSR to avoid state interference in certain

areas, as socially responsible conduct is interpreted as a sign of competence on the part of firms (Andreassen 2016). A number of large highly profitable organisations in the fuel-energy sector and other resource-based activities that dominate the Russian economy, fund social, cultural and political initiatives. Rogers (2014) indicated that the direct involvement of energy companies in social and cultural development initiatives, often under CSR, has been on the rise in recent decades. While companies have long been contributing to state budgets through taxes and licensing fees, they also take an interest in funding and administering the development of projects in the area of their operations. It is generally believed that their funding under CSR and funding for political initiatives will ensure the state's support for their business activities (Mizobata 2011). In other words, CSR has become an instrument of forming relations with the state (Guriev and Tsybisnkii 2011; Cooper 2013); community investments to them are a way of addressing legitimacy issues.

3.6 The Russian energy industry

CSR is a well-known concept globally, and the Russian energy industry has not stayed immune to this practical issue. Today, Russia is one of the most energy-dependent countries globally, and energy is the necessary basis of the economy (Ermolaev 2017). Russia's energy industry employs millions of people, and energy companies' business activities have a substantial social and environmental impact on the country's extensive territories. The energy industry is a controversial industry and continues to be the least trusted (Chebankova 2010). An industry becomes controversial when business practices are socially or environmentally irresponsible, disrupting stakeholders and social expectations and interests, causing social, environmental and ethical consequences (Du and Vieira 2012, p. 413). Andreassen

(2016) explains that the energy industry worldwide is prominent to CSR, which acts as a means to reduce the impact of a company's economic activities, including possible life-threatening and environmental consequences; whereas Berkowitz *et al.* (2017) argue that CSR initiatives in energy are nothing more than strategies to legitimise companies' activities within society, with employees and within the state (Castello and Lozano 2011; De Roeck and Delobbe 2012). When it comes to the energy industry, a degree of scepticism about the good intentions of the companies operating in such an industry is constantly accused of wrongdoing, driving research toward CSR (Van den Hove et al. 2002; Le Menestrel and de Bettignies 2002).

3.6.1 The Soviet Union

The roots of today's Russian energy influence date back to the country's Soviet legacy. In the 1970s and 1980s the USSR was the largest oil producer, the main supplier to both Eastern and Western Europe, and one of the sectors, which organised workers (Goodrich 2013). Rogers (2011) explains that energy was fundamental to the functioning of the Soviet economy. However it was never associated with massive 'inequalities, unimaginable influxes of money, or the soaring expectations of overnight modernisation,' neither was it important for the creation of an industrial or financial elite that could compete (2011, p.7). Energy revenues were mainly used to support a massive military-industrial complex to ensure its geopolitical position (Hill 2004). At the same time, the energy industry provided the country's economy and society with comfortable living conditions, energy supplies for production and manufacturing and supported scientific and technical innovation and progress (Suslov 2016).

The majority of the Soviet Union's energy resources, almost 90%, were located in the northern and eastern parts of the country (Kryukova et al. 2015). Thus, many enterprises were based in raw materials and rich territories, which created the economic basis of the mono towns formation (Kryukova et al. 2015). As towns expanded, the aggregation production grew, which increased economic efficiency, gradually forming a social and industrial infrastructure, creating enterprises and providing and meeting the needs of local residents. By the end of the Soviet Union, almost 30% of Russia's population lived in mono towns (Collier 2011). Morris (2015) explains that these towns grew into communities 'in their right of blue-collar workers and their families, tied together by employment in a single enterprise and bound to, or embedded within the enterprise, by not inconsiderable social benefits and wages' (p.29).

Discussing the Soviet energy industry, the prevailing culture was in many ways 'antithetical to the values of new capitalism' (Gustafson 2012). The 'generals' who ran the Soviet mono towns were paternalistic figures, responsible not only for workers' performance, but indeed for their entire lives (Blam et al. 2016). The welfare policies were paternalistic, designed to reinforce the state's authority and promote economic development priorities (Henry et al. 2016). Welfare provision did not evolve from consultation with the public about their needs and preferences; the public needs and interests were not considered and did not provide citizens with choice. The social benefits provided during the communist era were later justified under the rubric of CSR in Western countries (Henry et al. 2016; Fifka and Pobizhan 2014; Mallin 2009).

The USSR was one of the first to introduce laws and strict standards to manage environmental responsibility, in fact this was earlier than in other Western countries

(Komarov 1981). The Soviet Union natural environment embraced a rich variety of resources and ecosystems, which are of world significance (Pryde 1991). All Soviet economic activities directly affected the Arctic ice, the atmosphere of the northern latitudes and a number of seas and oceans; consequently the Soviet attitude towards the natural environment was important since it was reflected beyond the USSR borders (Pryde 1991, p.151). The Union Republics adopted codes and laws to address the issue of nature and regulate the use of land, water, mining, forest, fauna and the atmosphere at the all-Union level (Zaharchenko 1990). Laws and regulations passed were aimed mainly at the more efficient exploitation of natural resources in the USSR.

Environmental regulations are important to create an environment where companies perform in a socially responsible manner. However, introduced laws and regulations were an 'abstraction': the law enforcement and legal protection for the environment was weak in the Soviet Union (Komarov 1981). The absence of effective judicial mechanisms to force government bodies to comply with existing laws was an obstacle (Zaharchenko 1990). Environmental responsibility was completely disregarded, accompanied by an increase in the quantity of pollution per unit production in the USSR (Crotty and Rodgers 2012). Soviet people believed that nature's resources were inexhaustible, one of the revolutionary exaltations 'we can't wait for charity from nature, we must conquer it', is used to emphasise natural resources, such as building material for a 'better future' (Zaharchenko 1990, p.3). Many energy rich territories have enjoyed wealth and stability, and environmental damage was tolerated in exchange for the provision of social benefits in the USSR (Wilson 2015). The environmental deterioration during the Soviet regime took astonishing forms along with the planet's worst environmental disasters (Soderholdm

2001), such as dangerous levels of pollution observed in 68 cities, the Chernobyl disaster and the drying up of the Aral Sea. The consequence of the Soviet regime for most post-communist countries was the broad-scale environmental degradation (Soderholm 2001).

3.6.2 The collapse of the Soviet Union

In the wake of the collapse of the USSR, the output of all types of energy has declined, mainly due to the demand for energy during economic constraint, as well as the inherited poor management of resources, low investment returns on investment, production costs, and a lack of innovate technologies and equipment (Mann 2009). When the Soviet Union collapsed, it was noted that if oil fields did not exist, 'perestroika of the economy would have occurred 10-15 years sooner' (Ermolaev 2017). Since 1991, the structure of the energy industry has included natural gas, oil, coal and solid fuels, waterpower and nuclear energy. In 1992, former President Boris Yeltsin, authorised the control of energy resources to private entrepreneurs (Mann 2009). The energy industry privatisation took place between 1993-1998, dominating the stock exchange with oil and gas companies (Bhar and Nikolova 2010).

Russia's sufficient resources and 'extensive network of pipelines ensured that its 'petro-power' was ready to re-emerge under Putin' (Newnham 2011, p.135). Under Putin, the energy influence reached its height. First, the world market for oil and gas favoured Russia in 2000-2008; the products became both valuable and rare (Newnham 2011). Second, one of the first items on Putin's agenda was to stabilise the energy industry under state control, by nationalising the majority of the energy sector under three companies: Gazprom, Rosneft and Transneft (Goodrich 2013). This allowed the country to gain its economic power for state purposes, an important

condition that was lost in the later 1990s (Newnham 2011). The country became more aggressive in negotiating supply contracts, cutting energy suppliers to certain markets and increasing its control over oil and gas assets outside the boarders. Indeed, a key factor in the rise of 'energy power' was the world market in oil and gas, but the aggressive energy strategy notably helped to bring stability to the country. Currently, the Russian economy is dominated by a small number of large companies in the fuel-energy sector, metals and other resource-based activities (Cooper 2012). Cooper further explains that these companies are highly profitable, and in the name of CSR, provide the funding of various social and cultural projects (2011).

The dislocations of the USSR collapse, oil prices of less than $10 a barrel, privatisation of energy companies and the East Asian Financial Crisis in 1998 created a negative impact on the Russian economy (Mann, 2009). Following the dislocation of the USSR, as explained earlier in this section, newly privatised energy companies attempted to reduce the provision of social welfare to communities during the 1990s. However, these attempts failed (Fifka and Pobizhan 2014). These practices have been inherited from the Soviet Union, and were proven difficult to eliminate (Blam et al. 2016). The scope of social benefits provided by state enterprises during the USSR, resulted in Russian citizens coming to regard companies as 'social care-takers' (Fifka and Pobizhan 2014). 'Social care-taker' is a societal expectation, which prevails within Russian contemporary society. In other words, Russian citizens expect companies to provide social welfare provision (Henry et al. 2016). It is deeply embedded in Russian society; it is not a new condition; it is its original and traditional condition (Mizobata 2011). This expectation is a normative pressure on CSR, which leads to different CSR practices in Russia (Maignan and Ralston 2002). The social benefits provided by the company such as housing supporting schools,

kindergartens, health centres, sport and cultural events, are considered to be morally appropriate and correct in the given context (Müller and Pflege 2014; Khan et al. 2014; Scott 1995). CSR is a global norm, as discussed in Chapter 2, but its implementation is likely to be shaped by normative forces through local Russian norms, expectations and authoritative structures. Inevitably, CSR in the Russian energy industry is influenced by the expectations and demands of state administration and local communities, who are involved in shaping the local institutional environment for CSR. It is evident that Soviet ideas about social responsibility remain in contemporary Russia, emphasising the interaction between formal institutions and the legacy of informal institutions, such as expectations from the past (Henry et al. 2016).

Russian energy companies under the CSR, sign socio-economic partnership agreements with regional authorities, where they provide additional voluntary funds for infrastructure and welfare support in the regions of operations (Henry et al. 2016). The practices of CSR are based on socio-economic partnerships or agreements, where executives from companies negotiate with local authorities the level and type of social support they will provide to the region (Henry et al. 2016). These agreements are informal and are not based on legally sanctioned rules and laws. There is no regulatory pressure through the state for socio-economic partnerships, neither are there rules that regulate the amount companies are required to spend in the region. Rather it is a strong informal expectation of state officials and local communities that companies have responsibility for delivering social services and supporting infrastructure in local communities (Henry et al. 2016). In fact, the development and maintenance of living conditions continues to be dependent upon the direct participation of big enterprises (Polishchuk 2009), which have responsibility

for delivering social services and supporting the infrastructure in local communities. In addition, Henry et al. (2016) argue that welfare policies remain to be of a paternalistic nature, where the local authorities do not evolve stakeholders in consultation to discuss their needs and preferences; the public needs and interests are not considered and do not provide citizens with choice.

Over the last 25 years, political, economic, and social changes have influenced environmental protection in Russia. Russia claims that 'everyone shall have the right to a favourable environment, reliable information about its state and the restitution for damage inflicted to health and property from ecological transgressions' (Newell and Henry 2016, p.4). Fifka and Pobizhan (2014) explain that environmental protection primarily takes place in environmentally sensitive industries in Russia (Henry and Douhovnikoff 2008). Energy companies are focused on developing exploration policies emphasising the national energy security and the macro social-economic development of the country (Zhao 2012). A high level of environmental protection is mandated by environmental legislation, emphasising sustainable development; any incompliance with the environmental law is subject to civil, administrative and criminal liability (Espinosa 1997; Henry 2009).

Environmental laws create an environment where energy companies perform in a socially responsible manner. On the other hand, the former president Dmitry Medvedev stated that Russia's strict environmental laws are fragmented and contradictory, resulting in 'unsolved problems, unfulfilled instructions and unaccomplished tasks' (President of Russia 2010). The regulatory pressures through state regulations impact on CSR environmental activities, however in the given context, it is not just the implementation of regulations, it is the capacity of the state to

impose regulations and to control business conduct. The strength of legal enforcement remains weak in Russia; weak regulatory institutions are inconsistent and many Soviet regulatory documents are in force (OECD 2003). It is not always clear which regulations apply in certain cases; this creates confusion for regulators and the regulated community. Confusion and a decrease in law enforcement have proven to be a threat to Russia's environment (Newell and Henry 2017).

Russian environmental concerns are not among the top priorities, since people are more concerned about unemployment, poverty and day-to-day survival (Bernard et al.2003). Yanitsky (2000) presents an interesting view, arguing that the erosion of institutions of environmental protection and weak regulations during in the 1990s led the country to a period of 'de-ecologisation'. De-ecologisation, which Mol (2009, p.213) labels as the 'de-institutionalisation' of environmental policy, showed all the signs of degradation of environmental protection. Yablokov (2010, p.3) explained that 'the logic of de-environmentalism…is that Russia will start dealing with environmental problems once it is rich.'

Alternatively, the law enforcement authorities have been growing in importance with special law enforcement entities ensuring environmental law implementation (OECD 2006). Crotty (2016) argues that the influence of overseas customers drives CSR and environmental activities beyond compliance. During the Soviet times, Russia emphasised the importance of national values, culture and interests, whilst rejecting Western imposed values and the universal norms (Snetkov 2012). Since the collapse, Russia signed a number of international environmental protection agreements (Funke 2005), adopted global standards and certifications, and has adhered to global governance initiatives designed to promote and codify CSR and

manage social and environmental risks based on general guidelines (Henry et al. 2016). These are UN Global Compact, Global Reporting Initiatives (GRI), and International Organisation for Standardisation (ISO) certification (Crotty 2016; Henry et al. 2016). In 1999, Russia signed the Kyoto Protocol and ratified it in 2005, which allowed the climate change agreement to come into force. In 2015, Russia renewed its engagement in global climate negotiations at the Paris Climate Summit. The ratification of international agreements was a way to signal Russia's unity with 'the world community' and 'Western values' (Henry and Sundstrom 2012, p.58).

On the normative level, the international standards, agreements, professional codes establish an international institutional framework for Russian responses to environmental and social issues; generally international norms shape or redefine domestic interests and create normative pressures for change by linking with domestic and foreign policy norms (Bernard et al. 2003). In the case of Kyoto protocol, the EU acts as a normative actor reinforcing the environmental protection and emphasising its moral role in international relations (Scheipers and Sicurelli 2007). However, Henry and Sundstrom (2012, p.54) argue that those countries that have participated in resolving collective environmental issues in the past are more likely to participate in new agreements. The development of Russia's domestic climate change policy is at a glacial pace (Henry and Sundstrom 2012). Putin acknowledged that climate change is important, however he joked, stating 'an increase of two or thee degrees wouldn't be so bad for a northern country like Russia. We could spend less on fur coats, and the grain harvest would go up' (Pearce 2003). Putin promised to reduce greenhouse emissions by 70% from levels in the 1990s, by 2030; at the same time, given the post-Soviet industrial collapse the levels of emissions dropped dramatically, and this promise allowed Russia to

increase its current emissions by 40% (Henry et al. 2016, p.10). In the case of Russia, ratification of Kyoto Protocol was not due to commitment to tackle climate change issues or sustainable development more broadly; rather ratification was based on an instrumental view of the protocol (Henry and Sundstrom 2012). Russia's desirable goal was to enhance and strengthen its long-term image on the international level with European states as a reliable negotiating partner. Environmental awareness has been growing globally (Henry and Douhovnikoff 2008) and Russia is sensitive to the demands and preferences of consumers and investors of the international market. Bradshaw and Connolly (2016) argue that Russia is a 'price taker, not a price maker on global natural resource markets' (Bradshaw and Connolly 2016, p.17). Therefore, they need to comply with international rules and norms when sourcing and manufacturing products, emphasising responsible sourcing practices with transparency to sustainable environmental management (Newell and Henry 2017).

3.7 Conclusion

CSR in a Western context implies a variety of activities, which include environmental protection, health and safety, ethical trading, human resources management, social benefits to employees, and relations with stakeholders – local communities, customers, suppliers and financial institutions (Frynas 2012; Matilainen 2013).

CSR activities may be instrumental, regulatory or institutional in origin (Scott 2001, Garriga and Mele, 2004). However, Crotty (2016), and Jamali and Karam, (2018) argue that CSR is not simply a 'Western' or 'developed core' phenomenon, and challenge scholars of CSR to take account of the different socio-economic and institutional structures found within transitional and developing economies in order to

contextualise it (Argandoña & Hoivik, 2009; Devinney, 2009;Dobers & Halme, 2009; Halme et al. 2009; Barkemeyer, 2011, Crane et al. 2016). Some of the problems linked to defining CSR (Garriga and Mele, 2004) stem from different manifestation of CSR practices in different societies across the world, contributing to the debate as to whether there is one archetypal CSR (implied to be 'Western' or 'developed core', Jamali, et al. 2017) or whether there are a multitude of varieties that come from the need to respond to different societal and institutional settings. CSR faces different institutional forces in developing, emerging and transitioning countries (Kim et al. 2013; Campbell 2007) different regulations, norms, cultures, expectations and behaviours.

Closer to my chosen context, Barkemeyer (2009) found that Western CSR dimensions have limited use in transitional countries that were previously subject to domination by the Soviet Union, contributing to the argument that CSR practices are not converging, and therefore that Western concepts of CSR are not wholly relevant. However, the nature of CSR among companies in the Russian energy industry is generally not the same as in Western countries, and yet it is still not being implemented within companies in an integrated way (Netherlands Enterprise Agency 2017).

The energy industry remains controversial, with a degree of scepticism, constantly driving research in CSR. This chapter has described how the context and institutional environment have possibly influenced the development of CSR in Russia, in particularly the energy industry. Reflecting on the literature review, the concept happened to be introduced during the time of economic transition to improve formal and institutional relationships between companies and the state. At the same time,

the literature also observes CSR as an old issue, emerged prior to the 1990s. Energy companies provide funding in the name of CSR to support social and cultural development initiatives, as well as administrative development of projects in the areas of operations. Given the literature, CSR has close ties with legitimacy, where it is generally believed that companies' funding under CSR ensures legitimacy with the state.

Recent research into CSR adoption in non-western contexts and cultures has questioned whether CSR can be regarded as a 'one size fits all' phenomenon or to what extent it is modified and structured by local cultural/economic constraints. Studying CSR in a transitioning economy brings to the fore the dynamics of stakeholder development because when societies and economies are in state of flux and everything is 'up in the air', changes are more apparent and easier to identify (Sztompka 1999). In Russia today many new stakeholders are emerging in the context of a transitioning economy. The purpose of my study is to investigate which of Scott's three pillars dominates the structuring of CSR in the politico-economic context of Russia and the Russian energy industry. In other words, I identify a range of institutional forces shaping CSR. I then identify the arrival of new stakeholders in an ever-evolving context (Thijssens et al.2015). I will add clarity to the literature on CSR and establish the extent to which CSR in the Russian Federation is contextualised. I operationalise qualitative data collected from firms operating in the Russian energy industry. The next chapter therefore presents the methodology applied in my study.

Chapter 4: Methodology

4.0 Introduction

My study examines the being of social phenomena such as CSR in a natural setting, the Russian energy industry. I employed primary data mainly to suit the nature and purposes of my research, which were to identify which Scott's three pillars dominates the structuring of CSR in the politico-economic context of the Russian energy industry. To collect primary data I adopted semi-structured interview format to raise and discuss matters of importance to my interviewees, and help me to understand the way interviewees perceive the social word (Qu and Dumay 2011). I operationalise qualitative data collected from a total of 33 semi-structured interviews: 4 pilot face-to-face interviews were undertaken with CSR experts across various industries within the UK, and 29 interviews were conducted with representatives of the Russian energy industry. Apart from 29 interviews, 71 publicly available CSR reports and 11 CSR web pages were analysed to support and validate the interviews results. To answer the research question, I adopted thematic analysis to analyse interviews, CSR reports and websites; it is a popular analytical method in CSR research.

This chapter proceeds as follows: first, I present the research methodology to investigate the regulatory, normative and cultural institutional forces on CSR in the Russian energy industry. Then I proceed by elaborating on data collection techniques such as semi-structured interviews, followed by CSR reports and websites. Gaining access issue to interviewees in Russia also discussed in this chapter. Finally, I proceed by elaborating on the thematic analysis of data.

4.1 Research methodology

CSR is a social phenomenon, with its agenda driven primarily by business-society relationships (Thiel 2016; Sorsa 2008). The ontological approach was applied to my study in order to examine the being of social phenomena such as CSR (Wang et al. 2016). The ontological assumption is concerned with the nature of reality (Bryman and Bell 2003), and represents 'the study of the essence of phenomenon and the nature of their existence' (Gill and Johnson 1997, p. 178). In other words, the ontological assumption studies the views different people hold about their worlds (Morgan and Smircich 1980), underlying what CSR fundamentally is and how knowledge of this can be created (Crane and Glozer 2016). The ontological assumption is concerned with 'what is' and the nature of reality. The structure of reality as such (Crotty 1998) is explained as the belief in social reality (Chua 1986). My research is dealing with a complex social phenomenon involving people in the world of 'ideas, art, science, language, ethics and institutions' (Healy and Perry 2000) and recurring patterns of actions within delimited social context (Wry 2009). Through being concerned with the nature of reality, ontology raises questions about the assumptions I have regarding the way the world functions (Saunders et al. 2009; Burrell and Morgan 2017).

The ontological approach is described from two aspects: objectivism, where social entities exist independent of social actors, and subjectivism, which implies an understanding of the meanings that individuals attach to social phenomena (Saunders et al. 2009). An objective view of reality indicates that researchers' knowledge is independent of the phenomena. With this view, the 'social world external to individual cognition is a real world made up of hard, tangible and relatively

immutable structures' (Lee 1992), which impact everyone in one way or another and the activities are governed by the general law of nature. The objective view of social research is that it is a tool used to study social events, and to learn about them and their interconnections to discover general causal laws, which are explained and documented (Wang 2014, p.57).

In contrast, the subjective view of reality is that it is a projection of human imagination, and exists in the individual consciousness (Lee 1992). Burrell and Morgan (1979) explained in a subjective reality, that the social world is external to individual cognition and is made up of nothing more than names, concepts and labels which are used as artificial creations whose utility is based upon their convenience as tools for describing, making sense of, and negotiating the external world.' The subjective view assumes that the reality is internally based on the description of the researchers attachment to, and the interpretation of the actors' reasons for, their behaviour (Wang 2014, p.57). Following this subjective view, gaining an insight of the phenomena requires the researcher (me) to try to capture the events of the world by communicating or having a social interaction with people who are, in context, actors of the social world (Lee 1992).

The appropriateness of qualitative methodology derives from 'the nature of the social phenomena to be explored' (Seivwright and Unsworth 2016), with Huberman and Miles (2002) indicating that qualitative research is important when a researcher wants to understand individual perceptions and social interactions. And since the aim of my research is to examine CSR in the Russian energy industry, the social phenomenon in natural settings (Denzin and Lincoln 2000), qualitative research enables one to explore the meaning as understood by the interviewees, in a natural setting

(Arghode 2012). In other words, the researcher is required to present a natural setting in order to gather data by talking directly to actors within their context.

In this context, the knowledge, within my study, comes from the subjective analysis of CSR views obtained from semi-structured interviews. The interview data was then supported and validated by social disclosures made within CSR reports and websites. I identified viewpoints, meanings and feelings attached to a particular case, which enabled me to facilitate construction of the reality and to produce an understanding of the phenomenon on the basis of rich, contextual data through the semi-structured format of interviews with representatives of the Russian energy industry (Tench and Sun 2014, p. 48). All available CSR reports and web pages of the companies represented by interview participants were included in the analysis to support and validate interview findings.

4.2 Data collection

4.2.1 Interviews

Since my objectives are to understand the meanings conveyed by the actions of individuals and to explore and understand perceptions, beliefs and values, qualitative methods are considered the most useful (Itotenaan et al. 2014). In my study, I adopted a semi-structured interview format, as this allows interviewees to raise and discuss matters that are important to them (Denzin and Lincoln 2005) and helps to understand the way the interviewees perceive the social world (Qu and Dumay 2011). Since the semi-structured interview has its basic in human conversation, I had a chance to modify the style and ordering of questions to evoke the comprehensive responses from my interviewees (Qu and Dumay 2011). The interview is a dynamic

process, where the researcher obtains an interviewee's interpretation of 'their experiences and their understanding of the world in which they live and work' (Rubin and Rubin 2005, p.36). In general terms, it is a process of interaction, where I propose a set of questions whereby my interviewees interpret and answer according to their assumptions and mental models (Rubin and Rubin 2005). Semi-structured approach is effective way of attaining information, which provides flexibility and capability of disclosing important and hidden sides of human and business conduct (Kvale and Brinkmann 2009).

I prepared questioning guided by identified themes in a consistent manner interposed with probes designed to elicit more elaborate responses. The focus was on the interview guide incorporating broad themes to be covered during the interview to help direct the conversation towards the topics and issues about which I wanted to learn. The guide served the purpose to ensure the same thematic approach is applied during the interview. The semi-structured interviews allowed me to modify the style, pace and questions order to evoke the fullest responses from the interviewees. At the same time, interviewees provided responses in own terms and in the way they perceive the social world under my study. During the interviews, I was aware of the interviewee as a person who might be influenced by the politics of the company and not just as a source of the objective truth. Therefore, I used different questioning techniques and continued reassurance of confidentiality, to reduce the risk of the interviewees to disclose what they think I wanted to hear, or concerns with confidentiality. I asked open-ended questions with the intention to open the opportunity for the interviewees to elaborate on topics they saw as important and meaningful to their life. I used scheduled and unscheduled probes to draw out more complete narratives from the interviewees on a particular topic of my interest. For

example, when the interviewee disclosed an area of great interest, I followed up immediately with a standard question such as 'can you please elaborate on this more?'. Interpreting questions were asked to clarify some answers, for example, the interviewees were asked 'Do you mean this?'. Direct questions were postponed until later in the interview, to develop more precise description from general statements.

In total 33 interviews were carried out (see Table 2). Out of 33 interviews, 4 pilot face-to-face interviews were initially undertaken with CSR experts across various industries in London. 29 were conducted with representatives of the Russian energy industry; this represents 19 energy companies, 2 consulting companies, 1 research institute and 1 NGO. The energy industry is the total of the industries involved in the production and sale of energy. The energy industry includes the following energy companies: oil and gas, electricity, coal, nuclear power, and renewable energy. As per my study, 74% of the companies belong to oil and gas, 16% to coal and 11% to electricity industries. 42% of the companies are foreign, operating in the Russian energy market, and 58% are domestic energy companies. The majority of data presented in my research is collected from Moscow, along with 2 from Usinsk, 1 from Perm. Usinsk and Perm are the Soviet mono towns with industrial orientation. 19 energy companies used in my research are regional organisations, which I refer to as having a wider remit than just a city; these companies operate on both city and regional levels.

Table 2: List of interviewees

	Code	Job Title	Sector	Domestic (I) and Foreign (F)
Pilot Study in the UK				
1	AUK	Partner Communications	Consulting	F
2	BUK	CSR Director	Consulting	F
3	CUK	Head of Corporate Communications Corporate Affairs/Marketing	Banking	F
4	DUK	CEO	NGOs	F
Field Work in Russia				
5	A	General Director in Oil Extraction	Oil & Gas	D
6	G	Head of PR and Government Relations (GR)	Oil & Gas	D
7	EL	Head of Corporate Communications	Oil & Gas	D
8	L	The Audit Manager	Oil & Gas	D
9	N	Chief Specialist of the Production Division	Oil & Gas	D
10	M1	Head of CSR	Oil & Gas	D
11	A2	Communications Director	Oil & Gas	D
12	T	Senior Product Manager	Oil & Gas	D
13	AN	Sales and Operations Supervisor	Oil & Gas	F
14	AF	Sustainable Development & HSE Manager	Oil & Gas	F
15	M	Communications	Oil & Gas	D
16	O	Social Performance Manager	Oil & Gas	F
17	AM	Senior Sustainable Development Specialist	Oil & Gas	F
18	D	General Director	Oil & Gas	D
19	IG	Vice-President of Charity Fund	Oil & Gas	F
20	IV	Head of Corporate Communications	Oil & Gas	F
21	AA1	Head of Advanced Development and Strategic Planning	Oil & Gas	D
22	SZ	Public Affairs and Community Relations	Oil & Gas	F
23	K18	Head of CSR and Partner Relations	Oil, Gas & Coal	F
24	IP	CSR manager	Oil & Gas	D
25	SG	Public Relations and Communications Director	Coal	D
26	ML	Project Manager	Coal	D
27	A1	Head of the General Director Office	Coal	D
28	RU	Head of the Corporate Governance and Property Management	Electricity	D
29	AI	Senior Sustainability Manager	Electricity	F
30	RK	CSR consultant	Consulting	F
31	G1	CEO	Consulting/ Academia	F
32	VL	Deputy Director	Research Institute	D
33	DB	Director of Charitable Fund	NGO	D

I decided the choice of interviewees because of interviewee relevance to the study, and the potential to help develop explanations for CSR in the Russian energy industry (Mason 2017). A few interviewees represented different types of companies and a number of interviewees represented a range of functions within companies, such as PR, government relations, communications, upstream, finance and marketing. A diversified portfolio of interviewees resulted in a better understanding and interpretation of CSR, with potentially differing roles and responsibilities (Jamali and Neville 2011).

I conducted a pilot study to pre-test my research instrument, semi-structured interviewing. The interviewees were based in London and had been involved in CSR projects internationally. Semi-structured interviews were conducted in the office or cafe, at the interviewees' choice of location. Each interview, conducted in English, was on average one hour long, and was recorded. Jacob and Furgetson (2012) suggested using a setting that provides the most comfort to the interviewees. However, the setting on the second interview was with too much background noise. Going forward, the interviewees were allowed to choose the setting they were most comfortable, but I suggested going for a quite environment. The pilot study showed that pre-interview conversation builds the trust. From the moment I first contacted the interviewees, I tried to be as transparent as possible and provide the consent form which included the following information: who I am, where I am studying, the nature and reasons for my research, how long the interview will take place, how data will be used (Appendix A). Consent forms assured the confidentiality of identify. On the second interview, I have found myself being asked questions by the interviewee and it was essential to make a positive impression to gain trust. The pilot study showed that offering potential interviewees the chance to see the interview questions put the

interviewees at ease before the actual interview (Appendix B). The second interview provided the opportunity to identify difficult and unnecessary questions. Questions were then discarded and redefined to make them more clear and simple; the wording has been changed to give more clarity to the questions. Those questions deemed closed-ended questions were changed to open-ended questions. Leading questions, which were suggesting to the interviewees the kind of response, were redefined.

The pilot study revealed that universal CSR definition does not exist; it is a custom based process, which depends on a business nature, and is driven mainly by stakeholders, competitive advantage and management personal values in the UK. Given that the number of interviewees was limited to four, interviewees had limited or no knowledge of CSR in Russia. Meanwhile, drawing on pervious interviewees' international experience, all interviewees explained that CSR understanding and agenda depends heavily upon the national context. The pilot study did not provide primary data that would enable me to answer my research question. However, it emphasised that CSR is a contextual concept (Nielsen and Thomsen 2007), contested within and across industries and nations (Örtenblad 2016). Once the pilot study had been finalised, I approached potential interviewees in Russia.

In total I approached 159 potential interviewees. A total of 29 (18%) agreed to participate in my study, 29 (18%) declined participation and 102 (64%) have not replied to the participant request. Out of 29 interviews conducted with representatives of the Russian energy industry, 5 interviews were face-to-face, 6 were conducted by videoconference via Skype and 18 conducted by phone. Although I gave preferences for the face-to-face and videoconference interviews, in many cases I found myself conducting telephone interview as requested by interviewees. The interviews ranged

from 25 minutes to 1 hour 21 minutes. Only one interview lasted for 25 minutes and another averaged 45 minutes discussion time. Before interviews were conducted, I provided interviewees with written consent (Appendix C), informing on the research purpose and the risks. I provided a cover letter together with the email to briefly describe the purpose of the study and to explain that participation is voluntary. I ensured confidentiality and agreed not to share any private data, which could identify interviewees. Privacy of the interviewees also included the right of interviewees to give or decline information during the study. Prior to the fieldwork in Russia, I gained ethical approval from the Ethics Committee at the University.

A semi-structured interview guide comprising different sections was developed and emailed prior to the interview if requested (Appendix D). I explored the following topics with the interviewees: the understanding of CSR within their company; motivation/drivers for engaging in CSR; impact of various stakeholders on CSR and challenges and barriers that they perceived regarding CSR. In a nutshell, questions investigated the interviewees' views on CSR realities within the Russian energy industry. Given the semi-structured format, interviewees were also provided with the freedom to discuss matters of importance to them, which allowed discussions to flow naturally. Interviews were mainly conducted in Russian and one was conducted in English. Every interviewee was asked before the interview for permission to be recorded. 28 interviews were recorded, fully transcribed and partly translated. I transcribed the first 4 interviews, the rest were transcribed by a professional. The content was double-checked by me. One interviewee declined to be recorded. In this case, notes were taken during the interview. Two interviewees requested transcripts to be sent for approval.

The interviews were partly translated from the Russian data into English, and typed the translated English text. The interviews covered a range of issues, such as interviewees' career histories, Russian history, companies' strategies, political and economic issues. Translating is not a straightforward process. Firstly, there are Russian words for which there is no true equivalent in English. For example, the Russian word 'hotelki' was used commonly by interviewees, explaining local needs and expectations, which then translated into socioeconomic agreements. Translating the word 'hotelki' only as 'wishing' would reduce the meaning. Therefore I found the appropriate English word as 'wish list' to capture and represent the meaning of the Russian data. Secondly, I also experienced a problem associated with the translation of Russian idioms and proverbs, which originated from Russian historic stories, and complex social phenomena. Often these proverbs include unique Russian locations or names that would become meaningless and incomprehensible if translated to the literal meanings of the characters. I used a verbal consistency between Russian and English language, Russian proverbs were translated according to the meanings embedded in interviews to reflect the experience of the interviewees. For example, when one interviewee described the Russian culture, it was referred to 'by the pike's wish, at my command'. There is no statement to translate 'by the pike's wish' situation in which a person implies someone will have to do something at a command. As a translator, I did not simply 'translate' the text; my knowledge, social background and personal experience came into play to understand and make sense of the material I was translating, before converting it to a second language. Thirdly, as suggested by Brislin's (1970) model of translation, I have cooperated with my colleague, who was familiar with the research. I translated forward the qualitative research texts from Russian into English; whereas my colleague back-translated the

texts from English to Russian. Finally, both versions were compared to check accuracy and equivalence and any discrepancies occurred during the process were then negotiated between translators, colleague and myself.

I continued to interview until the data became saturated (Patton 2002; Miles and Huberman 1994). In other words, I kept interviewing as long as my breadth and depth of knowledge expanded under my study and I stopped when I gained no new insight (Cooper and Schindler 2011, p. 167). After 20 interviews (70% of interviews), the saturation effect appeared where the same type of answers was provided by interviewees. Another 9 interviews were conducted after the saturation effect had been achieved. Given that my study included relatively homogeneous interviewees, I expected to reach saturation sooner (Guest et al. 2006). In my study, the interviewees were homogeneous in the sense that 28 interviewees were born in the USSR, lived through the 'perestroika', and with work experience mainly in the energy industry. Only one interviewee had moved to Russia in 1991, yet shared similar views on CSR in the country. The average age was 43 years old. There were no significant differences among ethnicity, religion or work experience. Although I adopted semi-structured interviews, allowing interviews to raise matters of importance to them, I assumed a certain degree of structure within the interviews. Therefore, to identify institutional pressures on CSR, a similar set of questions was asked of all my interviewees. Otherwise, saturation of data could never be achieved; it would have been a moving target, as new responses are given to newly introduced questions (Guest et al. 2006).

4.2.2 Gaining access

In accordance with the guidelines suggested by Thomas (1995), personal contacts

were used to gain access to companies at the beginning of the fieldwork. Having personal networks is essential for gaining access in Russia (Voldnes et al., 2014). According to Milchailova and Liuhto (2000), informal networks such as family and friends are sometimes the only available option to identify interviewees and gain access in Russia. In the initial stage of the fieldwork, following Thomas (1995) and Milchailova and Liuhto (2000), I used these necessary personal networks, such as my father's personal contacts and my friends, to gain access to energy companies. Buchanan et al. (1988) suggested that a researcher is most successful in gaining access when he or she has a friend or relative who is part of the researched organisation. While personal networks gave me easier access to individuals, I also had established trust with the interviewees.

I initially applied the 'snowball technique' and relied upon this in establishing further contacts. After interviewees had been interviewed, I used those interviewees to identify other members. If there was an interesting match, I asked the interviewee to make contact with the potential interviewee, and request whether they would be interested to participate in my study. In many cases, familiarity and trust built during the interview proved vital for gaining access to wider networks. But a number of interviewees were not willing to share any contacts, explaining 'this is not how things done here in Russia.'

When interviewees were not willing to share any contacts, I used social media networking sites (SNWs) to purposively select key informants with context-specific knowledge and expertise. As a tool, the use of SNWs such as LinkedIn proved vital for identifying and gaining access to further interviewees (Zide et al. 2014). I identified information-rich key cases, well informed with CSR phenomenon,

responsible for or being involved in the development and implementation of CSR strategy within their company. LinkedIn is a social media site used for building professional relations, and has represented all Fortune 500 companies since its inception (Zide et al. 2014). The tool was used for gathering information about potential interviewees. LinkedIn allowed me to see interviewees' qualifications and work experience. Once I identified potential interviewees with context-specific knowledge and expertise, who could provide significant data on the research issues (Patton 1990), I made a direct approach.

Gaining access to interviewees became an issue in my research. I gained access to 29 interviewees in the Russian energy industry. Voldnes et al. (2014) argued that the cultural differences between Russian and West European countries are significant and challenging. Under this vein, Russian cultural characteristics such as a hierarchical structure, particularism, chauvinism and suspicion of foreigners were challenging. I was perceived as a foreign researcher and on numerous occasions I faced restrictions and limitations in gaining access, in particular to elite interviewees. These are visible people within the company and are seen to form the top-level of the company (Giddens 1972).

Herod (1999) explained that the researcher faces cross-cultural issues when conducting research within a foreign context. Given that I am ethnically Russian, the issue of cultural differences (Mikecz 2012) was eliminated, as I am well familiar with the cultural context. I did not need to invest more conscious effort into becoming familiar with various cultural dimensions when conducting research in Russia (Michailova 2004). I am fluent in Russian, and there was no language barrier between the researcher (myself) and my interviewees. Conversely, I am a researcher

from the United Kingdom and people perceived me as a foreign researcher. People in the Soviet Union were exposed to propaganda about the superiority of the Soviet state and were strongly influenced by negative information regarding Westerns with their 'gniloi capitalism' (rotten capitalism) (Barners et al. 1997). This developed a Russian attitude toward foreigners, which still prevails.

Companies have limited experience with participating in interviews for research purposes in Russia (Voldnes et al. 2014). They are sceptical towards strangers from universities and business schools (Michailova 2004). Employees might act negatively and feel suspicious towards the researchers from universities and business schools, in particular from the West. Interestingly, my status as a Western researcher did not seem to affect my interviewees negatively. All interviewees who participated in my study, expressed curiosity as to why a researcher from the United Kingdom was interested in CSR topic in Russia. Richardson (2014) explained something similar when interviewing in Russia, which led him to conclude that the interest translated into a willingness to share opinions (p.186). Following Herod (1999), I conclude that my ability to emphasise my position as a Western researcher was more beneficial for conducting the research. Throughout my research, my experience was that interviewees considered me a cultural insider, yet being a researcher from British University provided me with more credentials. I experienced a feeling of being treated with interest and respect. Perhaps, another thing that I have found most interesting with regard to conducting interviews has been the seriousness with which interviewees take such interactions with academics. Herod (1999) explained something similar when interviewing in Eastern Europe.

This is not to say that interviews I conducted in the UK as a pilot study or interviews conducted through personal contacts networks have not been helpful. However, I was under the impression that they took my research as seriously as I did. This in itself probably affected the way we interacted with each other. All interviewees took the interview seriously, showing interest in the final results of the study. Interviewees occasionally stated '…oh, I might tell you this too since you might find it useful for your research…' when discussing their experiences.

Qualitative CSR research has been rising; however, the qualitative approach to examine CSR has mainly been 'monomethodological', using interviews as the main data source for enquiry (Bass and Milosevic 2016, p.179). Bass and Milosevic (2016) further explained that when relying solely on interview data in qualitative explorations of CSR, we might be collecting interviews of retrospective descriptions of CSR. The interview responses may only come from those in managerial or executive positions, and may not be involved in the actual practices of individuals within companies (Bass and Milosevic 2016). In addition, relying on interview data provides limited triangulation opportunities, and thus potentially produces biased knowledge (Klassen et al. 2012). Given these limitations, as well as the difficulty of gaining access to interviews in Russia and the time and resources available, I examined all available CSR reports and web pages of the companies represented by interview participants. Triangulation among different data sources improves the validity and robustness of the findings. Where separate CSR reports were not provided by a company, alternative mediums of social and environmental disclosures, such as websites, were used to analyse the information.

4.2.3 Reports and websites

The interview data were supplemented by publicly available CSR reports, the companies' own CSR policy documents and annual reports, CSR web pages of the companies represented by interview participants. In my study, I combined two sources of data. The first data set consists of semi-structured interviews, which allowed me to access the data most important to the individual (Brinkmann 2014; Dixon and Clifford 2007) and to produce understanding of the phenomenon on the basis of rich and contextual data. The second data set, CSR reports and websites, was used to strengthen and verify the use of interview data (Fernando 2010), allowing a more holistic and representative understating of the phenomenon in question (Klassen et al. 2012). Triangulation approach is typical in the examination of a social phenomenon (Jonsen and Jehn 2009) and in CSR studies with the primary purpose is to improve the validity of results (Nousiainen and Junnila 2008; Angus-Leppan et al. 2010; Baumman-Pauly et al. 2013). Through ascertaining various sources of data such as interviews, CSR reports and websites, guaranteed the validity of the study. Moreover, data from different sources increased the comprehensiveness of my study, provided qualitatively derived richness, and attained a complete understanding of CSR (Jonsen and Jehn 2009; Yin 2004; Lee et al. 2009).

The following table (Table 3) presents and analyses the general characteristics of the companies' sample. The same consists of 19 companies, out of which 47% of companies are holding companies, and 53% are subsidiaries owned and controlled by holding companies. 89% of holding companies are listed on the stock exchanges of London, New York, Italy, Moscow, Budapest, Warsaw and Luxembourg.

International stock exchanges are increasingly focused on companies' social and environmental performance and impact. In recent years, stock exchanges have generated a number of environmental, social and governance (ESG) reporting frameworks globally. Listed companies are encouraged to disclose non-financial information with respect to social and environmental aspects. In my research, 55% of listed companies publish independent CSR reports, and the rest disclose CSR-related information on web pages. In total, out of 19 companies, 42% of companies participated in my study publish CSR reports. In total my study examined 71 CSR reports and 11 CSR web pages. This represent 111 data items, including 29 interviews, across 19 energy companies based in Russia. When CSR reports were not freely available, I visited the web sites of the companies and gathered CSR-related information from them. All companies have dedicated web-site links to their corporate CSR programmes. A number of foreign companies have dedicated web-site links to CSR programmes being undertaken in Russia.

Table 3: List of reports and websites

Code	Domestic (D)/ Foreign (F)	Ownership Type[1]		Data source	Year	Reports	Websites
L2, Oil & Gas	D	Holding	Public	Reports	2003-14	6	
RS1, Oil & Gas	D	Holding	Public	Reports	2006 -15	10	
S1, Oil & Gas	F	Holding	Public	Reports	1997-16	19	
E1, Oil & Gas	F	Subsidiary		Reports	2010-15	5	
W1, Oil, Gas & Coal	F	Holding	Public	Reports	2014-15	2	
S1, Coal	D	Subsidiary		Reports	2006-15	7	
R1, Electricity	D	Holding	Public	Reports	2001-15	6	
EL1, Electricity	F	Subsidiary		Reports	1999-15	16	
L1, Oil & Gas	D	Subsidiary of L2		Website			1
L3, Oil & Gas	D	Subsidiary of L2		Website			1

---

[1] Listed companies on stock exchanges

L4, Oil & Gas	D	Subsidiary of L2		Website			1
N1, Oil & Gas	F	Holding	Public	Website			1
M1, Oil & Gas	F	Holding	Public	Website			1
G1, Oil & Gas	D	Subsidiary		Website			1
SL1, Oil & Gas	F	Subsidiary of S1		Website			1
O1, Oil & Gas	D	Subsidiary		Website			1
P1, Oil & Gas	F	Holding	Private	Website			1
GT1, Oil & Gas	D	Subsidiary		Website			1
T1, Coal	D	Holding	Public	Website			1
Total						**71**	**11**

And although the CSR reports are mainly written by public relations people, the truth is that typical chief executive officers spend considerable time outlining the contents of the report, sketching out much of it, and proofreading and changing most of it to their own taste (Thurner et al. 2014). In this line, CSR reporting is viewed as corporate image management (Hemingway and Maclagan 2004). Companies use CSR reports to deliver messages about their social-environmental performance, in order to build and maintain legitimacy with stakeholders (Zhao 2012). When a stakeholder is important for a company, the company tends to use reports to indicate what it has done to benefit this stakeholder. Following Zhao (2012) I argue that companies disclose in reports, actions and interaction between certain stakeholders in whichever manner they deem appropriate and desirable in the Russian context. It is reasonable to expect that a report is unlikely to address all activities (Preuss and Barkemeyer 2011), but rather tend to put in reports the content that is likely to improve their image in the eyes of stakeholders. In the context of my study, the reports did not generate the type of descriptive data that renders culture concrete and local (Karasz and Singelis 2009). Interviews allowed me to identify a more concrete picture; particularly within structured situations. I supplemented information from interviews with CSR reports and websites of the energy companies. While

documentary data validate the primary data, all findings, which are discussed in this thesis, represent the analysis of interviews. The findings are then presented in Chapters 5, 6 and 7 in light of the conceptual model whilst building the bridge toward the literature review.

4.3 Data analysis

Answering the research question examined in my study involves textual analysis of interviews, CSR reports and websites, which were subsequently summarised and analysed using a thematic analysis. The data is interpreted via thematic analysis to generate rich insights into the nature of CSR.

The analysis of data involved a subsequent search for the themes and sub-themes, guided primarily by Braun and Clarke (2006). Following Esterberg's (2002, p.153), 'there is no single 'right' way to organise and analyse qualitative data', and should be judged upon its suitability for the current study. For example, qualitative content analysis has been a popular analytical method in studies related to CSR research (Sapkauskiene and Leitoniene 2014), and deemed to be the most usual method used to analyse social and environmental disclosure (Sweeney and Coughlan 2008). Such approach goes beyond merely counting words to represent similar meanings (Weber 1990), with the main goal being 'to provide knowledge and understanding of the phenomenon under study' (Downe-Wamboldt 1992, p.314). On the other hand, George (2009) argued that qualitative content analysis is focused on the frequency of occurrence of the specific themes or words, making the method more statistical. Thematic analysis could be seen as being similar to qualitative content analysis, as both methods explore underlying meanings and themes embedded in the text. The method has been viewed as part of content analysis (Krippendorff 2004). But

thematic analysis is viewed as an independent qualitative descriptive approach, mainly described as 'a method for identifying, analysing and reporting patterns (themes) within data' (Braun and Clarke 2006, p.79). It involves the search for and identification of common threads that extend across an entire data.

The thematic analysis has been used in fields such as psychology (Clarke and Kitzinger 2004), sport media (Osborne and Coombs 2009), and the confusion of the method exacerbated by the claim that such method 'is widely used, but there is no clear agreement about what it is and how you go about it' (Braun and Clarke 2006, p.79). To overcome the confusion, I followed the approach presented by Braun and Clarke's (2006, p.87), which includes six phases for conducting thematic analysis (Table 4):

Table 4: Thematic data analysis

Phase	Implementation
Familiarise yourself with the data	Transcribe data, read and re-read the data, note initial ideas
Generate initial codes	Code interesting features of the data in a systematic way across the entire data set, collate data relevant to each code
Search for themes	Collate codes into potential themes and gather all data relevant to each theme
Review themes	The refinement of identified themes, which involves checking if the themes work in relation to the coded extracts and the entire data set, generating a thematic map of the analysis, an overall conceptualisation of the data patterns and the relationship between them
Define and name themes	Continuous analysis to define and further refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme
Produce the report	The final analysis and write-up of the report. Select compelling extract examples, relate back of the analysis to the research question and literature, producing report of the analysis

The guiding principle of thematic analysis is that I followed a clear process that allowed me familiarity with data to be increased to a sufficient extent that it can be organised into certain themes. While thematic analysis is inherently descriptive, for the purpose of this study it represents a way of organising data into a manageable number of different but related categories.

Analysis of 29 transcripts followed Braun and Clarke's (2006) phases of thematic analysis. The transcripts were printed off and read; analysis began by becoming immersed in the data through reading and re-reading transcripts. I tried to obtain the sense of the whole through reading the transcripts several times. When analysing the data, I applied the institution-based approach to CSR as the theoretical viewpoint (North 1990; Scott 1995; Khan et al. 2014). I conducted the initial categories, which were derived from the CSR, institutional theory and Scott's three pillars literature. After the categorisation frame has been developed, interview data was reviewed. Every unit of analysis, such as words, phrases, sentences and paragraphs on transcripts went through open coding, where I coded and categorised the data into thematically relevant categories derived from the literature (Strauss and Corbin 1998). The categorisation frame is complex, consisting of any number of main categories, with subcategories containing additional sub-categories (Schreier 2012). Following the preliminary stage, data was categorised under three main themes such as regulatory, normative and cultural pillars. Each pillar then included subcategories derived from the literature. Content that did not relate to either of these topics was then disregarded.

For instance, if an interviewee talked about domestic laws, this would be highlighted as 'formal rules.' This approach allowed transcripts to be quickly and comprehensively analysed for their content when undertaking analysis. In order to validate the interview findings and build a coherent justification for themes (Perrini and Minoja 2008), I followed a similar approach to CSR reports and websites analysis. When analysing CSR reports, I travelled back and forth between the data, identifying statements regarding the institutional pillars and categorising data into subcategories. For example, I used 'law' as a keyword to search the reports, which

resulted in phrases and sentences, which if relevant to the institutional pillars, were coded as 'formal rules' and categorised into thematically relevant categories derived from the literature.

I also developed a more complete explanation of the concerns and activities of interviewees by adding inductively generated codes. For example, the theme 'hotelki' (wish list) inductively emerged from the interview data. Following qualitative content analysis, categories to explain and describe social phenomenon may be derived inductively and deductively (Thomas 2006). Deductive analysis implies testing data consistency with prior assumptions, theories and hypothesis, with pre-set aims and objectives (Pope et al. 2002). In deductive analysis, concept driven categories alone might leave some data unaccounted for (Schreier 2012). In inductive analysis, a researcher uses detailed readings of raw data to derive concepts and themes, through interpretations made from the data by a researcher (Thomson 2006, p.238). Thompson (2006) explained that in practice, generally both approaches are applied. With this in mind, the data were categorised into different groups containing both the inductive and deductive approach. Data was not analysed using the computer-based content analysis approach; the data was analysed manually. The scepticism about using computer-based software is that it assumes 'a positivistic approach to the natural world that sees it as being composed of objects that humans can study, understand and manipulate' (Roberts and Wilson 2002, p.5). Whereas, the qualitative research objective is to see things from the human actors' perspective (Rodnik and Primorac 2015). Therefore, the main concern is that software will reduce the originality of the text material, which interferes with the qualitative research process (Bailey 2007; Rodnik and Primorac 2015). The themes and related text and explanations were passed and recorded in an Excel spreadsheet. During the analysis

and the presentation of the data collected, I ensured the confidentiality of interviewees and companies. All names were anonymised to avoid potentially putting interviewees in an uncomfortable professional or personal position. When conducting qualitative research, participants' rights should be protected and safeguarded (Cooper and Schindler 2011).

To reflect the most important sub-themes in regulative, normative and cultural pillars, I measured the frequency of words and quotes that represented the sub-themes (Duriau et al. 2007). I conducted the following calculations. For example, all relevant text in the regulatory pillar interview data set added to 63 (see Table 5 in Chapter 5). Out of total 63 codes (words and quotes), which represent 100% mentions, 26 were relevant to domestic formal rules subtheme. In other words, subtheme was mentioned 26 times during the interviews. This represents 41%, a total of 26 times in 29 interviews. This calculation represents the frequency of repetitions throughout all data set. The same logic of calculations was applied to reports and websites results in my study.

I also acknowledged in my study that the assumption that the most frequently mentioned words reflect the greatest concern is not always true. The problem with a word count, which may occur more frequently in the interview of one person or group of people, implies that this frequent occurrence may have greater importance, but could also indicate a greater willingness to talk about the subject. While, 41% might indicate greater importance of the domestic formal rules and laws subtheme, due to its frequent repetition, it might also indicate greater willingness of interviewees to talk about this subtheme. In this sense, I conduct further count and calculate the total frequency of the number of times the regulatory theme was mentioned at least once.

The total is 40 responses from 29 interviewees. 15 interviewees mentioned the subtheme of domestic formal rules and laws at least once. This represents 38% out of the total responses (40) and in other terms 52% out of the total interviewees (29). The same logic of calculations was applied to reports and websites results in my study. I have presented the results for the regulative, normative and cultural pillars in Chapters 5, 6 and 7, following the same logic of calculations.

Such counts are used to outline the trend and reflect matters of importance within my research. Counting frequency of codes to find meanings within text present limitations and danger of missing the context (Vaismoradi 2013). In order to avoid being accused of removing meaning from its context, I did not rely only on counting frequency of codes to find meanings within the text. I paid attention to the symbolic communication of texts, and looked for meanings, as some words may have multiple meanings. In word count there might be synonyms used to communicate the same issues, for example, the word 'state' could mean a government, but could also mean to 'speak.' Instead of just focusing on words, I also tried to find quotes related to the concepts and sub- themes identified in my study. Therefore, the text was broken down into words with similar meanings, and phrases and sentences were all organised to reflect the meaning of the subtheme. In fact, one of the easiest ways to identify themes is repetition, where interviewees circle the same network of ideas.

Despite the fact that its level of frequency and repetitions can influence the importance of a theme, it captures important information regarding the research question (Vaismoradi 2013). The question of, how many repetitions would be enough to be regarded as important to the theme is open, and is left to a researcher to decide (Ryan and Bernard 2003). Given this logic, I went beyond just merely counting

words, but rather classified text into categories that represented similar meanings. The importance of a theme is not necessarily dependent on quantifiable measures, but rather on whether it highlights something important in relation to the research question (Spencer et al. 2003). Given this logic, I acknowledged that one phrase could be as importance as the rest of the content taken together.

4.4 Conclusion

This chapter outlined the research methodology adopted in my study to identify the institutional pressures on CSR within the Russian energy industry. To conclude, I explained that qualitative approach provides means to explore the meanings conveyed by the actions of interviewees and to explore and understand perceptions, beliefs and values towards CSR in a natural setting. The flexibility of semi-structured interviews creates room for a more effective way of attaining information, disclosing important and hidden conduct resulting in a more complete approach to CSR. In this chapter, I incorporated argument that despite the rise in CSR research, qualitative approach to examine CSR has been solely relying on interview data source. This potentially produces biased knowledge. In my study, I supported the interview statements with publicly available CSR reports and web pages to guarantee the validity of the findings.

In order to structure the presentation of the empirical findings, my study utilises Scott's (1995) institutional theory framework. I identify and examine the regulative, normative and cultural pressures on CSR in context of the Russian energy industry. Findings and discussions will be structured as follows: Chapters 5, 6 and 7 will present the findings related to the regulatory, normative and cultural pillars. The theoretical concepts of each pillar will be briefly restated. I will then present results,

followed by qualitative evidence from my interview data, building a bridge between the literature review, the conceptual model, and the findings in my study.

Chapter 5: Results and Findings: The Regulative Pillar

5.0 Introduction

Thus far, the literature review (Chapter 2) has presented how the regulatory pillar works theoretically. I then discussed (Chapter 3) the Russian context, emphasising the formal and informal institutional environment during the Communist party, post- soviet period and contemporary Russia. The objective of this chapter is to present the findings concerning the regulative pillar, and to discuss this under the light of Scott's (1995) conceptual model. Scott's three pillars of institutions, namely, the regulatory, the normative and the cultural components, provide logic for the mechanisms affecting CSR understanding; it highlights whether a company adopts CSR in response to legal constraints, moral obligation or culturally supported meanings. Under this light, my study has aimed to identify those pressures and forces that shape employees obligation for CSR in response to legal constraints, moral constraints and culturally supported meanings within the context of the Russian energy industry.

The regulatory pillar is a system, which is based on legally sanctioned rules and laws enforced by the governments. This pillar's mechanism is coercion and the logic is instrumental, assuming that companies, faced with strong law enforcement, comply with the law. At the same time, the instrumental rational assumes that companies adopt their decisions to the context such as complying with the law while searching for benefits. The logic of the regulative pillar is that of instrumentality and legally sanctions, and defined a priori the role that society gives to each social actor (Scott 2001). The literature acknowledges that the key agent is the state, which imposes regulations necessary to create an environment where companies can perform in a socially responsible manner (Campbell 2006). The capacity of the government to

impose such regulations and to control behaviour is of crucial importance, rather than an implementation of regulations, since institutions do not always enforce regulations effectively. In post-communist economies, literature indicates that the regulative system is weak (Peng and Luo 2000; Kshetri 2009). The rule of law is weakly developed and sometimes ignored, and not characterised by effective punishment. Due to concerns that the state's regulations might be weak to protect the industry, companies may also be involved in self-regulation monitored by external actors, for example, NGOs or trade unions, or other community based organisations. In addition, CSR is seen as corporate self- regulation, which ensures compliance with state-based legislations, international norms and ethical standards (Henry et al. 2016, p.1342). In other words, companies adopt CSR to self-regulate their conduct; this is self-enforced and self-monitored (Cragg 2005).

In the Russian context, the enforcement regime was weak due to the collapse of the Soviet Union, which was accompanied by the fragmentation of the states and leading to a 'chaotic' form of capitalism (Lane 2007). The collapse weakened the rule of law and the state's capacity to provide 'sticks and carrots'. With Putin ascending to Russian presidency in 2000, the state's capacity and rule of the law and institutions have been subject to attempts at restoration (Abdelal and Tarontsi 2010), but the political context remains strongly dominated by its Soviet legacy. Up until now the Russian market is still considered immature (Bashatovaya 2014). My study finds, that there is no CSR law in effect for a mandatory CSR requirement. At the same time, the formal institutional environmental shapes environmental CSR practices. Energy companies mitigate the environmental risk of its operations mainly due to the legal framework. The Russian government has its role as a regulator, with the capacity to impose regulations and provide 'sticks and carrots' for energy companies. The chapter

is structured as follows: in the next section I present the results from 29 semi-structured interviews, supported by the CSR reports and websites; I then present qualitative evidence from my interview data, building a bridge between the literature review on Russia, the theoretic model of regulative pillar and the findings from my study. I provide logic for the mechanisms affecting CSR understanding within context and highlight whether employees of the energy companies adopt CSR in response to legal constraints.

5.1 Results: interviews, reports and websites

The Table 5 presents the results from 29 interviews. The Table 6 presents the results from 71 CSR reports and 11 websites. I followed the logic of calculations to indicate the importance of subthemes as explained in Chapter 4 on page 94.

Table 5: Regulative pillar interview results

Regulative Pillar		Subthemes	Interviews			
			Total mentions	%	Total mentions at least once	%
Logic and Basis of compliance	*Expedience and instrumentality*	Licence to operate	6	5	4	5
		The financial markets	15	12	4	5
		Reputation	20	16	12	16
Mechanisms	*Coercive*	Enforcement of formal rules	23	18	16	21
		Neo-paternalism	24	19	15	20
Basis of legitimacy and of order and indicators	*Legally sanctions Regulative rules/Rules/Laws/Sanctions*	Domestic formal laws	26	21	15	20
		No mandatory CSR laws	12	10	9	12
Affect	*Fear Guilt/Innocence*		0	0	0	0
Total			**126²**	**100**	**75³**	**100**

---

² Frequency of the subtheme mentioned by interviewees and in the reports more than once (more than once, every time subtheme mentioned, it gets one point)

³ Frequency of the subtheme mentioned at least once (one person/report mentioning the subtheme more than once, get only one point)

Table 6: Regulative pillar reports and websites results

Regulative Pillar		Subthemes	Reports			
			Total mentions	%	Total mentions at least once	%
Logic and Basis of compliance	*Expedience and instrumentality*	Licence to operate	8	2	5	5
		The financial markets	43	9	13	14
		Reputation	60	13	17	18
Mechanisms	*Coercive*	Enforcement of formal rules	43	9	20	22
Basis of legitimacy and of order and indicators	*Legally sanctions Regulative rules/Rules/Laws/Sanctions*	Domestic formal laws	296	65	37	40
		No mandatory CSR laws	3	1	1	1
Affect	*Fear Guilt/Innocence*			0		0
Total			**453[4]**	**100**	**93[5]**	**100**

The results indicate the strengthening of a major stakeholder, the Russian state, under the presidency of Vladimir Putin. The Russian state has been identified as a regulator, with the capacity to impose regulations, which guide corporate conduct. My study finds that the regulatory framework creates an environment conducive to the uptake of the environmental pillar of CSR. In other words, energy companies mitigate the environmental risk of its operations mainly due to the legal framework. This is the only category of CSR that I found to be directly regulated (Scott 1995) by the Russian state.

As per my results, energy companies display instrumental rationality, adapting their decisions to the Russian context and searching for benefits. Energy companies see CSR as a way to preserve legitimacy in the given context. Adopting CSR practices enables companies to gain and improve reputational capital, maintain the license to operate and as the result secure access to vital resources and economic benefits. I also identify a new set of international stakeholders, which have led to modified CSR practices. Energy companies are influenced directly by international standards,

---

[4] Frequency of the subtheme mentioned by interviewees and in the reports more than once (more than once, every time subtheme mentioned, it gets one point)

[5] Frequency of the subtheme mentioned at least once (one person/report mentioning the subtheme more than once, get only one point)

external markets, international banks and investors, and a specific resource, finance. In the next section, I build a bridge between the literature review on Russia, the theoretic model of the regulative pillar and the findings from my study.

5.2 Logic of compliance instrumental

5.2.1 Reputation and license to operate

My study is not in line with existing literature (Andreassen 2016; Kuznetsov et al. 2009; Crotty 2016), which has demonstrated that companies do not believe that CSR activities improve the image of companies in the eyes of the public in Russia. Instead, my data shows (A1, D, EL, M, AA1, VL, DB, SZ) that representatives of the Russian energy industry believe that CSR activities improve the image of companies. A1 (Head of the General Director Office, coal) explained:

> A1: *'As part of our CSR we carry out expeditions…. We sponsor these*
> *expeditions, we have volunteers every summer who deal with*
> *excavations... We will build a railway in this region, and before we start*
> *the construction, we are planning to complete excavations. This obviously*
> *helps our company to present itself in a good way to the community i.e.*
> *explain to people that we are not doing it without the reason, that we are*
> *not here just to construct the railway, that we also consider archaeology*
> *monuments and trying to save them, since its important to them.'*

While Interviewee A (General Director in Oil extraction oil and gas) took a different approach:

A: *'The most common motive for CSR is a good reputation on the territory, which helps to improve relations with local authorities….it is important, since they might influence long-term business development. So if we adopt CSR, it gives us a good reputation, a good reputation of our business in the society means… it is like 'our business is accepted and approved'.*

In my study, reputation is concerned with preserving legitimacy (Andreassen 2016). Legitimacy is a 'public presumption,' but energy companies take steps to preserve this legitimacy by adopting CSR practices (Kuznetsov et al. 2009). By adopting CSR, energy companies act in a desirable and appropriate way within the existing social system of norms, values and beliefs (Bhattacharyasuch et al. 2009; Lii and Lee 2011; Kuznetsov and Kuznetsova 2008), which secures and maintains access to vital resources, essential for a firm's survival from institutional constituents such as authorities (Beddewela and Fairbrass 2016; Kuznetsov et al., 2009; Andreassen 2016).

For example, interviewee AM (Senior Sustainable Development Specialist, oil and gas) explained that CSR is 'a way to keep the license' and 'a right to work' which is provided by the authorities. At the same time, Interviewees A2 (Communications Director, oil and gas) and O (Social Performance Manager, oil and gas) remarked that while energy companies must meet regulatory requirements in the Russian context; they also need to consider meeting the strong informal expectations of local authorities, which builds a good relationship and secures a long-term operation in mono towns. In this sense, energy companies see CSR through social- environmental activities, as the strategic action and an instrument to form relations with the state to address legitimacy

issues. The strategic action builds relations with local authorities, consequently providing a license to operate, support for the business and access to various forms of state resources (Zhao 2012, p.442; Mizobata 2011; Guriev and Tsybisnkii 2011; Cooper, 2013).

5.2.2 Financial markets as international stakeholders

In the Russian context, there is a little pressure from financial institutions to follow ethical standards; environmental and social considerations are not standard practice within the Russian financial sector. Financial institutions distance themselves from a client's environmental, social and governance issues, known as ESG in the financial investors institutions (Wendt 2015). Energy companies are under in-depth due diligence analysis for ESG issues when they are seeking to raise capital on international financial markets (Aluchna and Idowu 2016), which is standard practice for international finance institutions (Wendt 2015). Interviewee G (Head of PR and Government Relations (GR), oil and gas) indicated:

> G: 'If you have a bad environmental impact, any reputable international bank won't give you any credit. Obviously, we are compliant with environment laws in Russia. But international banks assess your performance when it comes to social, environmental and governance issues. In Russia it's at early stage, plus financial institutions are not as developed as in the Western countries, so it's more international investors.'

Financial international markets function as a clear source of regulative pressure imposing CSR practices to local companies as a condition to access financial

resources. These are new important or salient international stakeholders, including banks, equity investment funds, which control important industry resources. The incompliance with environmental regulations might withhold or influence the use of available resources. As the result, CSR becomes a necessary instrument to satisfy the requirements of stakeholders whom they consider capable of influencing their company's outcomes. In this regard, companies display instrumental rationality, adopting their decisions and searching for benefits.

The financial markets acts as institutions by educating and informing on issues evolving around environmental, social and governance matters (SSE 2017). They provide guidance by setting out recommendations for good practice in environmental, social and governance reporting, which has become a part of the investment decision process (LSEG 2917). Interviewee AI (Senior Sustainability Manager, electricity) explained that companies adopt GRI standards in order to report on non-financial information. GRI is the world's most widespread framework of voluntary CSR reporting; it promotes and develops a standardised approach to reporting, to stimulate the demand for sustainability information (GRI).

> AI: *'We report according to the GRI standards…The reporting is very important to us….This is an instrument. It affects the capitalisation of the company. There are a lot of funds that act as investors, and this is the instrument companies' use when establishing a dialog. Not only investors, but also with authorities, banks, local communities, environmental associations…Many companies especially in Russian energy sector publish sustainability reports for similar reasons.'*

In probing for the motivation to adhere to global initiatives, and following international standards and guidelines, my data shows (AI, A2, RK, G1, DB) that this is mainly due to arising commercial benefits, as evident above. International standards and initiatives adopted by energy companies grant access to international markets, increasing their acceptance in the business world (Gilbert and Rasche 2007); the also provide access to capital investments. In this vein, conforming to GRI standards improves the capitalisation of the company, protecting the survival of the organisation, and therefore jobs, incomes and the wider social health of the company's community. Interviewee A2 (Communications Director, oil and gas) further explained:

> A2: *'Many companies are trying to employ international audit groups to carry out social and environmental monitoring in order to reveal issues…They carry out audits to comply with international standards, then report as per GRI standards. This is then presented on international financial markets. And this influences investment attractiveness. This is very important, especially for a company, which is operating on an international market…'*

Reporting to GRI standards is important because conforming to international standards and initiatives increase Russian companies' acceptance in the global business world, granting access to resources that come from international markets, and also providing information to investors. Importantly, the GRI reporting process exposes areas of proof ethical behaviour or CSR practices which should be improved.

Drawing on the institutional theory and my data so far, I argue that due to globalisation, domestic energy companies seeking internationalisation and undertake CSR practices as a consequence of international pressure. Companies exposed to international

markets are under coercive pressure in the form of access to resources. Consequently, those companies dependant on international capital undertake some of the CSR practices as a consequence of such pressure. The pressure works through standards and norms of economic zones or countries where international stakeholders come from, and companies understand that these standards and norms are strong regulations. In the same vein, the international standards, agreements and professional codes establish an international institutional framework for Russian responses to environmental and social issues. By adhering to global norms translated into international standards, energy companies build trust and credibility and gain international stakeholder confidence (Szekely and Knirsch 2005). My data also shows that the inflow of international stakeholders who adhere to global norms influence the informal and formal institutional environment in Russia. International norms shape and redefine domestic interests and create normative pressures for change by linking with domestic and foreign policy norms (Bernard et al. 2003).

For example, international investors, introduced universal norms in a country with a 'caring attitude toward' the environment, which was then formally institutionalised. International investors are more concerned with environmental issues, which influenced the Russian government to change regulative institutions to strict environmental regulations. In this sense, the environmental law works in conjunction with global norms; the environmental law governs business conduct and sends out a clear signal of what is required by the national state, which consequently increases international investment attraction. Adhering to international initiatives that adopt global social and environmental standards, or being able to demonstrate social responsibility through credentials, is viewed as a way in which to gain access to and attract investments from overseas markets.

5.3 Coercive mechanism: the role of the state as a regulator

Russia's political environment is placing new demands on energy companies where business managements are now required to respond with new activities to accommodate governmental requirements. As per my study, energy companies operating in the Russian energy industry face national regulative pressures, which place demands on environmental CSR practices. Regulations set by the state are important in order to create an environment where companies perform in a socially responsible way (Campbell 2006), but the adoption of environmental CSR practice regulated by law depends on the capacity of the state to impose regulations and control such conduct. In my study, the Russian formal institutional environmental, which relates to formal institutions such as government laws imposed by the state, set the rules of the game for energy companies' conduct, as evident in the following discussion:

> Interviewee AM (Senior Sustainable Development Specialist, oil and gas): *'The Russian government like in any other country dictates formal rules of the games for all companies, for all players in this market, for all participants. The government is a regulator. Thereby, it plays an important role…it dictates the rules of the game, which everyone follows.'*

The comment above illustrates that the Russian state has the role of the regulator and stresses coercive influence on the business through the formal regulatory framework (Campbell 2007; Zhao 2012). Legally enforced laws modify corporate conduct and prevent energy companies from suffering the penalty of non-compliance, as evident in the following discussion:

Interviewee G1 (CEO, consulting): *'Since Putin came, Russia has made a great progress in, let's say, environmental issues…It is not just a question of environmental regulations, it's the enforcement of those regulations that have a positive impact on the environment. For example, in the oil and gas industry there is a great deal of gas burn at the wheel…if you don't have the right equipment to process the gas you either re-inject that into the ground or send it into atmosphere. In order to send it to the atmosphere you flame it…as they call it 'flaring the gas', it is a process that takes place in many industries…this can be a very hazard. So for a long time there was regulation where companies hold gas and the companies who did not were given fines. But it was a lot cheaper to pay the fines, than to invest in any way to remediate. Over the past few years, 15 years or so, the government has become much stronger in enforcing these regulations and fines became much higher! This resulted a lot of companies to put measures to tackle the problem, rather than sending over the gas to the atmosphere. The companies have come up with ways of capturing the gas, process whether to sell it or use it for their own uses like generation of power.'*

My data shows (G1, T, G, A2) that the Russian state, under the presidency of Vladimir Putin has led companies to take new environmental laws into account where they might have been ignored or simply shrugged off in the past. Previous legislations were weak and ineffective, where the non-financial gain from non-compliance was bigger than putting in place environmental measures. After Vladimir Putin ascended to Russian presidency in 2000, the state's capacity and the rule of law have been strengthened, especially in extractive and heavy industries (Sutela 2013; Abdelal and

Tarontsi 2010). The companies' behaviour has been modified to take into account of an increased power of the state. In the energy sector, laws have been toughened and punitive fines have been introduced, forcing companies to invest in methods to reduce environmental impact. Interviewees A2 (Communication Director, oil and gas) and T (Senior Product Manager, oil and gas) explained how domestic government authorities exert coercive pressure. Any non-compliance, where a firm does not act in accordance with regulations, causes negative consequences, such as fines, charges, issuance of license, and withdrawn support for business operations from the state.

> A2: *'We have a license to exploit subsoil and we must comply…we are scared of local authorities, scared of sanctions from the government, which might be imposed if we don't do something right. Any violation and incompliance have negative consequences on us. Our risk is of course revenue loss! We are trying to do everything, we comply with laws so we are not fined, not punished, not stopped working…We just want good relationship with them!... If we breach the environmental law, ecological norms, than we held liability according to the Russian Federation legislation…. It is more sticks than carrots you know!'*

> T: *'When two years ago we had large-scale violation…it was an accident… we paid a substantial fine…something had happened on the factory…so many people got fired…the government got involved…when it comes to environment it is very and very strict and regulated by the law.'*

The regulative system is not weak and characterised by effective punishment, which acts as coercive mechanisms for companies to be environmentally responsible

(Waagstein 2011; Moon and Shen 2010). In other words, energy companies are environmentally responsible, since they conform to strong laws, which urge socially responsible behaviour (Campbell 2007). By showing that business is compliant, companies improve their relationship with local authorities (Albareda et al. 2006). In other words, companies gain and maintain legitimacy. Conversely, when companies aim to improve legitimacy, they are required to make an extra effort and go beyond legal requirements to meet local expectations (Kuznetsov et al. 2008). It is interesting to note that companies do not make extra CSR effort; rather, they follow formal 'rules of the game' and comply with efficient regulations. In this sense, complying with environmental laws as part of CSR activity look out of line. However, from a historical point of view, the importance of regulations and the capacity of the state to monitor corporate conduct are clear. As previously mentioned, for a country with a history of non-compliance, such as tax evasion, corruption and fraud (Jamali and Mirshak 2007), which dominated the transition period, a responsible company is one that complies with formal laws imposed by the state (Crotty 2016).

5.4 Legally sanctions and regulative rules, laws and sanctions

5.4.1 Domestic rules: CSR and environmental laws

While my data shows that CSR is not subject to legally sanctioned law, my findings show that the state has developed mandatory standards and procedures for issues that are being discussed under the CSR umbrella (Steurer 2010). When it comes to CSR, governments engage in CSR issues in various ways; mandating, facilitating, partnering and endorsing (Fox et al. 2002). These mechanisms have various repertoires; enabling legislation, creating incentives, stimulating markets, funding support and raising awareness.

Drawing on the conceptual model of Scott and the regulative pillar, my data (T, N, AA1, AI, G, SG, G1, O, AM) identified that in relation to CSR, the Russian state engages in CSR mandating environmental protection, through 'hard regulations'. Hard regulations act as a coercive mechanism for the environmental pillar of CSR (Muthuri and Gilbert 2010). My findings indicate that the Russian state is the main actor to impose hard rules and laws (Djelic and Quack 2008), in particular it acts as a regulative actor for environmental CSR practices as evident in the following discourse made by interviewee G (Head of PR and Government Relations, oil and gas):

G: *'…There are aspects of CSR which come under government regulations. For example, the issues with environmental pollution, things related to drinking water, disposable waste, related issues that we have in community.'*

In line with G, interviewee N (Chief Specialist of the Production Division, oil and gas) further explained:

N: *'Ecology plays an important role, and this is part of our responsibility. Pollution and emissions to seawater – we don't have such issues. We take it very seriously, and these are controlled by the environmental law. When it comes to the environment, we do as the law says! Air emissions….all under control.'*

Reflecting on the discussions above, the regulatory framework creates an environment conducive to the uptake of the environmental pillar of CSR. As per my data, Russia has strict environmental regulations imposing constraints and obligations on energy companies in order to ensure environmental protection. Mandatory regulatory

requirements regulate environmental issues and force companies to meet at least the minimum standards of environmental protection; formal environmental law sends out clear signals to companies of what is expected and required (Porter 1990). Interviewee O (Social Performance Manager, oil and gas) explained that energy companies address environmental issues primarily to avoid legal sanctions (Crotty and Rodgers 2012):

> O: *'When it comes to environment…In Russia, environmental matters are dealt only according to Russian legislations… Law explains even the amount of emissions a company is allowed to emit. If you don't you pay fines!'*

While interviewee G (Head of PR and Government Relations (GR), oil and gas) further explained:

> G: *'I have to say, environmental concerns …well during the times of USSR - that was not a priority. As the majority of Soviet people know that the main priority was to accomplish the plan. The plan was a 'rule' in the USSR. Many manufacturing companies started their operations without any waste treatments. So you can call it 'environmental crime' these days. Back then it was everywhere… Now, when it comes to CSR and the environment…it is all on a federal law level…'*

The discourse above illustrates that modern environmental law is the product of a long and difficult struggle (Gibson 1999). Before the USSR collapse, environmental protection was completely disregarded since the state's priority was maximum exploitation in order to meet the production plan (Henry et al. 2016; Avtonomov 2006;

Kuznetsov et al. 2008; Soderholdm 2001). Additionally, although the USSR was one of the first to introduce environmental laws to manage environmental responsibility, my study confirms that the Soviet laws were 'an abstraction' (Komarov 1981), with a lack of effective judicial mechanisms for environmental protection (Zaharchenko 1990). While the planned economy aimed to achieve an economic plan with no environmental responsibility, in contemporary Russia the formal institutional environment facilitate regulatory compliance and continuous environmental improvement. The environmental law has been guided by international benchmarks to achieve environmental quality (Crotty and Rodgers 2012). Interviewee T (Senior Product Manager, oil and gas) explained:

T*: 'I remember early 1990s, after the collapse you drive in Nijni-Vartovsk, everything is in oil, everything dirty and black… But now know we have modern technologies. Our government now understands how important is that… The regulations improve our environmental situation. So we could achieve European norms and standards…for example, our petrol releases fewer emissions…it is more controlled by law.'*

Russian authorities have come to see the negative consequences of the Soviet- legacy (Brinchuk 2012), and the national environmental legislation has been ratified over the last 20 years (OECD 2006), as explained by interviewees, to meet the minimum European standards. In this sense, the regulatory environmental institutions in Russian society have become compatible with international standards. Drawing on Scott's institutional approach, the local environmental law works hand in hand with global norms. As per the discourse above, 'releasing fewer emissions' is the European norm and standard, which has been formally institutionalised in the Russian context. While

CSR is about norms of behaviour, law is concerned with normativity and institutionalisation of behaviour norms (Buhmann 2010; Haberberg et al. 2010). In this sense, the law institutionalises norms, which leads to a more legitimate process of creating environmental norms under CSR. The regulatory policy provides a coercive mechanism in concert with global norms to shape companies' conduct towards the management of nationally and globally important resource bases.

Following Scott's (1995; 2001) conceptual model, my data suggests that companies' environmental responsibility is shaped by legal constrains imposed by formal rules. The environmental pillar of CSR emerges in the shadow of law, where the Russian state takes overall responsibility for ensuring that energy companies' conduct failures are regulated appropriately by the authorities. In the case of my study, CSR is a paradox, clearly generating logical contradictions (Colle et al. 2014). Paradoxically, at the same time as CSR being perceived as a voluntary initiative by interviewees, interviewees discussed that the environmental pillar of CSR is subject to formal environmental laws imposed by the Russian state. A new twist to CSR sets aside the traditional assumption of the concept. Energy companies in the Russian context act in socially responsible ways if they do the following: firstly, they do not cause environmental harm to stakeholders in local communities, and secondly, if they do cause any harm, they rectify this in response to regulatory rulings (Campbell 2007). This sets minimum behaviour standards for the company, and anything below the minimum would be considered as irresponsible behaviour. My study shows that CSR is a mix between mandatory and non-mandatory CSR practices. In the light of mandatory CSR practices, the CSR agenda is based on a compliance with established environmental laws.

5.4.2 CSR and the NGO law

The interviewees (IV, SZ, O, DB) explained that foreign energy companies face difficulties in the Russian energy industry when it comes to corporate donations to NGOs. The NGOs that were mentioned are mainly Russian, such as children, orphan and veterans' support. Interviewees explained that when NGO receives funding from any governmental or private foreign sources, it has to register as a 'foreign agents' and undergo extra checks and annual financial audits. In the case of non-compliance with the Russian 'foreign agents' law, it will face penalties and sanctions (Crotty et al. 2014). Interviewee IV (Heads of Corporate Communications, oil and gas) explained the struggles energy foreign companies have when it comes to corporate charitable donations to NGOs:

IV: *'We are a foreign company, and facing with …obstacles here in Russia. We couldn't even make a simple transaction last year - a payment to NGO. In this case according to the local legislation in Russia, NGO has to register as a foreign agent, since this organisation gets help from us, as an international company.'*

The modern NGO Law is the product of a long and difficult struggle (Gobson 1999), which occurred as part of the institutional change. Interviewee SZ (Public Affairs and Community Relations, oil and gas) explained that the collapse of the USSR marked NGOs with 'a black trail of fraud'. NGOs developed erratically during the period of weak and incomplete regulation in the country, which led to NGOs acting as criminal organisations or fronts for commercials with individuals whose primary purpose was to chase overseas grant money (Crotty et al. 2014), and to use the funds in money

laundering schemes (Klimova 2013). Interviewee O (Social Performance Manager, oil and gas) stated:

> O: '*Back in the 1990s, NGOs…. It was something 'unknown'. It was also associated with criminal, shaved men from prison…'*

Interviewee SZ (Public Affairs and Communication Relations, oil and gas) explained further:

> SZ: '*With the law coming into force about international money, some NGOs were very cautious about taking money from international companies…You know we as the company had a plan. We did not want just to invest money on annual basis, just like that – give and not seeing the results. We wanted to have CSR programmes with a long- term impact. And that's when we need NGOs and they need us as resource. It is a strategic approach to ensure our social programmes are long term and will have long-term impact. We wanted to ensure that there is still an impact without us as a business supporting and being involved in the future.'*

In my study, multinational energy companies have restrictions on becoming partners to NGOs. The law places a burden on foreign companies, restricting even a minimal amount of funding to NGO. Globally, the presence of NGOs plays an effective role in promoting corporate social and environmental responsibilities (Campbell 2007; Garriga and Mele 2013). NGOs have various tactics to monitor corporate actions such as demonstrations, pressuring local governments and organising media campaigns to gain public attention (Keck and Sikkink 1998). However, interviewees (L, D, SZ, AM)

further explained that Russian law has weakened local NGOs, resulting in a decrease of the NGO sector as a whole (Ljubownikow and Crotty 2010). Meanwhile, energy companies engage in partnership with local NGOs in order to address specific social issues as part of social responsibilities.

5.4.3 CSR and compliance

My data shows (IV, AN, D, IG, N, L, G) that in the Russian energy industry, energy companies are perceived to be socially responsible when they are compliant with formal laws. Interviewee G (Head of PR and Government Relations (GR), oil and gas) explained that under social responsibility, a business has legal responsibility, while interviewee L (The Audit Manager, oil and gas) explained further:

> L: *'CSR is complying with the laws first! Company is socially responsible*
>
> *when pays tax, pays wages on time, compliant with the labour law, tax*
>
> *law and environmental law!'*

In line with interviewee L, interviewee IG (Vice-President of Charity Fund, oil and gas) stated:

> IG: *'We pay tax to the government and this is social responsibility.'*

This finding is in line with existing literature (Crotty 2016; Jamali and MIrshak 2007), which has demonstrated that in countries like Russia a responsible company is one that complies with the laws, rather than going beyond it. Indeed, to some, legal responsibility under CSR might not convey the idea of socially responsible behaviour in an ethical sense. Traditionally, CSR assumption is based on the fact that companies voluntarily engage in activities that are beyond legal and economic obligations (Davies

1973; Frynas 2012) integrating social and environmental concerns into business conduct on a voluntary basis. If a traditional approach to CSR is taken, then these do not represent evidence of CSR. And in the Western context this would be viewed as mandatory and thus not CSR. However, in a country with a history of non-compliance, under the CSR agenda companies obey regulations.

At the same time, my data shows (A2, SG, RK, IP, G1, K18, AM, ML, EL) that energy companies are not faced with law enforcement for a mandatory CSR requirement. The regulatory pillar does not create an environment with hard regulations, which act as coercive mechanisms for CSR. As a reference point, the Companies Act of 2013 in India came into effect as a mandatory CSR requirement to spend at least 2% of its average net profit on CSR activities, making it the first country to regulate CSR (Dharmapala and Khanna 2017). In this sense, there is no formal law in effect as a mandatory CSR requirement to spend on CSR activities. My data shows that CSR is understood to be a voluntary practice, which is not mandated by one single law as evident in the following comment:

Interviewee K18 (Head of CSR and Partner Relations, oil and gas); *'No laws! This is a personal and management decisions how we want to help and support. We are not forced to do it. In this case it would not be CSR. It is impossible.'*

In line with K18, Interviewee RU (Head of the Corporate Governance and Property Management, electricity) explained:

RU: *'CSR is some kind of conscious, volunteering contribution of the company into spheres that company deals with. These are people,*

territories, resources and etc. Each company has different ones. It is voluntary, as this is not compulsory…'

The discussions above have illustrated that CSR is a voluntary initiative. CSR is voluntary in a sense that the respective activities are left entirely to the manager's discretion; driven mainly by a manager's 'business decision-making along with their perceptions of social value' (Reinhardt et al. 2008). This leaves CSR self-regulated and self-enforced (Cragg 2005). In other words, energy companies regulate conduct by themselves, relying on management expectations and norms to promote responsible behaviour in a given context. At the same time interviews showed that CSR is when companies comply with laws. In this sense, CSR is a corporate self-regulation, which ensures compliance with state-based legislations (Henry et al. 2016, p.134).

My study finds that the regulatory framework creates an environment conducive to the uptake of the environmental pillar of CSR. In other words, energy companies mitigate the environmental risk of its operations mainly due to the legal framework. This is the only category of CSR that I found to be directly regulated (Scott 1995) by the Russian state.

5.5 Conclusion

Thus far, the study has presented the findings regarding the regulatory pillar, based on legally sanctioned rules and laws enforced by the Russian government. Drawing on the data, CSR is not isolated from the political context (Belal and Momin 2009). Given Scott's (1995; 2001) conceptual model, regulatory pressure shapes employees' obligation to mitigate the environmental risk of its operations due to the legal

framework. My study did not identify a problematic enforcement of the formal rules of the game. My data has provided evidence of government supervision on environmental issues; an enforced regulatory system has been viewed as the drive of a company's environmental responsibility. In summary, the state creates a formal institutional environment, which generates regulatory pressure on the environmental pillar of CSR.

The state is the main actor, which exerts regulative pressure through various mechanisms such as formal rules and regulations. However, my study highlights emerging new stakeholders that in turn have led to companies to modify CSR practices. New international stakeholders control important industry resources, which include banks, equity investment funds. CSR becomes a necessary instrument to access international financial markets. In this regard, Russian companies display instrumental rationality, adopting their decisions and searching for benefits. By adopting CSR practices, companies achieve conformance and receive the necessary investment from international stakeholders. With a pervasive shortage of Russian equity investors, the international funds that provide cash for new capital projects look for indications of long-term financial health that minimise investment risk.

The institutional environment relates not only to formal institutions such as governmental laws and regulations imposed by the state, but far more importantly, to informal ones which also set the rules of the game for company conduct. My study has identified informal institutions, which provide the structure to human interaction within Russian society. Informal institutions exert normative pressure, which shifts to the utilitarian model of CSR in Russia. Next, in Chapter 6, I introduce a discussion of the normative pillar, which is based upon legitimacy on morally and perceived social

obligations, with or without informal enforcements. I aim to identify the forces on CSR imposed by normative forces placed by stakeholders, business, employees, governments and societies.

Chapter 6: Results and Findings: The Normative Pillar

6.0 Introduction

Thus far, the regulative pillar (Chapter 5) has identified that issues discussed under the CSR umbrella are systematically exposed to influence through formal institutions. Companies are influenced directly by environmental regulations and formal institutions in Russia and internationally. The energy companies' different CSR activities correspond to instrumental approach, by responding to local and national stakeholders in return for access to key resources.

As per Scott's (1995; 2001) conceptual model, the regulative pillar alone cannot explain why companies act in the way they do. Scott's three pillars of institutions namely, the regulatory, the normative and the cultural components, provide logic for the mechanisms affecting the understanding of CSR; it highlights whether a company adopts CSR in response to legal constraints, moral obligation or culturally supported meanings. Therefore, the purpose of this chapter is to present findings concerning the normative pillar, and to discuss this under the light of Scott's (1995) conceptual model. This chapter explores whether CSR interacts in a normative domain, driven by social norms, values, societal beliefs and expectations that are considered morally appropriate (Scott 2001). In other words, I aim to identify normative forces placed by various stakeholders, which shape employees' obligation for CSR in response to the moral constraints of the Russian energy industry.

Regarding the conceptual ground (Chapter 2), the normative pillar's legitimacy is based upon morality and social obligations (Scott 2001). Given this logic, the normative approach assumes that employees within companies engage in CSR, as it

is the 'right thing to do' (Crotty 2016). Following the context of the institutional theory, the normative pillar is built around the expected role of the company within society. The conceptual model identifies normative values which are set by a variety of institutions; media, institutional investors, NGOs, educational and professional associations (Muthuri and Gilbert 2010). These institutions have the capacity to impose normative pressures on companies; they shape cognitive frames and mind-sets, and they set standards for legitimate practice. In this sense, they impose normative pressure upon companies to behave in a socially responsible manner. In addition, various voluntary certifications, standards, normative documents and professional codes of conduct, provide a social and moral framework based on values and norms. In this conception, values indicate a desirable situation, and norms specify how things should be done in favour of a desirable situation for a company.

My data shows that CSR is underpinned by local expectations, imposed upon by direct and secondary stakeholders. Energy companies are considered 'social care-takers', where a company contributes to the 'common good' through its activities, and as a result, they gain social acceptance from local authorities and local communities. In contemporary Russia, the state takes a normative role, imposing normative pressure on companies regarding CSR. The state assumes a partnering role with CSR practices, by combining resources with those businesses to tackle issues within the CSR agenda, both informally and voluntarily. Following this, the national CSR approach represents a normative model of CSR (Iankova 2008; Crotty 2016), where stakeholders play an integral role in imposing normative pressure through expectations and beliefs embedded in the context. This chapter is structured as follows: in the next section I present the results from 29 semi-structured interviews,

supported by the CSR reports and websites; then I present qualitative evidences from my interview data, building a bridge between the literature review on Russia, the theoretic model of the normative pillar, and the findings from my study. I provide logic for the mechanisms affecting CSR understanding and highlight whether employees of the energy companies adopt CSR in response to moral obligation.

6.1 Results: interviews, reports and websites

The Table 7 presents the results from 29 interviews. The Table 8 presents the results from 71 CSR reports and 11 websites. I followed the same logic of calculations to indicate the importance of subtheme as explained in Chapter 4 on page 94.

Table 7: Normative pillar interview results

Normative Pillar		Subthemes	Interviews			
			Total mentions	%	Total mentions at least once	%
Basis of compliance	*Social Obligations*	Expected role of a company	36	16	19	22
Normative mechanism and Basis of order	*Binding expectations*	Hotelki (Wish list)	14	6		0
		Socio-economic agreements	15	7	10	12
		Stakeholder engagement	59	18	15	17
Logic	*Appropriateness (role)*		21	10	10	12
Indicators	*Certification/ Accreditations*	Standards, guidance and company normative documents	22	10	12	14
		State	6		5	
		International companies	20		10	
Affect	*Shame/Honour*			0		0
Basis of Legitimacy	*Morally governed*	Moral duty and right thing to do	42	19	14	16
Total			**225[6]**	**100**	**91[7]**	**100**

---

[6] Frequency of the subtheme mentioned by interviewees and in the reports more than once (more than once, every time subtheme mentioned, it gets one point)

[7] Frequency of the subtheme mentioned at least once (one person/report mentioning the subtheme more than once, get only one point)

Table 8: Normative pillar reports and websites results

Normative Pillar		Subthemes	Reports			
			Total mentions	%	Total mentions at least once	%
Basis of compliance	*Social Obligations*	Expected role of a company	4	0	2	1
Normative mechanism and Basis of order	*Binding expectations*	Hotelki (Wish list)	3	0	3	1
		Socio-economic agreements	358	22	34	17
		Stakeholder engagement	493	16	30	15
Logic	*Appropriateness (role)*					
Indicators	*Certification/ Accreditations*	Standards, guidance and company normative documents	575	36	38	19
		International companies	114	7	29	14
Affect	*Shame/Honour*			0		0
Basis of Legitimacy	*Morally governed*	Moral duty and right thing to do	31	2	15	7
Total			**1614[8]**	**100**	**200[9]**	**99**

My results indicate that energy companies pay considerable attention to local old stakeholders such as, local authorities, employees and their families, local communities. The stakeholder approach becomes an integral part of the normative pillar, as the local institutional environment for CSR is shaped by social norms, values and the expectations of stakeholders. By proactively financing the infrastructure and welfare support in the regions of operations, companies build and maintain stronger relationships with stakeholders, which consequently results in legitimate companies within the community. Interviewees explained that energy companies have an expected role within society, inherited from the Soviet legacy. Stakeholders have expectations towards energy companies, and these expectations are translated into socio-economic partnership agreements. As per my study, the practices of CSR in Russia are based upon socio-economic

---

[8] Frequency of the subtheme mentioned by interviewees and in the reports more than once (more than once, every time subtheme mentioned, it gets one point)

[9] Frequency of the subtheme mentioned at least once (one person/report mentioning the subtheme more than once, get only one point)

partnership agreements. Socio-economic partnership agreement is an agreement signed between the local authority and an energy company on financial contributions towards infrastructure and welfare support in the region of operations, known as mono towns. I present findings on a new form of interaction between the local authorities, companies and communities. In addition, my study shows that energy companies implement normative documents, for example, a code of conduct to communicate a company's values and to show commitment to conduct business where all stakeholders are treated respectively. My data shows that fulfilment of the companies' economic responsibilities with ethical responsibilities to meet societal standards is considered morally right. Companies adopt international standards, which grant access to international markets, increasing their acceptance in the business world and providing access to capital investments. Finally, my study shows that foreign companies facilitate CSR with industry specific knowledge and experience in the Russian energy industry. I now proceed to a discussion, where I build a bridge between the literature on Scott's conceptual model, Russia and my findings.

6.2   Social obligation: 'social care-takers' as an expected role of organisation

To the increasingly important role of the state in controlling environmental practices, some of the categories of CSR that my study identifies are based on expectations for social goods set out by local stakeholders. Interviewees (D, O, AI, AN, M, G, G1, L, A, AM) identified the main stakeholders such as, local regional governments, local authorities and communities in the geographic vicinity of the firm's activities. Interviewee A (General Director, oil and gas) stressed that companies' responsibility

was to local people who lived in the area of a company's operation, while Interviewee O (Social Performance Manager, oil and gas) explained:

O: *'Companies are considered as 'social care-takers', and this is explained by the Soviet heritage…. I carry out consultations with people and 'babushka' (grandmother) says 'back in the 1980s we had this and that, and how great it was', and then other couple of people respond 'Mariya Petrovna, when did it happen? It was so long ago'…and yes back in those days. I come from a town like this, we had a factory there, and the factory took care of us. The town was formed around this factory…Understanding of social responsibility was developed in this town, this understanding was in place and we had it in Soviet times. A lot of good things… Pre-school education, hospitals, volunteering, donors…and these all remain as part of social programmes now.'*

My data supports existing literature (Fifka and Pobizhan 2013; Henry et al. 2016; Crotty 2016; Mizobata 2011), which demonstrates that the interest towards the local community is explained by the country's economic history. Previously, the Soviet enterprises operated in mono towns, and were considered social providers, providing education, housing and hospitals to employees and their families. Enterprises were an extended arm of the state used to accommodate workers and provide infrastructure in remote areas (Mallin 2009). This paternalistic nature of business, given to provide welfare benefits to employees and the broader community, developed an expectation towards enterprises as 'social care-takers' (Henry et al 2016; Fifka and Pobizhan 2014). The 'social care-takers' role implies a role of companies to carry direct stakeholders through difficult times, to do something extra

to contribute to the overall wellbeing of these stakeholders (Matilainen 2013). It is the role that was part of Soviet enterprises conduct, in which energy companies have chosen to continue to occupy in contemporary Russia. The expectation of 'social care-takers' is a normative pressure imposed by local stakeholders, which leads to a national CSR approach (Campbell 2006), as explained in the following discussion:

Interviewee EL (Head of Corporate Communications, oil and gas): *'...This is mono town Usinsk, there is a different approach to CSR, national approach and customised, since there are different specification, people perceive things differently, different life rhythm, different thinking. But even within the Republic of Komi, we use different models of CSR...all depend on requirements...If in Usinsk, they need a school, then we build a school, then outside Usinsk they need something else....'*

While Interviewee G (Head of PR and Government Relations (GR), oil and gas) indicated:

G: *'Energy companies cannot operate without providing support to the local community. It is impossible...a company comes to a new region with a licence, which allows start the drilling process, there are laws we comply with and that goes without saying...but the law does not say 'consider others things'. So and now imagine, that a company does not have any social responsibility, and starts drilling! This is just impossible! We comply with regulations and laws, and there are also local expectations from authorities, communities... The local authorities will explain that you can't act like this here. And to be*

honest, we don't do it this way here! And this is our reality; we don't do

it this way! …. It's not written by rules. This is unwritten rule we as an

energy company exposed to too!'

Drawing on Scott's normative pillar, local expectations from direct stakeholders create an informal institutional environment, exerting normative pressures businesses to engage in CSR. In Russia, providing welfare support as part of social responsibility is a social expectation, which is equally as significant as formal laws and regulations (Spence 2012). Expectations are embedded within the Russian informal institutional context, reflecting ethical norms and indicating how things should be done (Scott 2001). In this regard, when energy companies meet local expectations and provide 'other things' in line with being compliant with laws, this is perceived as legitimate conduct and the right thing to do (Scott 1995; Kim et al. 2013, p. 2583).

6.3 Binding expectations

6.3.1 Hotelki and partnership

My study shows that there are strong expectations of stakeholders such as state officials and local communities that energy companies deliver trough social services and supporting infrastructure in local communities. These are practices that are legitimated by historical expectations and norm concerning social care. Interviewee AI (Senior Sustainability Manager, electricity) explained that energy companies operate in mono towns, remote areas 'somewhere up North', which grew into communities of workers and their families, tied together by the employment of one company. Further, interviewees O (Social Performance Manager, oil and gas) and A (General Director, oil and gas) explained that energy companies engage with

stakeholders in mono towns such as employees and their families, and local authorities to identify local issues in the area of operations.

Interviewee O (Social Performance Manager, oil and gas): *'…. When we identify that we need to work in a certain region, a team of 3-5 people, and myself, and some other people from other departments go to the region. We meet up with local stakeholders…We meet up with local authorities, NGO, and local people… directors of NGOs, schools, hospitals…to understand the main problems in this region'.*

The power of the local stakeholders has forced companies to sending teams into the regions to meet local authorities, in order to understand problems of the region and what kind of CSR activities are needed in the area. Engagement with direct stakeholders helps in understanding local needs and develops social projects to meet those needs. Energy companies make financial investments in mono towns to support schools, hospitals, and culture and they provide employment. These social projects support local infrastructure, and are part of social responsibility as demonstrated in the following discussions:

Interviewee T (Senior Product Manger, oil and gas): *'Before I moved to Moscow, I lived in the Northern Russia, in town where RS1, oil and gas, operates. They provide a 'madly' number of social projects. Also take care of the environment. It is part of social responsibility. I got the degree in the geology and oil university, which RS1 supported. The university had a great financial support from the company.'*

Stakeholders provide energy companies with social support requests, which interviewee SG (Public Relations and Communications Director, coal) and interviewee O (Social Performance Manager, oil and gas) referred to as '*hotelki*' (wish list). Hotelki originates from local citizens, local authorities, employees and NGOs, which are translated into socio-economic partnership agreements, as explained below:

> Interviewee A (General Director in oil extraction, oil and gas): *'Every year we sign an agreement, an agreement between the company and regional authorities…. Company takes a financial responsibility, additional social projects, financing for example holidays for children, building hospitals, leisure facilities.'*

As per Interviewees IV, RU, N, AA1, EL, ML socio-economic agreements play a significant role in the economic development of regions. These agreements are seen as instruments to resolve social and economic problems existing in the areas of the company's presence, where both parties bring the skills and input to tackle social and environmental issues (Fox et al. 2002). Interviewee AM (Senior Sustainable Development Specialist, oil and gas) explained that the state is no longer capable of solving social issues on its own due to challenging economic times and a budget deficit. Consequently, local authorities cooperate with energy companies, where a business's financial contributions are to compensate for a budget deficit. Interviewee IV (Head of Corporate Communications, oil and gas) explained that as part of the CSR agenda, energy companies allocate financial resources to address social and economic issues in areas of operations, which consequently improves the lives of employees, their families and local communities. Interviewee IV further remarked that

'*CSR is doing something extra, and this extra is financial contribution to improve people life*'. Interviewee O (Social Performance Manager, oil and gas) further explained:

> O: '*In Russian practice, we as a company go the local hospitals. We engage with the Head Doctor, who shares information so we know where the help is required…I worked in one of the Northern regions. One of the hospitals asked to provide more ambulance cars, specifically reanimobile…*' (reanimobile is a better equipped type of ambulance car used in life-threatening situations).'

CSR is not shaped through socio-economic partnership in a forceful way; there are no rules to regulate these agreements or the amount that energy companies are required to contribute under such agreements. On the grounds of the conceptual model, Russian local authorities act as normative institutions in combination with the socio-economic context, which creates an informal institutional environment for CSR. Normative pressure occurs when companies are required to adopt CSR as a result of social norms and expectations, with no legal obligation. Interviewee SG (Public Relations and Communications Director, coal) discussed:

> SG: '*We have agreements with local regions, a partnership agreement…When we plan our budget and social projects for the next year, we are working closely with local authorities. We receive their 'hotelki', we review them…we are trying to work in 50%/50% regime, which means 50% of 'hotelki' from local authorities, and 50% of 'hotelki' from our company and our employees*'.

While interviewee IG (Vice-President of Charity Fund, oil and gas) explained:

IG: *'When it comes to CSR agenda and socio-economic agreements, we decide on how much to invest. And this is our decision. No laws or regulations. No one forces us to invest. We decided that we must do it, and we do it. We agreed that we will give a certain percentage of our profit to be spent on social initiatives as part of our CSR, and then we go to local authorities, indicating this is what we what to spend and then we sign these socio-economic agreements with them.'*

In my study, interviewees discussed their partnerships with local authorities, which include specific levels of investment based on the local authorities' hotelki. But whereas Henry et al. (2016) would see this as an example of 'neo-paternalist governance' and argue that the concept of stakeholders in this type of agreement is underdeveloped, my study suggests that the process of choosing CSR initiatives is a much more negotiated process than 'neo-paternalism'. The interaction with local stakeholders takes place on a peer-to-peer level rather than via any form of paternalism. It is a new form of interaction, which entails partnerships between local authorities, companies and local communities. Such a negotiated approach, where companies are listening to and discussing CSR priorities with local authorities without many preconceived ideas of what they should do, stands in contrast to some of the other studies carried out in Russia (Henry et al. 2006, Crotty 2016) which maintain that many CSR activities constitute a form of paternalism left over from the Soviet era. Interviewee O (Social Performance Manager, oil and gas) indicated in the following discourse:

> O: *'I started working with CSR almost 20 years ago. Back then I used to face with paternalism. Back then authorities used to say 'we know better, we have been here for a long time, and the company should do the following'. Or we as a company wanted to engage with people, and then we were told 'why do you want to engage with people, if we tell you want we want'. Nowadays I don't see that happening anymore…This is paternalism, which came from the Soviet times, but now its no longer here…'*

While Interviewee EL (Head of Corporate Communications, oil and gas) described the process:

> EL: *'When we sign the agreement with local authorities, we discuss, yes: we obviously offer, they offer, this is all negotiations; we are trying to find options. This is a very good, 'corpulent' process...local authorities are not careless.'*

In the context of my study, energy companies operate according to 'some measure of mutual responsiveness, interdependency, choice and capacity' (Matten and Moon 2008, p.407). It is an on-going constructive dialogue where the interests of the community, company and authorities are considered, providing companies and citizens with choices. It is a new interaction where a business develops their CSR strategies in partnership with official authorities. In this regard, the level and the type of support provided by companies, depends entirely upon the outcome of a company's dialog with the state and the local citizens. All parties are involved in constructive dialogue, where the public needs and interests are considered, as evident in the following discussions:

Interviewee EL (Head of Corporate Communications, oil and gas): '*We have an equal conversation... They say 'we think this', we say 'we think this', lets discuss, yes. Then we come to mutual agreements all of us authorities, citizens, people around us.'*

Interviewee AM (*Senior Sustainable Development Specialist oil and gas*) explained further:

AM: '*Everything happens in open and friendly environment. And this is true, that's the case. Touch wood! We are trying to be proactive, interact with stakeholders…We communicate, talk, discuss. i.e. we sit, discuss issues, how do we interact, any future projects…we chose projects collectively. We have a committee, which has been created within our company. This committee includes representatives from local authorities, local communities…. Obviously their opinion is considered when we choose projects, but our opinion is considered too!'*

Interviewee K18 (Head of CSR and Partner Relations, oil and gas) discussed the following:

K18: '*In Russian regions. you can only identify demands through towns. I mean you go and ask. Everything is done via dialog with everyone. There is no such a country where you can come and say 'I am doing this in this way, as I decided, and I think this is good'. If I do this with you, you will say 'go away', right? That's similar. So we communicate with everyone: authorities, local citizens, our employees, we share, they share, and then we start implementing our CSR strategy.'*

CSR programmes are developed in evolving consultations with local authorities, local communities and companies. In this sense, in addition to the role of the state as of regulatory agent, the state also acts as a normative agent, facilitating country-specific CSR practices within the energy industry context. CSR is not only subject to the state's regulation, but is also subject to normative pressures from local authorities, which provide normative guidance on what is expected of them in the given context. The hotelki illustrates the interplay between stakeholder power and institutions. Stakeholders exert their power, forcing companies to adapt. But norms and institutions frame those actions, which define what is acceptable as CSR.

6.3.2 International standards, accreditations

My data suggests that voluntary initiatives, standards, accreditation systems and normative documents play an important role in all types of companies in the study. They play a normative role in shaping CSR within the energy industry. Internal corporate-standards normative documents are designed internally to serve as an important instrument in the diffusion of social responsibility within companies. The following comment provides such evidence:

Interviewee G1 (CEO, consulting): *'Energy companies are coming to grips with a lot of issues, employing people based on the mirror rather than contacts, making sure people behave in a proper way following the code of conduct. There is a discussion of what the business should be like for everybody. There is a more and more things companies think of practices and policies in order to put more guidance to employees on values of the company.'*

Whereas Interviewee SG (Public Relations and Communications Director, coal) explained:

> SG: *'…We had a proper collapse in the 1990s, a collapse in social area and yes, business is different now, we moved on from those let's say, malinovie pidjoki (raspberry colour jackets), and the owners, those who in reality, are coming from oligarchs. These are now different people, they think differently, they understand things, they have serious projects, real and they last longer, and there is a responsibility for implementation of certain projects.'*

The discourse above illustrates that corporate-level standards focus on controlling and sanctioning internal conduct, and act as instruments to improve the communication of values within a company (Graafland et al. 2003). Reflecting on the discussion of interviewee G1, energy companies communicate their values through normative documents with a fundamental underpinning of a fair and transparent way of doing business, with the objective to alleviate past behaviour. Energy companies inherited many problems from a lack of effective corporate governance during the 1990s (McCarthy and Puffer 2008). Privatisation followed by the transition, resulted in almost all shares ending up in the hands of managers, and in those of oligarchs who were despised by the Russian people (Hoffman 2002). Reflecting on Interviewee SG, employees have changed their mentality, moving away from 'malinovie pidjoki (raspberry colour jackets)' to new ideas and adapted systems, such as those of corporate governance (Puffer and McCarthy 2008). They are no longer oligarchs, but people with a commitment to focusing on business ethics and values. Drawing on my data, all 19 energy companies, represented by interviewees in my study, adopted

a code of conduct to communicate their commitment to do business in which all stakeholders are treated respectively.

My data also shows (G, VL, IP, AM, O, A2, G, AA1, M1) that energy companies adopt a number of external standards established by international agencies in the areas of social and environmental performance, such as ISO 14000, 14001, 26000 (The International Standardisation Organisations), OHSAS 18001 and the Global Reporting Initiatives (GRI). In addition, companies adhere to the UN Global Compact, OECD Guidelines and the Responsible Care Initiatives, which serve as guidelines for business agents globally.

> *Interviewee O (Social Performance Manager, oil and gas): 'there are standards such as ISO 26000… many companies report now according to the GRI system. This is a step forward; this reporting sets certain standards to companies in Russia… for instance ISO 14001…'*

As privatised Russian energy industries have internationalised, and the Russian state and its national energy companies have withdrawn from their Soviet era roles and obligations, Russian energy companies are now conforming to international reporting standards and converging to global CSR norms. Global governance institutions promote guidance and standards as voluntary initiatives, with no strict rules (Buhmann 2006). On the normative level, the international standards, initiatives, accreditation systems establish an international institutional framework for Russian responses to environmental and social issues; generally international norms shape or redefine domestic interests and create normative pressures for change by linking with domestic and foreign policy norms (Bernard et al. 2003). In this regard, these are institutions imposing normative pressure on energy companies by providing a social

and moral framework based on global values and norms, to behave in a socially responsible manner. Hence, international certifications, standards and accreditations introduce a set global principled approach to support the implementation of best practice in environmental and social responsibility. In the desire to conform and adopt external standards such as ISO, GRI, the UN Global Compact enables companies to access international financial markets as discussed in previous chapter

At the same time, my data (VL, RK) shows that having global codes and standards might be 'a great idea in itself', but these standards do not represent the 'realities of the Russian context'. The universal principles for business and stakeholders do not address local challenges and expectations (Hamann 2006), rather, they reflect the priorities of Western societies (Idemudia 2011).

> Interviewee RK (CSR consultant, consulting): *'International expectations as per certificates, procedures-it's one thing, but expectations within the Russian environment and realities when it comes to sustainable development, basically, large profitable company– different…. Like, so I am saying, the element of GR (government relations) you can really measure by the American or European ethics. How much millions did you spend on infrastructure in mono towns? You can't measure it, because the local authorities told you so. There is a political programme…In Russian, we are trying to come up with our own model…'*

The idea of 'one size fits all' (Schwartz and Tilling 2009) seems irrational in relation to the development of the CSR concept and practices within the Russian context. The global initiatives have set principled approaches to doing business; in general, those

initiatives encourage companies to operate in ways that, at minimum, meet fundamental responsibilities in the realms of anti-corruption, environment, labour and human rights. Multinational companies are expected to consider urgent global problems such as child labour, low safety standards and corruption (Kolk and Tulder 2004). In this regard, they play a role in setting standards, requirements and practices; consequently raising environmental and social awareness within companies. Given the context of the country, the standardised approach does not take the context-specific, cultural-differences and political issues into account.

Generic management standards implement the same standards that can be applied to any organisation, regardless of the product and size of a company in any sector. However, predefined norms and procedures for corporate behaviour, with regard to social and environmental issues ensured by international stakeholders or independent institutions, do not reflect local concerns and do not provide guidance on how to implement these norms locally.

6.3.3 The role of foreign companies

My findings indicate that foreign companies are perceived as companies that have the resources, knowledge, experience and expertise to develop CSR in Russia. Interviewee IV (Head of Corporate Communications, oil and gas) explained:

IV: *'There is more CSR experience in foreign companies. It worked out this way, maybe historically. They have a lot to tell when they come to us…definitely more experience.'*

Interviewee A2 (Communications Director, oil and gas) added in the same line:

A2: *'International companies – this is international experience. This is knowledge, which we, maybe, don't have… our knowledge is more on the surface. This is opportunity for us to get more experience for the future reference.'*

Interviewees G1 (CEO, consulting) and AI (Senior Sustainability Manager, electricity) presented another positive view, which emphasised on the professional management of CSR issues, such as health and safety and the environment:

G1: *In the 1990s, I have been to some places, emergencies doors that you suppose to use in case of a fire have been locked with chains and padlocks. In case of the fire what to do? You have emergency exit but no one could get out. ….Now there are some changes in a way companies do behave and some of the things companies pursue as far as their corporate responsibility and this is indeed Western extravaganza, which support of events…'*

AI: *'…. this culture definitely comes from international companies. Their caring attitude towards resources…The environmental law is very strict in Europe and other Western countries, so this coming from there.'*

While IP (CSR Manager, oil and gas) explained:

'International companies bring new CSR instruments and culture to Russia, and new concepts – that goes without saying! They bring it to us in an advisory form and that's amazing. We understand that CSR is

something that has been in the West for many and many years. We'll

try to implement their CSR initiatives, and see if they work locally.'

Drawing on my findings, foreign companies facilitate CSR in the Russian energy industry. Foreign companies professionally manage CSR topics, and act as normative actors by sharing industry specific knowledge and experience, showing local companies how to deal with external issues. My findings are in line with the literature (Glebova et al. 2013), which demonstrates that foreign companies drive CSR practices. Foreign companies have well-established management, which is directed at sustainable development and is an integral part of the management (Glebova et al. 2013). Leading multinational companies with well-established CSR import their CSR beliefs, skills and processes into Russia, as is evident in the following comment: Interviewee G (Head of PR and Government Relations (GR), oil and gas):

'…International companies, they are bringing with them what they

believe they should do; they are committed to do anywhere they

operate. They come with pre-conceive ideas that 'if you are going to

have CSR this is a way to do that… '

At the same time, my data (G1, A2, A, IP) shows that foreign companies face increasingly higher local expectations from domestic companies to engage in social and environmental agenda (Gulbrandsen and Moe 2005), as explained by *Interviewee A2 (Communications Director, oil and gas):*

Interviewee A2 (Communications Director, oil and gas): 'Foreign

companies spend more on social projects – well…they have more

money and it is income for a local budget, you know…Economic aspect!

At the same time, like in any country, if there is a local company, people

do not hold very high expectations since they know what this company

can offer and what cant. But with a foreign company it is different. It is

new in the context, people observe, analyse its potential, and the scope

of development. So they engage in CSR and try to build their reputation

in the society. They are very carefully observed.'

Foreign companies are perceived as companies, which can provide financial resources through direct investments in order to incorporate advances and improvements in the socio-economic development of their strategic locations (Aguilera-Caracuel et al. 2017; Ite 2004). Therefore, while foreign companies contribute to the development of the regions of operations in Russia, they also mitigate risk to their reputation. In this sense, CSR activities are an important component in building and maintaining reputation capital (Gugler and Shi 2008, p.6). Interviewee A2 explained further that CSR initiatives help foreign companies to meet the needs of diverse interest groups, such as, local authorities and communities. By meeting the local expectations of stakeholders, companies achieve the image of a responsible, legitimate and transparent company committed to the local environment (Aguilera-Caracuel et al. 2017, p.330).

6.3.4 A moral duty

My data shows that energy companies have a moral duty towards society to be socially responsible. Drawing on the conceptual model of Scott (1995), morals are usually defined as being informally established and having socially enforced standards; members of a group regard this as regulating their conduct correctly

(Scott 2001). Interviewees AM (Senior Sustainable Development Specialist oil and gas) stated:

AM: *'It is our morals to give back to people…this is our duty….not just take all from this world, but to give something back, as the more you give the more you receive back…'*

This illustrates the moral argument for CSR, which indicates a give-and-take approach, based on the company and society values (Chandler and Werther 2013). The society provides energy companies with workers, stability and infrastructure; in other words makes energy business possible. While energy companies have obligation to the society to operate in ways that are perceived responsible and beneficial (Chandler and Werther 2013). Energy companies operate in a social context, and therefore the society has the right and power to define their expectations. While Interviewee RU (Head of the Corporate Governance and Property Management, electricity) explained:

'...You know socially responsible business – is a business with a human face. And as a human, the business should for example take care of others, give back and not just take…tacking care of your employees or local communities where you operate is a business duty and it is some kind of ethical part of business…'

Drawing on the discussion above, responsible business is claimed to have 'a human face.' In this sense, the business is seen as a natural person, who has certain moral qualities, which can be 'praised or blamed for behaving accordingly or not' (Semeniuk 2012 p.19). As a result, business is judged as if one is dealing with a moral person

168

(Van de Ven 2008). From this perspective, energy companies, like ordinary citizens, are expected to assume responsibility and conform to moral principles, not to violate anyone's rights and to integrate with society by 'giving back'. Giving back is a moral duty. There is no consideration of purpose for the action, but only that in the given context this is the right thing to do (Colle and Werhane 2007). This forms the normative core of business responsibility explaining why business is socially and environmentally responsible (Semeniuk 2012).

Furthermore, although giving back is considered to be morally appropriate in Russia, 'giving back to society' makes sound business sense too (Corvino 2006). Energy companies engage in CSR because 'doing right' is important for the long-term success of the company in Russia, as evident in the following discourse:

Interviewee A (General Director in oil extraction, oil and gas): *'We sponsor education of employees children, their holidays, its nice to give something and receive something back. To give something…It is morally right... For example, we work in Usinsk, and thanks to our CSR initiatives, town is pretty, you feel great knowing that your colleagues feel satisfied with life in this town…But there is a circle! You give, you improve employees' life, then they like it, and work longer in your company, they work, the staff turnover is lower, they are not looking for another job. You pay good salary, and they don't run around. There is stability in the company. More stability, more oil for us. Everything is interdependent.'*

My study is in line with the literature (Hosmer 1994), which demonstrates that moral behaviour generates trust among stakeholders, leading to employees' commitment,

increased effort, and consequently, to corporate success. The discussions above unite the fulfilment of the companies' economic responsibilities with ethical responsibilities to meet societal standards of what is considered morally right (Corvino 2006). In this regard, CSR is aligned with the shareholders interest, but at the same time it serves society and works to society's advantage (Garriga and Mele 2004).

6.4 Conclusion

Thus far, this study has presented the findings regarding normative forces placed by direct and secondary stakeholders, which shape employees' obligation to implement CSR in response to moral constraints in the context of the Russian energy industry.

Energy companies operating in the Russian energy industry are bombarded with diverse normative pressures from a multiplicity of stakeholders setting various standards, expectations and norms for legitimate practices. CSR is a global norm, but its implementation and practices are heavily influenced by preferences and the societal expectations from direct local stakeholders. My study has demonstrated the interaction between the Soviet legacy and the present informal expectations. Energy companies are considered as 'social care-takers,' an expectation which was developed during the Soviet legacy. Companies are expected to contribute to the 'common good' with their activities, and as a result, they gain social acceptance from the local authorities and local communities. In the context of my study, energy companies see CSR as the 'right thing to do,' which has become an integral part of contemporary business organisations. CSR's normative orientation is reinforced by the socio-economic agreements between the state and companies. My study finds that the state acts as a normative actor, shaping especially the social pillar of CSR,

where companies are required to contribute to social welfare support. The state assumes a role in partnering with CSR practices, by combining resources with those of business to tackle issues within the CSR agenda, both informally and voluntarily.

The transition from communism to capitalism in Russia has led to the withdrawal of the state and its organisations from their traditional provider role. This occurred at a time when the country's institutions were also unclear and in a state of flux (Ljubownikow et al. 2013). As the context changed for the firms in the energy sector (privatisation, internationalisation, new regulations), new stakeholders emerged with varying degrees of legitimacy and more importantly, now possessing important resources that these firms needed. The organisations in the energy sector modified their internal process in order to manage these stakeholders and maintain access to the resources. Conformance to international reporting standards is an example of where Russian energy industry has internationalised. Based on the neo-institutional theory, CSR is different according to the country as the different expectations of stakeholders are different due to cultural characteristics.

As mentioned earlier, CSR is something that was not imported into the country, instead it is perceived as a traditional approach. Consequently, in Chapter 7, I introduce the discussion of the cultural pillar, which is based on the legitimacy of culturally supported meanings and a shared understanding of conduct. I attempt to highlight whether a company adopts CSR in response to culturally supported meaning. The next chapter identifies taken-for-granted common social beliefs, attitudes and cultural and social meanings (Scott 2001, p.57), which might underpin the level of support provided to CSR in the Russian energy industry.

Chapter 7: Results and Findings: The Cultural Pillar

7.0 Introduction

Thus far, my study has explored the regulatory forces (Chapter 5) and the normative forces (Chapter 6), which shape CSR in the Russian energy industry. In the context of my study, CSR consists of mandatory initiatives, driven mainly by legal constraints, and non-mandatory initiatives adopted in response to norms, values, expectations and moral constraints imposed by various stakeholders. Scott's three pillars of institutions, namely, the regulatory, the normative and the cultural components, provide logic for the mechanisms affecting CSR understanding and highlight whether a company adopts CSR in response to legal constraints, moral obligation or culturally supported meanings. The purpose of this chapter is to present findings concerning the cultural pillar, and to discuss these under the light of Scott's (1995) conceptual model. This chapter identifies taken-for-granted common social beliefs and attitudes, and cultural and social meanings (Scott 2001, p.57), which might underpin the level of support provided to CSR in the Russian energy industry.

On conceptual grounds (Chapter 2), the cultural pillar's legitimacy is based on culturally supported meanings and a shared understanding of conduct (Scott 2001). The pillar addresses any shared understandings, cognitive frames or sets of collective meanings that condition how individuals interpret and respond to the world around them. In my study, I adopted culture definition as something that serves as a framework to interpret and give meaning to events that result from the common experiences of group members, which are then transmitted over generations (House et al. 2004). Culture entails collective programming of the mind, which evolves from generation to generation and is shared in a specific society at a particular time.

Following Pedrini et al. (2016), I limited the definition to 'national culture' in order to distinguish the character of a society conditioned by a similar background and life experiences. With regard to CSR, the cultural context of the country influences the implementation and integration of CSR (Gond et al. 2011). CSR practices are usually based on the cultural traditions of a country (Welford 2005). Following Ralston (et al. 2008), I identified cultural factors such as religion and history, which are important when identifying national culture. Cultural elements include cultural values, ideology and identity and encompass common or shared beliefs about what constitutes responsible corporate behaviour. Accordingly, management within the company interpret these cognitive schemas and create common definitions of socially responsible behaviour within companies (Muthuri and Gilbert 2010).

Since CSR is a 'multifaceted context-dependent phenomenon' (Halme et al. 2009), exploring CSR under the domain of the cultural pillar provides further insight and a greater understanding of such phenomenon. The fundamental feature of culture is that any social behaviour can be understood by culture, as it is a social design that influences social processes in the majority of practices (Miras-Rodrigues et al. 2015).

Following Crotty (2016), I argue that cultural realities are produced in specific socio-historical contexts and that cultural antecedents influence CSR. My study demonstrates the historical antecedents of the Soviet Union that shape CSR in contemporary Russia. In this regard CSR is a traditional way of doing things in Russia. The shared assumptions and cognitive frames of people regarding corporate social welfare, defined in the political and economic system, have survived the transition and remain relatively unchanged. My study also shows that CSR is shaped by deeply embedded traditional institutions such as religion and family. The chapter

is structured as follows: in the next section I present the results from 29 semi-structured interviews, supported by the CSR reports and websites; I then present qualitative evidence from my interview data, building a bridge between the literature review on Russia, the theoretic model of the cultural pillar and the findings in my study. I provide logic for the mechanisms affecting understanding within the CSR context and highlight whether employees of the energy companies adopt CSR in response to culturally supported meanings.

7.1   Results: interviews, reports and websites

The Table 9 presents the results from 29 interviews. The Table 10 presents the results from 71 CSR reports and 11 websites. I followed the same logic of calculations to indicate the importance of subtheme as explained in Chapter 4 on page 94.

Table 9: Cultural pillar interview results

Cultural Pillar		Reports and websites				
		Subthemes	Total mentions	%	Total mentions at least once	%
Basis of compliance	*Taken-for-granted/Shared understanding*	Russian history	21	36	21	43
Basis of order	*Constructive schema*	Russian citizens	17	29	6	13
Mechanisms	*Mimetic*					
Logic	*Orthodoxy*					
Indicators	*Common beliefs*	Religion	6	10	5	11
		Family	15	25	15	32
Affect	*Certainty/Confusion*					
Basis of Legitimacy	*Comprehensible/Recognizable/Culturally supported*					
Total			**59[10]**	**100**	**3[11]**	**100**

Table 10: Cultural pillar reports and websites results

Cultural Pillar		Reports and websites				
		Subthemes	Total mentions	%	Total mentions at least once	%
Basis of compliance	*Taken-for-granted/Shared understanding*	Russian history	3	100	3	100
Basis of order	*Constructive schema*	Russian citizens	0	0	0	0
Mechanisms	*Mimetic*					
Logic	*Orthodoxy*					
Indicators	*Common beliefs*	Religion	0	0	0	0
		Family	0	0	0	0
Affect	*Certainty/Confusion*					
Basis of Legitimacy	*Comprehensible/Recognizable/Culturally supported*					
Total			3[12]	**100**	3[13]	**100**

The results indicate that the historical antecedents of the Soviet Union shape CSR understanding and scope. Interviewees discussed CSR in the context of Soviet times, explaining that CSR is a traditional approach in Russia. The results indicate that religious and family values support the uptake of CSR initiatives. Religious values support philanthropic activities as part of CSR. Russians hold traditional family values, which impose cultural forces, shaping CSR initiatives toward employees and their families. In the course of analysis, the subtheme of Russian citizens has emerged, which entails characteristics of Russian citizens conditioned by similar life experiences. The following discussion aims to build a bridge between the literature on Scott's conceptual model, Russia and my findings.

7.2 Taken-for-granted and shared understanding: traditional CSR

My data shows (AM, A2, O, K18, AI, VL, A1, RU, G1, ML) that CSR is not something that was imported to the country from the West; instead CSR in Russia is a

---

[12] Frequency of the subtheme mentioned by interviewees and in the reports more than once (more than once, every time subtheme mentioned, it gets one point)
[13] Frequency of the subtheme mentioned at least once (one person/report mentioning the subtheme more than once, get only one point)

traditional approach, which emerged from the Soviet period (Svirina and Khadiullina 2017; Mizobata 2011; Matilainen 2013). This finding is not in line with existing literature (McCarthy and Puffer 2008; Crane 2007; Chebankova 2010), which demonstrated that CSR in Russia, similar to that of private business, is new and at an early stage following the Soviet era, as evidenced in the following discussions:

> Interviewee AM (Senior Sustainable Development Specialist, oil and gas): *'If we are talking about our past experience, I am referring to the country, so we can say, that we had corporate social responsibility to a certain extent…. Our Soviet enterprises paid a lot of attention to it… But it was called differently…We called it 'sotsialka'.'*

The discourse above illustrates that CSR was always present in the times of the Soviet Union, but was alternatively known as 'sotsialka'' (Smirnova 2012). Sotsialka highlights the current CSR practices aimed at labour protection and the improvement of labour conditions (Mizobata 2011). In line with AM, interviewee AI (Senior Manager for Sustainability, electricity) discussed further:

> AI: *'Historically energy stations were developed and built in Russia, and towns were built around those stations. So all those people are somehow interlinked with this power station – either through fathers, grandparents, and the entire whole dynasty…Social responsibility was in place and it was during the Soviet times. There were a lot of good things during those times. Things such as pre-school education, hospitals, and that's what we do now as our social responsibility. We have our own nation history and culture, good culture, in Russia, which supports CSR!'*

The Soviet legacy has determined the continuance of CSR. In this regard, CSR is a historical product, which is affected by the deep-rooted Soviet legacy. In other words, CSR emanates from central planning and political ideology, and is regarded 'as a transition from the Soviet paternalistic model to the market model' (Mizobata 2011, p.17). The influence of history may be more marked in one country than the other, as many 'people think deeply about the origins and development of their institutions in an analytical, political and historical way' (Charkham 1995, p.119).

As evident from the discussions above, during the Soviet times, enterprises operated in mono towns (Chapters 2 and 6), the historical landmarks of the Soviet Union (Mizobata 2011) where state enterprises were not only focused on production, but were integrated into all activities of the community, providing housing, supporting schools, supplying heat and power and supporting sport and cultural events. These activities were later recognised as CSR practices in Western countries (Mallin 2009). Interviewee EL (Head of Corporate Communications, oil and gas) further explained:

'Our Russian society has this attitude that we (companies) own them something. And I said 'you know what, piss off. Why are we even talking about CSR, when you treat us like that!' People's attitude is 'this is a small town, and you are company, so provide help'. They believe that we must… this is taken-for-granted…any company operating must do it…Its like you are working for (oil and gas) company, why don't you go and refurbish my apartment building…this is our Russian mentality… but our people are…. fat-cats…. rude word, but a bit spoiled… 'By the pike's wish, at my command', this is our mentality.'

While interviewee VL (Deputy Director, research institute) explained:

'…We all have this attitude that someone owns us something…I think we need to talk here about the culture, which we got during the Soviet times…. This old memory of years, does have a significant influence on CSR now.'

According to interviewees (VL, EL, RK, AA1), taking care of employees and local communities is an attitude and a taken-for-granted assumption considered to be deeply rooted in Russian culture, with the consequence that it is relatively difficult to change these attitudes. Even though companies are no longer part of the planned economy, they cannot break free from traditional tasks of social welfare provision (Mizobata 2011). In the Russian context, people share beliefs that companies are responsible for providing social welfare support in the communities of operations; these are informal constraints embodied in customs and traditions (Scott 2001).

Drawing on the institutional theory, the communist-era institutional templates, which are the cognitive schemes informing behaviour appropriate within Russian context (Roth and Kostova 2003), proved to be strong. In this regard, Russian citizens were not able to destroy the communist-era templates due to the high levels of 'taken-for-grantedness' (Roth and Kostova 2003). In this sense, the end of socialism brought rapid and radical change to the formal institutional environment, but the socialistic values of communism are still embedded in the informal institutional environment. Consequently, taken-for-granted cultural beliefs are reflected in CSR activities aimed at employees and local communities in contemporary Russia.

7.3 Constructive schema: passive Russian citizens

Although Russian society has collectivistic attitudes, which are further discussed later in this chapter, at the same time it is fragmented and passive in the realm of social and collective action. My data shows (AM, O, SG, VL, A2) that Russian people are very 'passive' when it comes to using collective actions to defend their interests. As per my study, energy companies are not subject to collective actions from society. Instead, they are to defend the interests of Russian people looking to the state to solve their social problems (Wegren 2015).

> Interviewee O (Social Performance Manager, oil and gas): *There is something applicable to Russia... People in Russia are passive, not active, and whatever the company does, it won't affect the company. I heard this opinion from my international colleagues too…In other countries, any irresponsible behaviour from the company result people to attack, boycott. We do not have this in Russia.'*

In same context, interviewee AM (Senior Sustainable Development Specialist, oil and gas) explained:

> AM: *'Collective actions are not popular here…Its more here, even historically, if something goes wrong we go to the tsar, i.e. now we go to Putin, and we ignore anything below Putin, but we blame Putin too.'*

The discourse above illustrates that Russians believe that the authorities are the only people able to influence political and economic life, and to solve problems. As per Dostoevsky and Gogol,' Russians are 'pessimistic people who see life as gloomy and hopeless; they are beyond the belief that a saviour will deliver the people from their

plight' (Puffer 1994, p.49). A2 (Communications Director, oil and gas) explained that political and historical forces have shaped Russian identity (Allik et al. 2011) as evident below:

> A2: '*I think I can explain our passiveness by our history and national culture…with the way our country developed. We are so used, even now, we just used to being told what to do! In Soviet times, the state knew what needed to be done. They knew in advance and they told us what to do! We believed and did as we have been told… The culture of Soviet legacy remains here…But we are slowly heading towards the change, but we need a bit more time.*'

This illustrates that an institutionalised power, such as the Communist Party, has totally embraced the dominant role during Soviet times (Clement 2008), which has developed the belief system to place demands upon leaders, who are required to have self-confidence and make decisions under uncertainty (Puffer 1994; Khoo and Tan 2002). This provides evidence of paternalism, where the superior is like a father or a close friend who is involved in personal lives and has the right to expect personal favours from them (Aycan 2006). From an institutional perspective, this highlights that CSR reflects old informal institutions, such as a belief system, contextualised by the historical and cultural antecedents (Croty 2016; Halme et al. 2009). In this regard, a social system remains based on paternalistic beliefs; a paternalistic mind-set of the local population inherited from the Soviet period is not completely removed from society.

7.4 Common beliefs: religious and family values

My data shows (IV, D, A2, A, SZ, AI) that CSR in Russia implements philanthropy and charitable donations, which according to interviewees (SG, AP, O, AI) are 'traditional' in Russia. Interview*ee SG* (Public Relations and Communications Director, coal) explained that philanthropy and charity have a long tradition, as early as the seventeenth and eighteenth centuries, where nobles and merchants' families held various charity events (Mallin 2009).

> *SZ: '…Not only in Russia, but in tsarist Russia, during industrial and merchant times there was a strong tradition of charity…rich families involved in charities….Our people in Russia, have a respectful attitude towards charity, especially to those who need this help...'*

In exploring the motivation for philanthropy and charitable donations, my study (IG, SZ, D) shows that philanthropy has a long history, led largely by individuals whose values and actions stem from religious views. In Russia, traditional institutions such as religion, suggest fundamental motivations that shape local CSR, in particular philanthropic CSR orientation. Interviewee IG (Vice-president of charity, oil and gas) explained that Russian Orthodox religious values drive philanthropy in Russia. In line with IG, SZ (Public Affairs and Community Relations, oil and gas) explained:

> SZ: *'I want to tell you the parable of the rich man and Lazarus…There was a rich merchant, who used to travel a lot and spend his days celebrating the life, he was very rich and could afford this lifestyle. At his gate he had a beggar named Lazarus, he used to eat scraps from the table. And then the beggar died, as he was so poor, followed by the*

merchant. And both are faced with divine justice, and the God tells to
the merchant 'Lazarus, is the one, who would be happy with eating
scraps from your table, but you did not offer! You lived the life and
enjoyed gluttony, and now you will get what you deserve'. The God
brings Lazarus back to life and he is no longer the beggar. Whereas,
the merchant goes to the hell, and the merchant asks to pass the
message to his family not to treat people like this and not to live the life
like this….and we have people in Russia with this soul and these
beliefs. These are our personal inner values. This is our spiritual
maturity! And we need to help people and give something if we can.
And so we do!'

Religion, as a traditional institution, plays a significant role in influencing social values, offering guidance to people and affecting individual attitudes and behaviour (Brammer et al. 2007). The Christian faith places demands on individuals to love their neighbours, in business as well as in everyday life – 'to do justice, to love kindness, and to walk humbly with your God' (Mazereeuw-van der Duijn Schouten et al. 2014). Religiousness generates the idea to people of being a good neighbour, and extending a helping hand through philanthropy is a customary requirement of conduct within Russian society, which presents religious roots. Interviewee D (General Director, oil and gas) further explained:

D: *'We are involved in philanthropic activities, and there is no economic*
benefit to this! ...My religion is Russian Orthodox - our spiritual values
identify our identity and dictate our consciousness and what we do…our

religious values are reflected in our ideas! …So we help people… their

tears sometimes just all over your heart…'

The discussion above illustrates that CSR is not viewed in a narrow sense, mainly meeting legal obligations (Hassan and Latiff 2009), but rather, it draws on inner resources and deeper positive emotions such as mercy and compassion, which nurture a sense of duty towards others (Parvez and Ahmad 2004). This highlights that human beings are not mainly driven by economic needs. In my study, Russian people live by spiritual needs. The Orthodox religion encourages individuals to care more about others, which consequently means that shareholders and managers are less able to exploit other stakeholders for their own benefit (Chatjuthamard-Kitsabunnarat et al. 2014, p1129). In this sense, Russian religious values are aligned with CSR ideas and the degree of CSR depends on the traditional institution within the country (Matten and Moon 2008). These values put forward the idea that the individuals within companies consider the broader social environment and serve the needs of society. Russian Orthodox has a greater concern across all areas of social responsibility, which may be perceived as a response to the primacy of the institutional church as a mediator and as an authority on all life aspects within the Orthodox tradition (Brammer et al. 2006, p.239).

Drawing on Scott's pillars, my study shows that the cultural pillar interacts with the normative dimensions of social institutions. The Russian Orthodox Church acts as an institution, which triggers the cultural-cognitive mind-set by putting forward the idea that individuals consider the broader social environment and serve the needs of society. In this regards, the religious values, which shape the culture-cognitive mind-set of individuals, have become compatible with the normative expectations of local

authorities and local communities for CSR, in particular for social welfare support and philanthropic activities. So, while charity and philanthropy based on religious motivations shape CSR, there is a public expectation of business social responsibility shaped these values to ensue CSR philanthropic activities. My thesis also finds that family is the fundamental feature of the Russian culture, and a traditional institution. Family values are embedded in the Russian culture, and generate acquisition and the fundamental motivation for CSR initiatives aimed at employees and their family members. Interviewees (M, D, N, L, T, AA1, SG, RU, VL, AI, IP, G1, IG, O, AM) explained their duty to the family and that family was the most valued to them, as evident in the following discourse. Interviewee SG (Public Relations and Communications Director, coal):

'… I have seen kings, princes, presidents, and of course my priority is my family... I have three kids… and of course it is important for me to provide them with material things…but I do it for them. Everything I do is for my family.'

Russia is a collectivist culture, where work is not so much an act of self-expression, but a means by which to support the family and provide the well-being of children and spouses (Vadi and Vereshagin 2006), dedicating one's life to the family (Realo and Allik 1999; Marques et al. 2014). The guiding principles of such society are ensuring family security, honouring parents and elderly people and respecting traditions.

The Russian collectivistic society tends to value CSR, which addresses social issues through voluntary actions in a wider scope (Karaosman et al. 2015), aimed at community welfare development. Interviewees (L, D, N, A2, A, AA1) explained that as part of CSR, they expect energy companies to provide welfare support to them

and their families, such as medical insurance for family members, medical support, paid education to children, children's' holidays and gifts during holidays such as New Year and Christmas.

As evident from my study (Chapter 6) CSR reflects society members' expectations (Carroll 1979). This again highlights the interaction between cultural and normative pillars. The family as a traditional institution generates the cultural system of Russian society, which reproduces a shared understanding and cognitive frame by putting forward the idea that individuals support family, by providing wellbeing for children and spouse. In this regards, the family values have become compatible with the normative expectations of employees for CSR, in particular for social support aimed at families. At the same time, interviewee SG (Public Relations and Communications Director, coal) asserted:

> SG: *'We have CSR initiatives, and we have these strict requirements from our General Manager who said, 'Anything to do with children, veterans…all these support aimed at these minorities, we are not cutting these social investments! We are not reducing help! Everything to be provided in the same amount, as during good old times.' Difficult economic situation has no impact on our CSR initiatives. Yes, maybe somewhere else we can cut the budget, but when it comes to veterans or children, no! Impossible.'*

From the discussion above, it is evident that Russians tend to sacrifice their needs and prioritise the welfare of the in-group, behaving as required of the collective. In the same line, interviewee L (The Audit Manager, oil and gas) discussed:

L: *'You know we extract oil in the North, in small towns… And those families that live in towns they all depend on us! If they lose work the whole family is subject to financial crises! And our managers care so much about employees and their families. They understand the consequences…and you know when there was a financial crises, no one got redundant! And all social welfare programmes for our families were not cut! I don't know how they do it, but I don't even know what my family and I would do without them!'*

Managers in energy companies have strong family and collectivistic values, which positively influence the ethical sensitivity of employees toward stakeholders (Kim and Kim 2010; Hofman and Newman 2014). Managers recognise to take responsibility for the community, which stresses the long-term relationships with stakeholders (Waldman et al. 2006). My study indicates that antecedents for socially responsible behaviour in energy companies have traditional values, such as in a collectivist culture, and tend to prefer helping the one in need, dedicating their own life to the family. This leads to a greater emphasis on the stakeholder view of CSR; thus CSR practices are focused on direct or internal stakeholders such as employees or local communities (McCarthy and Puffer 2008; Aluchna and Idowu 2016).

7.5 Conclusion

My study has identified that the traditional CSR, inherited from the Soviet times, cannot ignore newly imposed normative pressures through international institutions (Chapter 5); neither can the new CSR ignore inherited cultural factors (Koleva et al. 2010). Russia as a country is distinctive in cultural terms from other countries, and therefore CSR policies are based on cultural traditions (Welford 2005). This chapter

has presented findings regarding the cultural pillar, which have identified taken-for-granted common social beliefs and attitudes, and cultural and social meaning, underpinning the level of support provided to CSR in the Russian energy industry.

The modern form of CSR is more the consequence of history. After almost 30 years since the collapse of the Soviet Union, the society still has not overcome a legacy of state-society relations, expecting enterprises to provide for many of these abandoned and often basic services (Ljubownikow et al. 2013). In the context of my study, the belief system is constructed from taken-for-granted assumptions that energy companies must take care of stakeholders. The shared assumptions and cognitive frames of people regarding corporate social welfare, defined in the political and economic system, have survived the transition and remain relatively unchanged. Energy companies follow the logic of Soviet enterprises by focusing their CSR agenda on employees and their families, and on local communities.

At the same time, deeply embedded traditional institutions such as religion and family shape CSR. Family and collectivistic values have become an entrance door for CSR practices aimed specifically at employees and their families. Religion has established a cultural framework where philanthropy and charitable donations are a culturally acceptable conduct within the informal institutional environment. With less embeddedness in institutional taken-for-granted beliefs, cognitive mind-sets, as well as different backgrounds and life experiences of Russian people, energy companies would be more highly exposed to different ideas of CSR.

So far I have argued that the motivation of energy companies with respect to CSR is very much related to regulative, normative and cultural pressures imposed through formal and informal institutions. Under the light of my findings, all three elements of

institutions work in interconnected ways to shape the adoption of CSR in the Russian energy industry. My detailed findings and discussions are presented throughout my thesis (Chapters 5, 6 and 7). I now move to Chapter 8; where I present the summary of insights and discuss the contributions of my study in the light of findings, followed by the limitations of my study and contributions for future research.

Chapter 8: Discussion

8.0 Introduction

My study presents an analysis of the institutional forces affecting CSR in the Russian energy industry, by focusing on the changing set of stakeholders as reflected in CSR activities in the Russian energy sector, such as oil, gas, electrical power and coal. Studying CSR in a transitioning economy brings to the fore the dynamics of stakeholder development, because when societies and economies are in a state of flux and everything is 'up in the air', changes are more apparent and easier to identify (Sztompka 1999). In the case of my study, companies are subject to various institutional forces and adapt CSR practices to the arrival of new stakeholders in an ever-evolving context.

Drawing on work by Scott (1995; 2001), my study has applied the conceptual model in order to study the institutional pressures for CSR. Using this conceptual model, I contribute to the debate on how CSR practices are shaped by institutional forces relevant to the national business system and those harmonising management practices in a globalised world (Matten and Moon 2008; Jamali and Neville 2011; Jamali et al. 2017). In the Russian energy sector all three institutional pillars must be taken into account when analysing the institutional forces that shape CSR. The three pillars have developed a specific institutional profile of the Russian energy industry, where it has become clear that energy firms adopt CSR practices in response to legal constraints, moral obligation and culturally supported meanings.

All three pillars, regulative, normative and cultural, serve as a justification for CSR; my study suggests that one pillar alone cannot explain why energy companies adopt CSR.

CSR does not reflect single institutional factors, but rather complex interactions between national formal and informal institutions, in addition to the interaction between foreign institutions. Energy companies are susceptible to local institutional pressures; although not totally immune to global institutional pressures. In the context of the Russian energy industry, informal institutional arrangements, which support CSR, existed prior to the radical change, namely the transition from a planned economy to a market economy. Formal institutions changed as the result of political decision, but informal constraints embodied in customs and traditions are more impervious, since institutionalised values and activities are resistant to change. At the same time, the collapse of the Soviet Union has led to companies implementing CSR programmes due to pressures from newly important and legitimate stakeholders, both nationally and internationally.

All three pillars affect how employees perceive different stakeholders, where coercive, normative and cultural pressures have an impact on organizational behaviours. My findings suggest that firms' responses also vary according to different types of stakeholders: environmental CSR is strongly regulatory (Scott 2011), influenced directly by national laws. Energy companies are under coercive pressure from international investors. The state and local communities are important stakeholders, where normative pressure (Scott 2001) impacts community-based CSR, such as the provision of education, health and social care, based on historical norms of care for one's neighbours – 'doing the right thing'. In this case, there is a combination of local and international coercive, normative pressures imposed by old and new stakeholders, and national cultural institutional forces, which, taken together modify CSR practices.

The empirical component demonstrates that, as the result of the vacuum left behind after the dismantling of the Soviet Union, new Russian stakeholders are now negotiating CSR roles and are emerging as legitimate players within the Russian energy industry (Ljubownikow et al. 2013). This changing political context has modified the behaviour of the industry's firms. The transition from communism to capitalism in Russia has meant that as the state withdrew from its traditional all-encompassing role, newly privatised firms have developed new relationships with newly emerging stakeholders. This has modified and restructured organisational behaviours. In the energy industry these stakeholders are both international and local, pushing energy companies to adopt a range of CSR activities, some new, and some closely related to their former roles, for example as guardians of the mono towns that the Soviet planned economy created in locations close to sources of energy, often in geographically inhospitable areas.

Turbulence within the Russian context is a product of both international influences and historical cultural roots. My contribution is linked to uncovering recent developments in the complex interplay between the three institutional forces, stakeholders and the changing context. As such I extend Matten and Moon's (2008) argument that differences in CSR across national business systems are a function of local institutions, by suggesting that differences in CSR practices are a result of interactions between institutional pressures that are present in Russia and globally. I discuss the arrival of new stakeholders, and how they influence CSR in the Russian energy sector. Two new stakeholders have emerged which shape CSR in Russia international financial markets and regional and local authorities. I also bring to light the changing role of the state. The state, notwithstanding its role as a regulatory actor, takes a normative role, facilitating, partnering and endorsing CSR practices (Fox et al.

2002). My study examines the state as a regulatory actor of environmental CSR practices, and contributes empirical evidence to address the state's role as a normative actor, shaping the social pillar of CSR in particular. My detailed findings are presented in earlier chapters of my thesis (see Chapters 5, 6 and 7). In this chapter I present the summary of insights and discuss the contributions of my study in the light of findings

8.1 The three institutional pillars in the Russian energy industry

Building on ideas from institutional theory and from my data, CSR reflects old informal institutions in the energy industry, contextualised by historical and cultural antecedents (Crotty 2016; Halme et al. 2009). Taken all together, my data suggests stakeholders such as the state and local communities exert their power, forcing companies to adopt CSR. However, norms and institutions frame those actions, which define what is acceptable as CSR. In this case, energy companies are constrained to work with regional authorities, but local norms rooted in traditional Russian values such as helping society and the needy, and echoing Soviet era behaviour, dictate the form of the negotiation process and define what constitutes value to the community.

Borrowing from Scott's institutional approach, I argue that the three pillars of institutional structure lead to the adoption of CSR in the Russian energy industry. Scott (2008) explained that no individual institutional pillar dominates another. All three elements, regulative, normative and cultural, must be considered together in order to obtain a comprehensive understanding of any social phenomenon. Drawing on my findings (illustrated in Chapters 5, 6 and 7), the three pillars of institutions are not independent of one another, but rather they work in an interconnected way to structure CSR within the Russian energy industry.

Firstly, the regulative pillar interacts with the normative pillar of institutions. While CSR is about norms of behaviour, law is concerned with normativity and the institutionalisation of behavioural norms (Buhmann 2010; Haberberg et al. 2010). In this sense, the law institutionalises norms, which leads to a more legitimate process of creating environmental norms under CSR. In the given context, the regulatory policy provides a coercive mechanism in concert with global norms to shape companies' conduct towards the management of nationally and globally important resource bases. My data show that as a result of globalisation, where domestic energy companies operate in the international market, or seek internalisation, international investors are exposed to global norms in environmental responsibility. For example, the inflow of international stakeholders, such as investors, affects institutions in the given context.

International investors are more concerned with environmental issues, which influenced the Russian government to introduce strict environmental regulations. In other words, the influence of globalisation has led to the introduction of the universal norm in the country of having a 'caring attitude' toward the environment, which was then formally institutionalised. National environmental legislation has been ratified over the last 20 years in order to meet minimum European standards. In this sense, the regulatory environmental institutions in Russian society have become compatible with international standards. The environmental law works hand in hand with global norms; it governs business conduct and sends out a clear signal of what is required by the state, which consequently increases investment attraction.

Secondly, the cultural pillar interacts with the normative dimensions of social institutions. Russia is a society of Christian cultural values. The Russian Orthodox Church acts as an institution, which triggers the cultural-cognitive mind-set by putting

forward the idea that individuals should consider the broader social environment and serve the needs of society. This explains, partly, why religious values such as 'love thy neighbour' shared by members of Russian society, work hand-in-hand with the expectations of local authorities and local communities. Religious values, which shape the cultural-cognitive mind-set of individuals, have become compatible with the normative expectations of local authorities and local communities when it comes to CSR, in particular for social welfare support and philanthropic activities. Additionally, Russia is a country with strong family and collectivistic values. The family as a traditional institution generates the cultural system of Russian society, which reproduces shared understandings and cognitive lens by putting forward the idea that individuals should support families by providing well-being for children and spouses. At the same time, collectivistic values positively influence the ethical sensitivity of employees towards stakeholders. Taken all together, the values become compatible with the normative expectations of local authorities, employees, and local communities for CSR. In other words, expectations for companies to become 'social care-takers' coincide with traditional values, constituting responsible corporate behaviour.

My data also show that institutional pillars interact in mutually opposing ways in the Russian energy industry. Philanthropic activities are traditional and are an integral part of CSR strategy, supported by traditional institutions such as religion. However, Russian NGO laws restrict foreign corporate donations to NGOs operating in Russia, which act as a partner with business on issues of social responsibility. In this regard, NGO law conflicts with the values shared by a collective of affected Russian people. In fact, the law violates the religious beliefs and values, which underpin charitable and philanthropic activities.

8.2 'Traditional' CSR

My data show that CSR is a 'traditional' social phenomenon in the Russian energy industry, rather than something that has been borrowed from the West. This result is inconsistent with previous research, which suggests that CSR in Russia, like private business, is still at an early stage in its development following the Soviet era (Crane 2007; Chebankova 2010). In contrast, my data is consistent with findings (Svirina and Khadiullina 2017; Mizobata 2011; Matilainen 2013) that demonstrate that Russia has a long tradition of CSR shaped by strong informal institutional forces. My findings are in line with previous research (Soboleva 2006; Polishchuk 2009; Kuznetsov et al. 2009; Press and Barkemeyer 2011, p.373), which argued that there are 'distinctive characteristics of CSR' in Russia.

Managers in the Russian energy sector embrace what they see as their responsibilities to their communities, employees and families. These values provide fertile ground for community-focused CSR practices which have not been sufficiently recognized in the existing CSR literature (Crane et al. 2016; Crotty 2016; Nguyen et al. 2018). The country's orthodox religion provides a cultural institution where philanthropy and charitable donations are acceptable within the energy industry's informal environment. CSR activities are based on expectations left over from the Soviet era (mono towns) but also from much more deep-rooted cultural philanthropic and charitable values from earlier periods in Russian history. In a transitional period where institutions are constantly changing and open to dispute and discussion, managers may justify their actions by appealing to older, deeper norms and institutions.

Stemming from the country's history, CSR is a phenomenon with roots dating back to as early as the seventeenth century, supported and valued by the Church and manifested through philanthropy. In the times of the USSR, the Soviet state enterprises carried out CSR activities, which focused on responsibility for employees and local communities within mono towns. In contemporary Russia, under the Putin regime, CSR is manifested through philanthropy and continues to focus on providing social welfare support to employees and communities. Building on ideas from institutional theory and from my data, CSR reflects old informal institutions in the energy industry, contextualised by historical and cultural antecedents (Crotty 2016; Halme et al. 2009).

The Russian tradition of philanthropy from the Tsarist era, religious values, the Soviet tradition of paternalistic normative assumptions about enterprises, family values and Russian citizens' cultural-cognitive lens, are normative and cultural institutional arrangements, or institutional baggage, which has survived institutional upheavals (North 1990). For example, despite the change in the economic system or institutional upheaval, the Soviet tradition of taking care of and financing the social security of employees and local communities still prevails. This Soviet tradition created an expectation of companies to become 'social care-takers'. These traditions and expectations are examples of informal constraints, which I refer to as institutional baggage (Matilainen 2011). The institutional baggage, which existed prior to the institutional upheaval, proved to be strong; it is strong, since it has not changed as a result of the institutional upheaval. In this regard, CSR in contemporary Russia reflects the institutional arrangements, such as informal rule, inherited from the USSR as institutional baggage. My data shows that Russia is a context in which informal and formal institutional arrangements have gone through radical changes. The regulatory

system with formal rules has changed as a result of political decision, but informal rules of the game or institutional baggage have transitioned into contemporary Russia, shaping CSR within the energy industry.

8.3 International stakeholders

My data provides a direct link between the change in CSR practices and an emerging group of stakeholders, international banks and investors. Accordingly, it is necessary to broaden the space of regulation to new actors in addition to the state. The literature discusses the role of the state, and how the regulative pillar implies explicit rules and laws by the foremost agent as the state (Scott 2001). To assume the state is the only regulatory actor is a narrow conception, as there are a 'multiplicity of regulatory actors fighting for attention, resources, and authority in a multi-centred and fluid arena' (Salles-Djelic and Sahlin-Andersson 2005, p. 5).

My thesis contributes to empirically show the role of international financial markets, an emerging stakeholder, as conduits of institutional forces towards the adoption of CSR practices by local companies in the Russian energy industry. Organisations looking to appease or obtain resources from such stakeholders have engaged in new (for them) activities relating to CSR, notably the commencement of environmental reporting, adhering to international norms and conventions. This is in order to obtain access to international finance and gain legitimacy; international stakeholders possess resources that firms require for their operational needs.

Building on the conceptual model of three pillars, the international stakeholders exert coercive pressure on local companies regarding CSR practices. International stakeholders possess no formal power to impose these practices. However, in this

context, my thesis finds that local companies perceive international financial markets as global regulators, as they always impose international standards and establish an institutional framework for Russian responses to environmental issues.

A change in the energy industry's organisational field has led to the emergence of new stakeholders, which in turn has led to modified CSR practices. Privatised Russian energy industries have internationalised, and the Russian State and its national energy companies have withdrawn from their Soviet era roles and obligations; new international stakeholders who control important industry resources have become more important.

In the context of my study, regulative and normative pillars are mutually supportive because both are rooted in authority systems. For instance, environmental standards, international norms and conventions are practices of social obligation imposed by international stakeholders as a condition to being willing to provide required financial resources. Conformance to international reporting standards is an example of where Russian energy companies are converging towards global CSR norms. In this regard, normative pressure works through the standards and norms of economic zones and countries; coercive pressure works through stakeholders such as banks and equity investment funds. The interviewees who participated in my study all now pay more attention than previously to their firms' environmental impact and engage in new socially-focused organisational activities because, for example, international financial markets have started to become important sources of capital. Local companies that depend on product export for survival, or that require capital, which is lacking in the domestic market (Henry et al. .2016), wish to conform to these new stakeholder expectations by adopting external standards such as ISO 14000, 14001, 26000 and

adhering to the UN Global Compact and OECD Guidelines. By conforming to these standards, energy companies are able to access international financial markets.

Many companies adopt standards such as GRI in order to report on non-financial performance, as it develops and promotes a standardised approach to reporting, responding to demands from a range of different categories of stakeholders for more transparency and reduced capital constraints (Cheng et al. 2014). Reporting to GRI standards is important because conforming to international standards and initiatives increases the acceptance of Russian companies in the global business world, granting them access to resources that come from international markets, and also providing information to investors. Conforming to standards improves the capitalisation of the company, protecting the survival of the organisation, and therefore jobs, incomes and the wider social health of the company's community. With a pervasive shortage of Russian equity investors (see Chapter 3), the international funds that provide cash for new capital projects look for indicators of long-term financial health that minimise investment risk. For investors, an increase in market capitalisation is a vital signal for expected strong performance in the future. International stakeholders are under pressure from different players too, such as governments in host countries, international organisations and industry associations. It is therefore interesting to note that different institutional pressures flow globally, using different mechanisms in order to standardise CSR practices and conform to global expectations.

Another type of international stakeholder is international energy companies, which contribute substantially to the development of CSR in Russia. There is a clear perspective and common viewpoint on how international energy companies manage CSR issues, importing technology expertise and developing CSR practices, as well as

acquiring cash for investments through joint venture partners, on which the Russian energy companies are increasingly dependent. As per my study, international companies are perceived as firms that have formal structures, a budget allocated to achieve CSR objectives, and CSR knowledge. This stakeholder has a normative role as they act as a source of knowledge and show local companies how to manage these topics by importing practices from their domestic countries.

8.4 Changes to the formal institutional framework: sticks and carrots

In the Russian energy industry, CSR has never been isolated from the political context where the state is deploying incentives and imposing pressures for CSR (Moon 2005; Zhao 2012). Qualitative evidence from this study points to a change in power of the state, in particular with regards to the formal institutional framework and a reinforcement of the regulatory pillar.

The strengthening of a major stakeholder, the Russian State, under the presidency of Vladimir Putin, has led companies to take new environmental laws into account where they might have been ignored in the past. The situation has now changed, and the companies' behaviour has been modified to take into account the increasing power of the state. It is evident that interviewees perceive the change in power of the state. Changes to the formal institutional framework, a reinforcement of the regulatory pillar (Scott 1995) accompanies interviewees' beliefs that enforceable fines have thus become important drivers in altering corporate CSR practices with respect to environmental compliance.

 Modern environmental law is the product of a long and difficult struggle within the country, which occurred as part of the institutional change. Legal certainty and clear

legal guidelines act as a starting point to establish minimum expectations within the Russian context, where environmental protection was completely disregarded, where the erosion of environmental protection institutions and weak law enforcement continued throughout the post-Soviet period. In the context of my study, improvements in the formal institutional framework include an improved rule of law, with fiscal objectives such as fines and charges being an important driver to avoid non-compliance. Mandatory government regulation is a generic approach to changing corporate conduct and the conventional tool with which to deal with externalities. 'Hard' regulations (Muthuri and Gilbert 2010) act as coercive mechanisms for the environmental pillar of CSR, modifying corporate behaviour to avoid the penalty of non-compliance. This is the only category of CSR my study finds to be directly regulated (Scott 1995) by the Russian State.

8.5 A new role of the state, partnerships and 'hotelki'

In contrast to the increasingly important role of the state in controlling environmental practices, some of the categories of CSR identified in my study are based on expectations for social good set out by local expectations. This includes regional governments, local authorities and communities in the geographic vicinity of the firm's activities.

In this regard, my study finds a new topic that was not taken into account in the literature: the state acting as a normative actor and imposing normative pressure. The literature and the conceptual model assume that the state has the authority and the power to impose practices through laws and norms, and the literature sees the state as a coercive actor (Geenwood et al. 2008). In contrast, my study suggests that the state provides 'an enabling environment' for CSR, which is not underpinned by the

regulatory framework. In this regard, the state 'matters' in CSR practices on one hand as a regulative actor, on another as a normative actor.

After the collapse of communism, the Russian state and state-controlled firms withdrew their involvement in mono towns, and notably their provision of social activities (Ljubownikov et al. 2013). Since then, new stakeholders with different expectations have emerged. These have to be met and managed by the energy companies. In contrast to the Soviet era, where the major stakeholder was the central government and organisations were concerned only with completing the current plan, respondents now regard local communities, regional governments, local authorities and employees as increasingly important stakeholders, influencing what the company can and cannot do. Regional governments and local authorities have moved into the post-communist void; they have the power to stop or at least slow down exploration and exploitation activities.

Energy companies now sign 'socio-economic partnerships' with local authorities and regional governments, where they commit to socially responsible conduct, which includes a specified level of support and social investment (Polishchuk 2009; Henry et al. 2016). There is no regulatory framework governing these partnerships, nor are there rules regulating the amount that companies are required to spend in the region. Rather the partnership has a role in setting standards and expectations from the state, reflecting minimum good practice and performance requirements (Fox et al. 2002, p.7).

On the grounds of the conceptual model (see Chapter 2), when companies develop their CSR agendas, they need to consider national normative pressures, such as expectations (Kim et al. 2013). Companies agree to deliver social services and

support infrastructure in local communities; these are practices that are legitimated by historical expectations and church-sanctioned norms concerning social care, translated into socio-economic partnership agreements. The partnership agreements are significant regional development tools, which address social and economic problems in the area. The partnership with local authorities includes specific levels of investment based on wish-lists or 'hotelki'. Whereas existing literature suggests that this is an example of 'neo-paternalist governance' (Henry et al.2016) and argues that the concept of stakeholder in this type of agreement is underdeveloped, my study provides evidence that the process of choosing CSR initiatives is a much more negotiated process than 'neo-paternalism' would imply. Therefore, the qualitative evidence from my study suggests that interactions with local stakeholders take place on a peer-to-peer level rather than via a form of paternalism. This is a negotiated approach, where companies are listening to and discussing CSR priorities with local authorities without preconceived ideas of what they should do. This stands in contrast to some of the other studies carried out in Russia (Henry et al. 2016; Crotty 2016), which maintain that CSR activities constitute a form of paternalism left over from the Soviet era.

Evidence emerged that interviewees see the agreements and the CSR provisions within them as a necessary instrument to form good relations with local authorities, and therefore gain access to permits. However, what is provided is negotiated and only formalised at the end of the negotiations in a form of barter exchange contract, rather than through money or regulations. In exchange for access to licenses, Russian energy companies have now taken on the role of 'social care-takers'. In this regard, firms have entered into discussions centred on hotelki to develop partnerships with local authorities in order to gain legitimacy.

In this regard, it also seems that the state uses soft regulation elements to impose CSR practices. Social partnership agreements are perceived as social obligation, a mandatory requirement needed to validate relations. This situation is related, on one hand, to the fact that the state plays a normative role and provides an environment for country-specific CSR practices through partnerships, where different stakeholders' views are considered (Mathur et al. 2008). It is not one single view emphasized by the state (Crotty 2016). On another hand, these agreements act as soft laws, which through informal interaction and with no legal enforcement through laws and regulations, lead to sustainable improvement. The state provides an environment that encourages business activity which minimises environmental and social costs and impacts, while at the same time maintaining or maximizing economic gains (Fox et al. 2002, p.1).

Chapter 9: Conclusion, Limitations, Scope for Future Work Directions and Implications For Practice

9.0 Conclusion

CSR in the Russian energy sector displays deep roots in Russian history and the country has a long tradition of what may be interpreted as CSR activities that have persisted through different regimes. It is not a new condition but is deeply embedded in Russian society. At the same time, energy companies are exposed to a to a variety of institutional forces. In this regard, I go beyond Matten and Moon's (2008) conclusion that differences in CSR across nations are due solely to deep-rooted institutions. I suggest that companies are exposed to variety of institutional forces. In the case of the Russian energy sector, these forces are the expectations of environmentally responsible behaviour from international financiers. Companies are also influenced directly by regulations and formal institutions in their home countries. The energy companies' different CSR activities correspond to instrumental approaches (responding to stakeholder expectations in return for access to key resources) as well as institutional approaches (financing orphanages, helping veterans) that come out of deep-rooted societal norms. In particular, CSR in this industry has developed a strong stakeholder approach where firms are expected to include local authorities in their plans for investment in local projects, and contribute to regional development. The resulting CSR is the outcome of bargaining and negotiation at the interface of these different forces and drivers.

As a result I argue that CSR is not solely a Western phenomenon, copied and adopted slavishly by different countries (Örtenblad 2016). Rather, the development of CSR in different societies is a function of institutional forces; national and industry factors

where different societies' norms, cultures, histories and traditions will provide varying opportunities for companies to shape and develop their own idiosyncratic frameworks and praxis (Tilt 2016; Davidson 2016).

As well as demonstrating institutional forces shaping CSR, my research has confirmed the importance of the stakeholder approach to understanding the influences on CSR practices. The transition from communism to capitalism in Russia has led to the withdrawal of the state and its organisations from their traditional provider role. This occurred at a time when the country's institutions were also unclear and in a state of flux (Ljubownikow et al. 2013). As the context changed for the firms in the energy sector (privatisation, internationalisation, new regulations), new stakeholders emerged with varying degrees of legitimacy and more importantly, now possessing important resources that these firms needed. The organisations in the energy sector modified their internal process in order to manage these stakeholders and maintain access to the resources.

CSR is not solely as Western phenomenon, copied and adopted by different countries (Ortenblad 2016). Rather, the development of CSR in different societies is a function of all three institutional pressures. National, international and industry factors where different societies' norms, cultures, histories and traditions will provide varying opportunities for companies to shape and develop their CSR according to the ever shifting landscape of stakeholders and evolving institutions (Davidson 2016).

9.1 Limitations and scope for future work directions

I have attempted to 'contextualise' CSR by examining CSR policies and organisational changes in the Russian energy sector (Tilt 2016; Crane et al. 2016). As well as

demonstrating institutional forces shaping CSR, my study has confirmed the importance of the stakeholder approach in understanding the influences of CSR practices. In the following section, I identify a number of limitations of the study, which can shed light on future work directions on the topics covered in thesis.

First, as a qualitative study, my results cannot be generalised. Having said this, the purpose of my study was exploration and conceptualisation, rather than generalisation (McCracken 1988). Methodologically speaking, one of the main limitations is that the study is restricted to 29 interviews. Gaining access to interviewees was challenging and time-consuming, which represented an issue in my research (Chapter 4). In particular, I faced restrictions and limitations in gaining access to elite interviewees. Future studies might benefit from interviewing non-staff CSR and non-elite interviewees. This can enrich the study, by shedding light on a more critical view of CSR and a neutral perspective within companies.

Secondly, my thesis relies principally on application of the institutional theory. Considering the institutional theory, I suggest the potential use of alternative explanatory mechanisms to explain institutional effects. Given that Russia is a country where informal and formal institutional arrangements endured radical changes, my study suggests for future research to employ the notions of institutional imperfection and institutional baggage (Roth and Kostova 2003). The detailed study may provide a means to frame companies' responses during radical change in both formal and informal institutional environments. Future research can examine how domestic energy companies behaved during radical change, when the institutional environment of the energy industry was underdeveloped with a limited understanding of what is legitimate and what is not.

Thirdly, my data has presented both domestic and foreign energy companies. My study indicates that foreign operations seem to foster the CSR initiatives of Russian companies, further work needs to be conducted in order to extend this research to foreign energy companies in Russia; in doing so, a global CSR dimension might be tested across the countries. Moreover, it would interesting to examine which barriers foreign companies see to a more profound and encompassing implementation of CSR in Russia.

If a stakeholder theory is to be developed then there is a need to know more about how stakeholders attain legitimacy. For example, my data did not show how the elements of hotelki negotiated, by whom, on what power base and with what resources exchanges. What is the balance of power between stakeholders and companies when it comes to negotiating CSR projects? Is there a market for CSR, for example, in different energy companies competing to provide hotelki services?

A considerable reinforcement of environmental regulations is evident in the Russian energy sector; a fruitful line of enquiry would be to examine how much influence this regulatory pressure influences the decision-making of managers when considering other environmental oriented CSR actions? The question remains, how much does an increase in the regulatory environment affect managers' attitudes towards going beyond compliance.

Finally, considering the institutional theory, another interesting avenue for future investigation would be a cross-cultural study between former Soviet states to assess whether the identified institutional pressures differ in other post-communistic countries. This could provide a wider picture of CSR in post-transitioning countries

9.2 Implications for practice

Energy companies operate in a political context, which is still dominated by the Soviet period (Bashatovaya 2014). When foreign companies enter the Russian context, they find themselves in a context in which CSR conception and practices are different to what might be applicable in their home countries. The main difference between global and local CSR is the 'community that demands it' (Jamali 2010). Given the expected role of energy companies as 'social care-takers' in Russia, all firms give special attention to community development. Managers need to engage in dialog with local stakeholders such as local authorities and society to identify local needs, expectations or 'hotelki'. Due to the Russian NGO law companies might struggle to engage in partnership with local NGOs. In such case, companies may want to directly help orphan homes, hospitals, schools, and disadvantaged persons. CSR needs to be developed with greater local sensitivity by addressing local needs and expectations of a diverse group of stakeholders. In addition, companies need to keep an eye on regulations, since within the Russian context a responsible company is one that complies with laws rather than going beyond any legal requirements.

In general, the development of the business case for CSR is the responsibility of businesses, policy-makers and society. The business case refers to the arguments and rationales to support the reasons why the business community adopt CSR strategies and policies (Carroll and Shabana 2013). In developing the business case for CSR, we establish the business justification and rationale, which in an economic and financial sense would encourage CSR practices in Russia. Further partnership between companies, international organisations, NGOs, governments and local communities could develop the business case for CSR. Companies must have a clear

understanding of the rationale for CSR, which might entail: reducing costs and risks, strengthening legitimacy and reputation and building trust with employees, local authorities, communities and international stakeholders, whilst building a competitive advantage and at the same time pursuing profit goals. Moreover, market mechanisms, for example tax deductions, might provide an incentive for companies to further engage with socially responsible initiatives. In such case, society will be guaranteed further social support from the companies.

My analysis shows that policy makers need to comprehend the impact of the institutional environment on CSR. The country-specific and the industry-specific context influence CSR focus. This understanding would enable the development of policies applicable to different industries by taking into account the realities of such context. The idea of 'one size fits all' seems irrational in relation to the development and adoption of CSR.

.

Appendices

Appendix A: Interview Consent Form (English)

Consent to Participate in Interview Research

Corporate Social Responsibility (CSR) in Russian energy industry

I would like to invite you to be interviewed in a research project. Before you decide, you need to understand why the research is being done and what it will involve for you. Please take the time to read the following information carefully. The aim of the project is to explore how CSR is understood in Russian energy industry, and to investigate what constitute socially responsible behavior in Russian energy industry. You have been approached to participate in this project because you have been identified as one of the key actors in Russian energy industry whose views will be useful for the purpose of the study.

Participation in this research project is completely voluntary. As a participant, you will be interviewed and asked several questions related to your experiences in Russian energy industry. You will not be asked questions related to corruption. It should last about *45 minutes.* You may terminate the interview at any time without risk of prejudice or penalty.

With your permission, I will audiotape the interview. The recording is to accurately record the information you provide, and will be used for transcription purposes only. Once the audio files are transcribed, the researchers will modify and code the names from the transcripts to secure anonymity. If you choose not to be audiotaped, I will take notes instead. You can decline to answer any questions and are free to stop taking part in the project at any time. The data will be handled as confidentially as possible. If results of this study are published or presented, individual names and other personally identifiable information will not be used. Your name will be kept confidential and will not be divulged in a verbal or written manner. It is unlikely that you will benefit directly from the study but it is hoped that this will be an opportunity for you to reflect on the meaning and practice of CSR on Russia. The study has been reviewed and received a favorable opinion from the University of Westminster, London, United Kingdom.

If you have any questions about the research study, you can contact Alina Benyaminova on

+447768221152 or alina.benyaminova@my.westminster.ac.uk

Please read and sign the consent form if you would like to participate in the research.

Authorization

I, (participant's name)_____, hereby consent to participate in a study, which will involve interviews performed by Alina Benyaminova.

1.	I have read and understood the information about the project	☐
2.	I have been given the opportunity to ask questions about the project and my participation	☐
3.	I voluntarily agree to participate in the project	☐
4.	I understand I will be interviewed and asked several questions related to my experiences in Russian energy industry	☐
5.	The procedures regarding confidentiality have been clearly explained (e.g. use of names, pseudonyms, anonymisation of data, etc.) to me	☐
6.	I understand I can withdraw at any time without giving reasons and that I will not be penalised for withdrawing nor will I be questioned on why I have withdrawn	☐
7.	I agree to sign and date this informed consent form	☐

_____   _____

Participant's Signature   Date

Appendix B: Interview Questions (English)

<u>Introduction:</u>

1. Purpose of the study
2. Confidentiality
3. Name of the interviewee
4. Age/Education
5. Position Held General

<u>CSR Questions:</u>

1. In your opinion what is your most important business objective?
2. What does it mean to be the best in the energy industry?
3. How do you do it? How do you build and sustain your reputation?
4. What problems the energy industry is facing now? How does companies deal with that?
5. Your company is involved in (CSR initiative). Why do you think it is important for your company? Is it important for you?
6. How do CSR programmes get chosen in your company?
7. What is CSR for your company?
8. What is your understanding of CSR?
9. Is CSR important for you? Why?
10. Have you heard about stakeholder? Who would you consider your stakeholders are? How do they influence your operations?
11. How does your company interact with stakeholders?
12. Why do you think it is important to do that?
13. Prior (year) or before you first published your CSR report, have you been involved in any CSR programmes?
14. Are you involved in any social or environmental programmes? For example do you donate? Do you recycle?
15. Would you agree with the statement that the Russian energy industry is lagging compared to other counties? Why?
16. What do you think are the biggest changes that have occurred in the last 10 years in Russian energy industry? Why is this happening?
17. CSR – is it worth it?

Appendix C: Interview Consent Form (Russian)

Согласие на участие в опросе

Корпоративная социальная ответственность (КСО) в энергетической отрасли

Мне хотелось бы пригласить вас поучаствовать в интервью для исследовательского проекта. Прежде чем вы примете решение об участии, вам необходимо понять, для чего проводится исследование и как оно может на вас повлиять. Пожалуйста, внимательно прочтите следующую информацию.

Цель проекта заключается в изучении и исследовании вопроса о том, что представляет собой социально ответственное поведение в энергетической отрасли. Вам предлагается поучаствовать в данном проекте, потому что вас определили как одного из ключевых участников российского энергетического сектора, соответственно, ваши взгляды будут полезны для целей исследования.

Участие в этом исследовательском проекте является полностью добровольным. Как от участника, от вас потребуется пройти интервью, в процессе которого вам зададут вопросы, связанные с вашей деятельностью в сфере энергетики Российской Федерации. Вам не будут задавать вопросов, связанных с коррупцией. Интервью будет длиться порядка *45 минут.* Вы можете прекратить интервью в любой момент без угрозы нанесения ущерба или привлечения к ответственности.

С вашего разрешения, я буду вести аудиозапись интервью. Цель записи состоит в том, чтобы точно воспроизвести предоставленную информацию. Она будет использоваться только для целей последующей транскрипции. После того, как аудио-файлы будут транскрибированы, исследователи изменят и зашифруют имена из протоколов для обеспечения анонимности. Если вы откажетесь от аудиозаписи, вместо этого я буду делать пометки вручную. Вы можете отказаться отвечать на любые вопросы и беспрепятственно прекратить участие в проекте в любой момент. При обработке данных будет обеспечен наиболее высокий возможный уровень конфиденциальности. При публикации или презентации результатов исследования мы не будем приводить имен и другой частной информации. Ваше имя будет храниться в тайне и не подлежит разглашению как в устной, так и письменной форме. Маловероятно, что исследование принесет вам прямую выгоду, но для вас в нем заключается возможность поразмыслить о значении и практике КСО. Данный исследовательский проект был рассмотрен и получил положительное заключение от университета Вестминстер, Лондон, Великобритания. Если у вас возникнут вопросы касательно исследования, вы можете связаться с Алиной Беньяминовой по телефону +447768221152 или по электронной почте alina.benyaminova@my.westminster.ac.uk Просим вас прочитать и подписать бланк в случае, если вы согласны на участие в исследовании.

Разрешение

Я, (имя участника)＿＿＿＿＿＿＿＿＿, настоящим соглашаюсь на участие в исследовании, подразумевающем интервью, которое возьмет Алина Беньяминова.

1.	Я прочитал(-а) и понял(-а) сведения о проекте.	
2.	Мне предоставили возможность задать вопросы о проекте и моем участии в нем.	
3.	Мое согласие на участие в проекте является добровольным.	
4.	Я понимаю, что в процессе интервью мне будут задавать вопросы об опыте деятельности в энергетической отрасли.	
5.	Мне четко объяснили положения о конфиденциальности (например, вопросы об использовании имен, псевдонимов, анонимизации данных и пр.)	
6.	Я понимаю, что могу в любой момент прекратить интервью без объяснения причин и без угрозы наказания за такое прекращение, и мне не будут задавать вопросов о причинах прекращения интервью.	
7.	Я согласен(-на) подписать и проставить дату на данном бланке заявления об информированном согласии.	

＿＿＿＿＿＿＿＿＿＿＿＿＿＿   ＿＿＿＿＿＿＿

Подпись участника   Дата

Appendix D: Interview Questions (Russian)

<u>CSR questions:</u>

1.   Расскажите, пожалуйста, о себе: возраст, образование (что и когда Вы заканчивали), в какой компании Вы работаете, в какой должности, стаж работы в данной должности и общий стаж работы в компании.
2.   Как Вы понимаете социальную ответственность бизнеса?
3.   Какие действия, по Вашему мнению, должна осуществлять компания, чтобы считаться социально ответственной?
4.   Необходимы ли для Вас лично программы социальной ответственности в компании? Почему?
5.   Изменилось ли Ваше представление о значимости социальной ответственности?
6.   На Ваш взгляд, какие преимущества получает общество благодаря социальной ответственности компании?
7.   Как Вы думаете, почему в настоящее время руководство компаний внедряет в свою практику концепцию корпоративной социальной ответственности?
8.   Каким образом компании выстраивают социально-ответственные отношения с заинтересованными лицами (например, собственные работники, клиенты, деловые партнёры, некоммерческие организации (НКО), государственные учреждения, местные жители).
9.   Участвуете ли Вы лично в социальных проектах? Если да, то расскажите, пожалуйста, в каких именно.
10.   Как Вы считаете, актуально ли сегодня говорить о социальной ответственности в компании? Почему?
11.   Что является для Вас наиболее ценным на данный момент, чему Вы посвящаете большую часть своего времени? Например, работа, занятия спортом, семья и др.
12.   Каким Вы видите себя через десять лет? Что, на Ваш взгляд, может стать наиболее ценным для Вас к этому времени?

References

Abdelal, R., & Tarontsi, S. (2010). Russia: Revolution and Reform. *HBS Case, 710* (030).

Aguilera-Caracuel, J., Guerrero-Villegas, J., & García-Sánchez, E. (2017). Reputation of multinational companies: Corporate social responsibility and internationalization. *European Journal of Management and Business Economics, 26* (3), 329-346.

Aguilera, R. V., & Jackson, G. (2003). The cross-national diversity of corporate governance: Dimensions and determinants. *Academy of Management Review, 28* (3), 447-465.

Aguinis, H., & Glavas, A. (2012). What we know and don't know about corporate social responsibility: A review and research agenda. *Journal of Management, 38* (4), 932-968.

Albareda, L. E. (2006). The government's role in promoting corporate responsibility: A comparative analysis of Italy and UK from the relational state perspective. *Corporate Governance, 6* (4), 386–400.

Altman, B. (1998). Corporate community relations in the 1990s: A study in transformation. *Business & Society, 37* (2), 221-227.

Altman, B., & Vidaver- Cohen, D. (2000). A framework for understanding corporate citizenship. *Business and Society Review, 105* (1), 1-7.

Aluchna, M. A. (2017). *Responsible Corporate Governance: Towards Sustainable and Effective Governance Structures.* Springer.

Amable, B. (2008). The heterogeneity of competing capitalisms and business systems. *Socio-Economic Review, Oxford University Press (OUP), 6* (4), 771-775.

Amaeshi, K., Adi, A.B.C., Ogbechie, C. and Amao, O.O., (2006). Corporate social responsibility in Nigeria: western mimicry or indigenous influences? *Available at SSRN 896500.*

Anchan, J., Fullan, M., & Polyzoi, E. (2003). *Change forces in post-communist Eastern Europe: education in transition.* Routledge.

Andreassen, N. (2016). Arctic energy development in Russia - How "sustainability" can fit? *Energy Research & Social Science, 16*, 78-88.

Apressyan, R. (1997). Business ethics in Russia. *Journal of Business Ethics, 16 (14), 1561- 1570.*

Arenas, D., Lozano, J., & Albareda, L. (2009). The role of NGOs in CSR: Mutual perceptions among stakeholders. *Journal of Business Ethics, 88* (1), 175-197.

Argandoña, A. & Von Weltzien Hoivik, H., (2009). Corporate social responsibility: One size does not fit all. Collecting evidence from Europe. *Journal of Business Ethics*, *89* (3), 221-234.

Argandona, A., (1998). The Stakeholder Theory and the Common Good. *Journal of Business Ethics,* 17, 1093-1102.

Arghode, V., (2012). Qualitative and Quantitative Research: Paradigmatic Differences. *Global Education Journal*, (4).

Arora, B. A. & Puranik, R. (2004). A review of corporate social responsibility in India. *Development*, 47 (3), 93-100.

Avtonomov, V. (2006). Balancing state, market and social justice: Russian experiences and lessons to learn. *Journal of Business Ethics, 66* (1), 3-9.

Aycan, Z., (2006). Paternalism. *In Indigenous and Cultural Psychology,* 445-466. Springer, Boston, MA.

Aycan, Z., Kanungo, R., Mendonca, M., Yu, K., Deller, J., Stahl, G. (2000). Impact of culture on human resource management practices: A 10- country comparison. *Applied Psychology, 49* (1), 192-221.

Babiak, K. & Trendafilova, S., (2011). CSR and environmental responsibility: motives and pressures to adopt green management practices. *Corporate social responsibility and environmental management*, *18* (1), 11-24.

Bailey, P. (2007). Using Narrative in Social Science Research, Qualitative and Quantitative Approaches. *Journal of Advanced Nursing, 58* (1), 101.

Barkemeyer, R. (2009). Beyond compliance-Below expectations? CSR in the context of international development. *Business Ethics: A European Review*, 18, 273-288.

Barley, S., & Tolbert, P. (1997). Institutionalization and Structuration: Studying the Links between Action and Institution. *Organization Studies, 18* (1), 93 -117.

Barnes, J., Crook, M., Koybaeva, T., & Stafford, E. (1997). Why our Russian alliances fail. *Long Range Planning, 30* (4).

Bashtovaya, V. (2014). CSR reporting in the United States and Russia. *Social Responsibility Journal, 10* (1), 68 - 84.

Bass, A.E. & Milosevic, I., (2018). The ethnographic method in CSR research: The role and importance of methodological fit. *Business & Society*, *57* (1), 174-215.

Beddewela, E., & Fairbrass, J. (2016). Seeking legitimacy through CSR: Institutional pressures and corporate responses of multinationals in Sri Lanka. *Journal of Business Ethics, 136* (3), 503-522.

Belal, A., & Momin, M. (2009). Corporate social reporting (CSR) in emerging economies: A review and future direction. *Research in Accounting in Emerging Economies, 9* (1), 119-143.

Beliveau, B., Cottrill, M., & O'Neill, H. (1994). Predicting corporate social responsiveness: A model drawn from three perspectives. *Journal of Business Ethics, 13 (9),* 731-738.

Berkowitz, H., Bucheli, M., & Dumez, H. (2017). Collectively designing CSR through meta-organizations: A case study of the oil and gas industry. *Journal of Business Ethics, 143* (4), 753-769.

Berman, S., Wicks, A., Kotha, S., & Jones, T. (1999). Does stakeholder orientation matter? The relationship between stakeholder management models and firm financial performance. *Academy of Management Journal, 42* (5), 488-506.

Bernard, A., Paltsev, S., Reilly, J., Vielle, M., & Viguier, L. (2003). *Russia's role in the Kyoto Protocol.* Available from: http://hdl.handle.net/1721.1/3584

Bhar, R., & Nikolova, B. (2010). Global oil prices, oil industry and equity returns: Russian experience. *Scottish Journal of Political Economy, 57* (2), 169-186.

Bhattacharya, C., & Korschun, D. A. (2009). Strengthening stakeholder–company relationships through mutually beneficial corporate social responsibility initiatives. *Journal of Business ethics, 85*, 257-272.

Blam, I., Vitálišová, K., & Borseková, K. (2016). Peculiarities of corporate social responsibility development in the mono towns in post-communist countries. *Social Responsibility Journal, 12* (3), 463-483.

Blasco, M., & Zølner, M. (2010). Corporate social responsibility in Mexico and France: Exploring the role of normative institutions. *Business & Society, 49* (2), 216- 251.

Blowfield, M., & Frynas, J. (2005). Editorial Setting new agendas: critical perspectives on Corporate Social Responsibility in the developing world. *International affairs, 81* (3), 499-513.

Boatright, J.R. (2007), *Ethics and the Conduct of Business*, 5th ed., Prentice- Hall, Upper Saddle River, NJ.

Bondy, K., Moon, J., & Matten, D. (2012). An institution of corporate social responsibility (CSR) in multi-national corporations (MNCs): Form and implications. *Journal of Business Ethics, 111* (2), 281-299.

Bowen, H. (1953). *Bowen Social Responsibilities of the Businessman Harper & Row.* New York.

Bowen, H., & De Clercq, D. (2008). Institutional context and the allocation of entrepreneurial effort. *Journal of International Business Studies, 39* (4), 747-767.

Bradshaw, M., & Connolly, R. (2016). Barrels and bullets: The geostrategic significance of Russia's oil and gas exports. *Bulletin of the Atomic Scientists, 72* (3), 156-164.

Brammer, S., Jackson, G., & Matten, D. (2012). Corporate social responsibility and institutional theory: New perspectives on private governance. *Socio-Economic Review*, *10* (1), 3-28.

Brislin, R. W. (1970). Back-translation for cross-culture research. *Journal of Cross-Cultural Psychology*, 1, 185–216.

Brinchuk, M. (2012). The Concept and Structure of Russian Ecological Legislation. *Arctic Review,* 3 (2).

Brinkmann, S. (2014). *Unstructured and Semi-Structured.* The Oxford handbook of qualitative research.

Brooks, A. (2002). Charitable giving in transition economies: Evidence from Russia. *National Tax Journal*, 743-753.

Bruno, A. (2012, May). *Russian Financial System Falling Behind*. Retrieved: September 3, 2017, from Geopolitical Monitor https://www.geopoliticalmonitor.com/russia-banking-and-financial-systems-4671/

Bryman, A., & Bell, E. (2007). *Business research methods.* Oxford: University Press.

Buchanan, D., Boddy, J., & McCalman. (1988). Getting In, Getting On, Getting Out, and Getting Back. In A. Bryman (Ed.), *Doing Research in Organizations, (*53–67). London: Routledge.

Buhmann, K. (2006). Corporate social responsibility: what role for law? Some aspects of law and CSR. *Corporate Governance: The International Journal of Business in Society, 6* (2), 188-202.

Buhmann, K. (2010). Reflexive regulation of CSR to promote sustainability: understanding EU public-private regulation on CSR through the case of human rights. *International and Comparative Corporate Law Journal,* 1-33.

Burrell, G., & Morgan, G. (2017). *Sociological paradigms and organisational analysis: Elements of the sociology of corporate life.* Routledge.

Campbell, J. (2006). Institutional analysis and the paradox of corporate social responsibility. *American Behavioral Scientist, 49* (7), 925-938.

Campbell, J. (2007). Why Would Corporations Behave in Socially Responsible Ways? An Institutional Theory of Corporate Social Responsibility. *Academy of Management Review, 38* (3), 946-967.

Canestrino, R., & Magliocca, P. (2016). Transferring Knowledge through Cross-Border Communities of Practice. In S. Buckley, *In Organizational Knowledge Facilitation through Communities of Practice in Emerging Markets* (pp.1-30). IGI Global.

Carroll, A. (1979). A three-dimensional conceptual model of corporate social performance. *Academy of Management Review,* 4 (4), 497–505.

Carroll, A. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons, 34* (4), 39-48.

Carroll, A. (1999). Evolution of a definitional construct. *Business and Society, 38* (3), 268-295.

Carroll, A. (2000). Ethical challenges for business in the new millennium: Corporate social responsibility and models of management morality. *Business Ethics Quarterly*, *10* (1), 33-42.

Carroll, A.B., Buchholtz, A.K. & Business, A.K., (2000). Society: ethics and stakeholder management. *United States.*

Cassel, D. (2001). Human rights and business responsibilities in the global marketplace. *Business Ethics Quarterly*, 11 (2), 261-274.

Castelló, I., & Lozano, J. (2011). Searching for new forms of legitimacy through corporate responsibility rhetoric. *Journal of Business Ethics, 100* (1), 11-29.

Chandler, D., & Werther Jr, W.B. (2013). *Strategic corporate social responsibility: Stakeholders, globalization, and sustainable value creation.* Sage Publications.

Chaney, D., Slimane, K., & Humphreys, A. (2015). Megamarketing expanded by neo-institutional theory. *Journal of Strategic Marketing*, 1-14.

Charkham, J. (1995). *Keeping good company: A study of corporate governance in five countries.* Oxford University Press.

Chatjuthamard-Kitsabunnarat, P. J. (2014). Does religious piety inspire corporate social responsibility (CSR)? Evidence from historical religious identification. *Applied Economics Letters, 21* (16), 1128-1133.

Chebankova, E. (2010). Public and Private Cycles of Socio-Political Life in Putin's Russia. *Post-Soviet Affairs,* 26 (2), 121-148.

Chekhov, A., (1979). *Anton Chekhov's Short Stories, Norton Critical Editions.* New York, US.

Choi, J. (1999). An investigation of the initial voluntary environmental disclosures made in Korean semi-annual financial reports. *Pacific Accounting Review,* 11 (1), 73-102.

Chua, W. (1986). Theoretical constructions of and by the real. *Accounting, Organizations and Society,* 11 (6), 583-598.

Clement, V. (2008). Emblems of independence: script choice in post-Soviet Turkmenistan. *International Journal of the Sociology of Language*, 192, 171-185.

Cloutier, C., & Langley, A. (2013). The Logic of Institutional Logics Insights From French Pragmatist Sociology. *Journal of Management Inquiry,* 22 (4), 360-380.

Commission, E. (2006). *Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility.* (Communication from the Commission) Retrieved July 9, 2015, from Eur-Lex:http://eurlex.europa.eu/LexUriServ/site/en/com/2006/com2006_0136en01.pdf

Cooper, D. R., & Schindler, P. S. (2011). *Business Research Methods.* Singapore: McGraw-Hill/Irwin.

Cooper, D., & Schindler, P. (2011). Qualitative research. *Business Research Methods*, 4 (1) 160-182.

Cooper, J. (2013). The Russian economy twenty years after the end of the socialist economic system. *Journal of Eurasian Studies, 4* (1), 55-64.

Corvino, J. 2. (2006). Reframing "morality pays": Toward a better answer to "why be moral?" in business. *Journal of Business Ethics, 67* (1), 1-14.

Cragg, W. (2005). *Ethics codes, corporations, and the challenge of globalization.* Edward Elgar Publishing.

Crane, A., Matten, D. & Spence, L.J., (2013). *Corporate social responsibility: Readings and cases in a global context.* Routledge.

Crane, A. & Matten, D., 2016. *Business ethics: Managing corporate citizenship and sustainability in the age of globalization.* Oxford University Press.

Crane, A., & Glozer, S. (2016). Researching corporate social responsibility communication: themes, opportunities and challenges. *Journal of Management Studies, 53* (7), 1223-1252.

Crane, A., & Glozer, S. (2016). Researching corporate social responsibility communication: themes, opportunities and challenges. *Journal of Management Studies, 53* (7), 1223-1252.

Creswell, J. W. (2012). *Educational research: Planning, conducting, and evaluating quantitative and qualitative research, 4.* Boston, MA: Pearson Education, Inc.

Crossland, C., & Hambrick, D. (2011). Differences in managerial discretion across countries: how nation-level institutions affect the degree to which CEOs matter. *Strategic Management Journal, 32* (8), 797-819.

Crotty, J. (2009). Making a difference? NGOs and civil society development in Russia. *Europe-Asia Studies, 61* (1), 85-108.

Crotty, J. (2016). Corporate social responsibility in the Russian federation: A contextualized approach. *Business & Society, 55* (6), 825-853.

Crotty, J., & Rodgers, P. (2012). Sustainable Development in the Russia Federation: The Limits of Greening within Industrial Firms. *Corporate Social Responsibility and Environmental Management, 19* (3), 178-190.

Crotty, J., & Rodgers, P. (2012). Sustainable Development in the Russia Federation: A contextualised approach. *Business & Society*, 55 (6), 825-853.

Crotty, J., Hall, S. M., & Ljubownikow, S. (2014). Post-soviet civil society development in the Russian Federation: The impact of the NGO law. *Europe-Asia Studies, 66* (8), 1253- 269.

Crotty, M. (1998). *The Foundations of Social Research: Meaning and Perspective in the Research Process.* London, UK: Sage Publications.

Dahlsrud, A. (2008). How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions. *Corporate Social Responsibility and Environmental Management, 15* (1), 1-13.

Dartey-Baah, K. & Amponsah-Tawiah, K. (2011), Exploring the limits of Western Corporate Social Responsibility Theories*, International Journal of Business and Social Science,* 2 (18).

Örtenblad, A. (2016). *Research handbook on corporate social responsibility in context.* Edward Elgar Publishing.

Davis, K. (1960). Can business afford to ignore social responsibilities? *California Management Review, 2*, 70-76.

Davis, K. (1973). The case for and against business assumption of social responsibilities. *Academy of Management Journal, 16*, 312-322.

Davis, K. (1976). Understanding the social responsibility puzzle: What does the businessman owe to society? *Business Horizons,* 10, 45-50.

De Colle, S., & Werhane, P. (2008). Moral motivation across ethical theories: What can we learn for designing corporate ethics programs? *Journal of Business Ethics,* 81 (4), 751-764.

De Colle, S., Henriques, A., & Sarasvathy, S. (2014). The paradox of corporate social responsibility standards. *Journal of Business Ethics,* 125 (2), 177-191.

De George, R.T., (2006). The Relevance of Philosophy to Business Ethics: A Response to Rorty's "Is Philosophy Relevant to Applied Ethics?" *Business Ethics Quarterly*, 16 (3), 381-389.

De Roeck, K., & Delobbe, N. (2012). Do environmental CSR initiatives serve organizations' legitimacy in the oil industry? Exploring employees' reactions through organizational identification theory. *Journal of Business Ethics,* 110 (4), 397-412.

Deephouse, D.L. & Suchman, M., (2008). Legitimacy in organizational institutionalism. *The Sage handbook of organizational institutionalism*, *49*, 77.

Denzin, N., & Lincoln, Y. (2000). *Qualitative research.* (2nd ed.). Thousand Oaks.

Denzin, N., & Lincoln, Y. (2005). *The Sage handbook of qualitative research.* Thousand Oaks: Sage

Devinney, T.M., (2009). Is the Socially Responsible Corporation a Myth? The Good, the Bad, and the Ugly of Corporate Social Responsibility. *Academy of Management Perspectives,* 23 (2).

Dharmapala, D., & Khanna, V. (2017). Stock Market Reactions to India's 2016 Demonetization: Implications for Tax Evasion, Corruption, and Financial Constraints.

DiMaggio, P. J., & Powell, W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review, 48*, 147- 160.

DiMaggio, P., & Powell, W. (1991). *The New Institutionalism in Organizational Analysis.* Chicago: University of Chicago Press.

Dirani, K., Ardichvili, A., Cseh, M., & Zavyalova, E. (2015). Human Resource management in Russia, Central and Eastern Europe. *Handbook of Human Resource Management in Emerging Markets,* 357.

Dixon, S., & Clifford, A. (2007). Ecopreneurship–a new approach to managing the triple bottom line. *Journal of Organizational Change Management, 20* (3), 326-345.

Djelic, M., & Quack, S. (2008). *Institutions and transnationalization. The Sage Handbook of Organizational Institutionalism.* London: Sage.

Dobers, P., & Halme, M. (2009). Corporate social responsibility and developing countries. *Corporate Social Responsibility and Environmental Management,* 16 (5), 237- 249.

Doh, J., & Guay, T. (2006). Corporate social responsibility, public policy, and NGO activism in Europe and the United States: An Institutional- Stakeholder perspective. *Journal of Management Studies,* 43 (1), 47-73.

Donaldson, T., & Preston, L. (1995). The stakeholder theory of the modern corporation: Concepts, evidence and implications. *Academy of Management Review*, 20, 65–91.

Downe– Wamboldt, B. (1992). Content analysis: method, applications, and issues. *Health care for women international*, 13 (3), 313-321.

Du, S., & Vieira, E. (2012). Striving for Legitimacy Through Corporate Social Responsibility: Insights from Oil Companies. *Journal of Business Ethics,* 110 (4), 413- 427.

Duriau, V., Reger, R., & Pfarrer, M. (2007). A content analysis of the content analysis literature in organization studies: Research themes, data sources, and methodological refinements. *Organizational Research Methods,* 10 (1), 5-34.

Dusuki, A. (2005). Corporate social responsibility of Islamic banks in Malaysia: a synthesis of Islamic and stakeholders' perspectives. *Doctoral dissertation*.

Eesley, C., & Lenox, M. (2006). Firm responses to secondary stakeholder action. *Strategic Management Journal*, 27(8), 765-781.

El Ghoul, S., Guedhami, O. & Kim, Y., 2017. Country-level institutions, firm value, and the role of corporate social responsibility initiatives. *Journal of International Business Studies*, 48 (3), 360-385.

Elo, S., & Kyngäs, H. (2008). The qualitative content analysis process. *Journal of Advanced Nursing,* 62(1), 107-115.

Espinosa, D.K., (1997). Environmental Regulation of Russia's Offshore Oil and Gas Industry and Its Implications for the International Petroleum Market. *Pacific Rim Law & Policy Association Journal*, 6, 647.

Farmer, T., Robinson, K., Elliott, S.J. & Eyles, J., (2006). Developing and implementing a triangulation protocol for qualitative health research. *Qualitative health research*, 16 (3), 377-394.

Fedorova, T. (2013). *Russia: Historical perspective: cultural policies and instruments.* Retrieved December 12, 2014, from Cultural Policies: http://www.culturalpolicies.net/web/russia.php

Fernando, M. (2010). Corporate social responsibility in the wake of the Asian tsunami: Effect of time on the genuineness of CSR initiatives. *European Management Journal, 28* (1), 68-79.

Fifka, M. S., & Pobizhan, M. (2014). An institutional approach to corporate social responsibility in Russia. *Journal of Cleaner Production, 82*, 192-201.

Filippov, S. (2012). Emerging Russian multinational companies: Managerial and corporate challenges. *European Journal of International Management,* 6 (3), 323-341.

Fleischman, G., Valentine, S., & Finn, D. (2007). Ethical reasoning and equitable relief. *Behavioural Research in Accounting,* 19 (1), 107-132.

Fombrun, C. J., Gardberg, N., & Barnett, M. (2000). Risk, Opportunity Platforms and Safety Nets: Corporate Citizenship and Reputational. *Business and Society Review, 105* (1), 85–106.

Fox, T., Ward, H., & Howard, B. (2002). *Public sector roles in strengthening corporate social responsibility: A baseline study.* Washington, DC: World Bank.

Frederick, W. (1994). From CSR1 to CSR2: The maturing of business-and-society thought. *Business & Society, 33* (2), 150-164.

Frederiksen, C. (2010). The relation between policies concerning corporate social responsibility (CSR) and philosophical moral theories–an empirical investigation. *Journal of Business Ethics, 93*(3), 357-371.

Freeman, R. (1984). *Strategic Management. A Stakeholder Approach.* Boston: Pitman.

Freeman, R. (1999). Divergent stakeholder theory. *Academy of Management Review, 24* (2), 233-236.

Friederike, S., & Wehmeier, S. (2010). Institutionalization of corporate social responsibility within corporate communications: Combining institutional, sense making and communication perspectives. *Corporate Communications: an International Journal, 15* (1), 9-29.

Friedman, A. A., (2006). *Stakeholders: Theory and practice.* Oxford University Press on Demand.

Friedman, M. (1970). *The social responsibility of business is to increase its profits. The New York Times Magazine.* New York: The New York Times Company.

Frynas, J. (2012). Corporate social responsibility or government regulation? Evidence on oil spill prevention. *Ecology and Society,* 17(4).

Funke, O. (2005). Russian environmental security issues: competing frameworks for the future. *International Journal of Environmental Technology and Management, 5* (23), 246- 275.

Gardberg, N. A., & Fombrun, C. (2006). Corporate citizenship: Creating intangible assets across institutional environments. *Academy of Management Review,* 31 (2), 329-346.

Garriga, E., & Melé, D. (2004). Corporate social responsibility theories: Mapping the territory. *Journal of Business Ethics,* 53 (1), 51-71.

Gibson, J. (2002). Russian imperial expansion in context and by contrast. *Journal of Historical Geography,* 28 (2), 181-202.

Giddens, A., (1972). Elites in the British class structure. *The Sociological Review*, 20 (3), 345-372.

Gilbert, D., & Rasche, A. (2007). Discourse ethics and social accountability: The ethics of SA 8000. *Business Ethics Quarterly, 17* (2), 187-216.

Gill, J., & Johnson, P. (2010). *Research methods for managers.* Sage.

Glavas, A., (2016). Corporate social responsibility and organizational psychology: An integrative review. *Frontiers in Psychology*, *7*, 144.

Glebova, I., Rodnyansky, D., Khabibrakhmanova, R., & Yasnitskaya, R. (2013). Evaluation of Corporate Social Responsibility of Russian Companies Based on Nonfinancial Reporting. *Middle-East Journal of Scientific Research (Socio-Economic Sciences and Humanities),* 143-148.

Goldmann, K. (2005). Appropriateness and Consequences: The Logic of Neo- Institutionalism. *Governance,* 18(1), 35-52.

Gond, J.P., Kang, N. and Moon, J., (2011). The government of self-regulation: On the comparative dynamics of corporate social responsibility. *Economy and society*, 40 (4), 640-671.

Goodrich, L.G. (2013). The past, present and future of Russian energy strategy. Available from https://worldview.stratfor.com/article/past-present-and-future-russian-energy-strategy

Graafland, J., Van de Ven, B., & Stoffele, N. (2003). Strategies and instruments for organising CSR by small and large businesses in the Netherlands. *Journal of Business Ethics,* 47(1), 45-60.

Grant, B. (1995). *In the Soviet house of culture: a century of perestroikas.* Princeton University Press.

GRI (2006). *Sustainability Reporting Guidelines*. Retrieved July 2, 2013, from GRI: www.globalreporting.org

GRI (2017). Retrieved July 8, 2017, from Global Reporting Organisation: https://www.globalreporting.org/Pages/default.aspx

Gualtieri, I., & Topić, M. (2016). Exploring corporate social responsibility's global and local practices in Qatar: A practitioner and stakeholder perspective. *Arab Economic and Business Journal,* 11 (1), 31-54.

Guest, G., Bunce, A., & Johnson, L. (2006). How many interviews are enough? An experiment with data saturation and variability. *Field Methods,* 18(1), 59-82.

Gugler, P. & Shi, J.Y., (2009). Corporate social responsibility for developing country multinational corporations: lost war in pertaining global competitiveness? *Journal of Business Ethics*, *87* (1), 3-24.

Gulbrandsen, L.H. & Moe, A., (2005). Oil company CSR collaboration in 'new' petro-states. *Journal of Corporate Citizenship*, (20), 53-64.

Guriev, S., & Tsyvinskii, O. (2011). Pered kem v otvete biznes. *Vedomosti.*

Gustafson, T. (2012). Putin's Petroleum Problem: How Oil is Holding Russia Back- and How It Could Save It. *Foreign Aff., 91*, 83.

Haberberg, A., Gander, J., Rieple, A., Helm, C., & Martin-Castilla, J. (2010). Institutionalizing idealism: the adoption of CSR practices. *Journal of Global Responsibility,* 1 (2), 366-381.

Halkos, G., & Skouloudis, A. (2016). National CSR and institutional conditions: An exploratory study. *Journal of Cleaner Production,* 139, 1150-1156.

Halme, M., Roome, N., & Dobers, P. (2009). Corporate responsibility: Reflections on context and consequences. *Scandinavian Journal of Management,* 25 (1), 1-9.

Hamann, R. (2006). Can business make decisive contributions to development? Towards a research agenda on corporate citizenship and beyond. *Development Southern Africa,* 23 (2), 175-195.

Hanson, P., & Teague, E. (2005). Big business and the state in Russia. *Europe-Asia Studies, 57* (5), 657-680.

Hassan, A., & Salma Binti Abdul Latiff, H. (2009). Corporate social responsibility of Islamic financial institutions and businesses: Optimizing charity value. *Humanomics, 25* (3), 177-188.

Hebb, T. (2008). *No small change: Pension funds and corporate engagement.* Cornell University Press.

Hedlund, S. (2001). Property without rights: dimensions of Russian privatisation. *Europe-Asia Studies*, 53 (2), 213-237.

Hellman, J. (1998). Winners take all: the politics of partial reform in post-communist transitions. *World politics,* 50 (2), 203-234.

Hemingway, C., & Maclagan, P. (2004). Managers' personal values as drivers of corporate social responsibility. *Journal of Business Ethics,* 50 (1), 33-44.

Henry, L. (2009). Redefining citizenship in Russia: Political and social rights. *Problems of Post-Communism*, 56 (6), 51-65.

Henry, L., & Douhovnikoff, V. (2008). Environmental issues in Russia. *Annual Review of Environment and Resources,* 33, 437-460.

Henry, L., & Sundstrom, L. (2012). Russia's climate policy: International bargaining and domestic modernisation. *Europe-Asia Studies,* 64 (7), 1297-1322.

Henry, L., Nysten-Haarala, S., Tulaeva, S., & Tysiachniouk, M. (2016). Corporate Social Responsibility and the Oil Industry in the Russian Arctic: Global Norms and Neo-Paternalism. *Europe-Asia Studies,* 68 (8), 1340-1368.

Herod, A., 1999. Reflections on interviewing foreign elites: praxis, positionality, validity, and the cult of the insider. *Geoforum*, *30* (4), 313-327.

Hess, D. (2008). The three pillars of corporate social reporting as new governance regulation: Disclosure, dialogue, and development. *Business Ethics Quarterly,* 18 (04), 447-482.

Hill, C. (1997). *Society and puritanism in pre-revolutionary England.* Macmillan.

Hill, R.P., Stephens, D. & Smith, I. (2003). Corporate social responsibility: an examination of individual firm behavior. *Business and Society Review*, 108(3), 339-64.

Hira, A., & Hira, R. (2000). The new institutionalism: Contradictory notions of change. *The American Journal of Economics and Sociology*, 59 (2), 267-282.

Hirigoyen, G. & Poulain-Rehm, T., (2014). Relationships between Corporate Social Responsibility and financial performance: What is the Causality? *Available at SSRN 2531631.*

Hodgson, G. (2006). What Are Institutions? *Journal of Economic Issues*, 40 (1), 1-25.

Hoffman, D., (2002). *The Oligarchs: Power and Wealth in the New Russia*. New York.

Hofman, P., & Newman, A. (2014). The impact of perceived corporate social responsibility on organizational commitment and the moderating role of collectivism and masculinity: Evidence from China. *The International Journal of Human Resource Management, 25* (5), 631-652.

Hofstede, G. (2001). *Hofstede Culture's consequences.* (2nd, Ed.) Thousand Oaks: Sage Publications.

Holden, N., & Vaiman, V. (2013). Talent management in Russia: not so much war for talent as wariness of talent. *Critical perspectives on international business,* 9 (1/2), 129- 146.

Hosmer, L. (1994). Why be moral? A different rationale for managers. *Business Ethics Quarterly,* 42 (2), 191-204.

House, R., Hanges, P., Javidan, M., Dorfman, P., & Gupta, V. (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies.* Sage publications.

Hu, Y., & Wang, C. (2008). Collectivism, corporate social responsibility, and resource advantages in retailing. *Journal of Business Ethics,* 86(1), 1-13.

Hyatt, D., & Berente, N. (2017). Substantive or symbolic environmental strategies? Effects of external and internal normative stakeholder pressures. *Business Strategy and the Environment,* 26 (8), 1212-1234.

Iankova, E. A. (2008). From corporate paternalism to corporate social responsibility in post-communist Europe. *Journal of Corporate Citizenship,* 29, 75-89.

Idemudia, U. (2011). Corporate social responsibility and developing countries: moving the critical CSR research agenda in Africa forward. *Progress in Development Studies,* 11(1), 1-18.

Ioannou, I., & Serafeim, G. (2012). What drives corporate social performance? The role of nation-level institutions. *Journal of International Business Studies,* 43(9), 834-864.

Ismail, M. (2009). Corporate Social Responsibility and its role in community development: An international perspective. *Journal of International Social Research,* 2(9).

Ite, U. (2004). Multinationals and corporate social responsibility in developing countries: a case study of Nigeria. *Corporate Social Responsibility and Environmental Management*, 1-11.

Jackson, G., & Apostolakou. (2010). Corporate social responsibility in Western Europe: An institutional mirror or substitute? *Journal of Business Ethics,* 94 (3), 371-394.

Jacob, S., & Furgerson, S. (2012). Writing interview protocols and conducting interviews: Tips for students new to the field of qualitative research. *The Qualitative Report, 17(42*), 1-10.

Jamali, D. (2007). The Case for Strategic Corporate Social Responsibility in Developing Countries. *Business and Society Review,* 112 (1), 1-27.

Jamali, D. (2008). A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice. *Journal of business ethics,* 82 (1), 213-231.

Jamali, D. (2010). The CSR of MNC subsidiaries in developing countries: global, local, substantive or diluted? *Journal of Business Ethics,* 93, 181-200.

Jamali, D. & Karam, C., (2018). Corporate social responsibility in developing countries as an emerging field of study. *International Journal of Management Reviews*, 20 (1), 32-6.

Jamali, D., & Mirshak, R. (2007). Corporate Social Responsibility (CSR): Theory and Practice in a Developing Country Context. *Journal of Business Ethics,* 72 (3), 243- 262.

Jamali, D., & Neville, B. (2011). Convergence versus divergence of CSR in developing countries: An embedded multi-layered institutional lens. *Journal of Business Ethics,* 102 (4), 599-621.

Johnson, G., Smith, S., & Codling, B. (2000). Microprocesses of institutional change in the context of privatization. *Academy of Management Review,* 25 (3), 572-580.

Jones, T.M. (1995). Instrumental stakeholder theory: a synthesis of ethics and economics. *Academy of Management Review*, 20 (2), 404- 41.

Jonsen, K., & Jehn, K. (2009). Using triangulation to validate themes in qualitative studies. *Qualitative Research in Organizations and Management: An International Journal, 4* (2), 123-150.

Josefson, J., & Rotar, A. (2017). Electricity regulation in the Russian Federation: overview, *Thomson Reuters Practical Law*,

https://uk.practicallaw.thomsonreuters.com/6-527

2969?transitionType=Default&contextData=(sc.Default)&firstPage=true&bhcp=1, downloaded 4 Apr 2018.

Karaosman, H., Morales-Alonso, G., & Grijalvo, M. (2015). Consumers' responses to CSR in a cross-cultural setting. *Cogent Business & Management, 2* (1).

Karasz, A. & Singelis, T.M., (2009). Qualitative and mixed methods research in cross-cultural psychology.

Keck, M., & Sikkink, K. (1998). *Activists beyond borders: Advocacy networks in international politics.* Ithaca, NY: Cornell University Press.

Khan, Z., Lew, Y., & Park, B. (2015). Institutional legitimacy and norms-based CSR marketing practices: Insights from MNCs operating in a developing economy. *International Marketing Review,* 32(5), 463-491.

Khanna, T., & Palepu, K. (1997). Why focused strategies may be wrong for emerging markets. *Harvard Business Review,* 75(4), 41-48.

Khanna, T., Kogan, J., & Palepu, K. (2006). Globalization and similarities in corporate governance: A cross-country analysis. *Review of Economics and Statistics*, 88(1), 69–90.

Khodorova, J. (2006). Philanthropy in Russian society today. *International Journal Not-for-Profit Law, 8*, 13.

Khoo, H., & Tan, K. (2002). Critical success factors for quality management implementation in Russia. *Industrial and Commercial Training,* 34(7), 263-268.

Kim, C., Amaeshi, K., Harris, S., & Suh, C. (2013). CSR and the national institutional context: The case of South Korea. *Journal of Business Research,* 66 (12), 2581- 2591.

Kim, Y., & Kim, S. (2010). The influence of cultural values on perceptions of corporate social responsibility: Application of Hofstede's dimensions to Korean public relations practitioners. *Journal of Business Ethics,* 91(4), 485-500.

Klassen, A., Creswell, J., Clark, V., Smith, K., & Meissner, H. (2012). Best practices in mixed methods for quality of life research. *Quality of Life Research,* 21(3), 377- 380.

Klimova, T. (2013). *Social Responsibility in Russia: Yesterday, Today…and Tomorrow?* Retrieved December 15, 2014, from Business Ethics: http://business-ethics.com/2013/01/09/10522-social-responsibility-in-russia-yesterday- today-and-tomorrow/

Kohlbacher, F. (2006). The use of qualitative content analysis in case study research. *In Forum Qualitative Sozialforschung/Forum: Qualitative Social Research*, 7.

Koleva, P., Rodet-Kroichvili, N., David, P., & Marasova, J. (2010). Is corporate social responsibility the privilege of developed market economies? Some evidence from Central and Eastern Europe. *The International Journal of Human Resource Management,* 21(2), 274-293.

Kolk, A., & Tulder, R. V. (2010). International business, corporate social responsibility and sustainable development. *International Business Review,* 19, 119–125.

Komarov, B. (1981). Destruction on nature in the Soviet Union. *Society. 18* (5), 39-49.

Koos, S. (2011). The institutional embeddedness of social responsibility: a multilevel analysis of smaller firms' civic engagement in Western Europe. *Socio-Economic Review,* 10(1), 135-162.

Kostova, T. (1997). Country institutional profiles: Concept and measurement. *Academy of Management*, 1-2.

Kostova, T., & Roth, K. (2002.). Adoption of an organizational practice by subsidiaries of multinational corporations: Institutional and relational effects. *Academy of Management Journal,* 45(1), 215-233.

Kostova, T., & Roth, K. (2003). Social capital in multinational corporations and a micro- macro model of its formation. *Academy of Management Review,* 28(2), 297-317.

Kostova, T., & Zaheer, S. (1999). Organizational legitimacy under conditions of complexity: The case of the multinational enterprise. *Academy of Management Review,* 24(1), 64-81.

Kotler, P., & Maon, F. (2016). *A stakeholder approach to corporate social responsibility: Pressures, conflicts, and reconciliation.* Routledge.

Kryukova, E.M., Vetrova, E.A., Maloletko, A.N., Kaurova, O.V. & Dusenko, S.V., (2015). Social-economic problems of Russian mono-towns. *Asian Social Science*, 11(1), 258.

Kshetri, N. (2009). Entrepreneurship in post-socialist economies: A typology and institutional contexts for market entrepreneurship. *Journal of International Entrepreneurship,* 7(3), 236-259.

Kuznetsov, A. K., & Warren, R. (2009). CSR and the legitimacy of business in transition economies: The case of Russia. *Scandinavian Journal of Management, 25* (11), 37-45.

Kuznetsov, A., & Kuznetsova, O. (2003). Institutions, business and the state in Russia. *Europe-Asia Studies,* 55(6), 907-922.

Kuznetsov, A., & Kuznetsova, O. (2005). Business culture in modern Russia: Deterrents and influences. *Problems and Perspectives in Management, 2*(2), 25-31.

Kuznetsov, A., & Kuznetsova, O. (2008). Gaining competitiveness through trust: the experience of Russia. *European Journal of International Management, 2*(1), 22-38.

Lane, D. (2000). What kind of capitalism for Russia? A comparative analysis. *Communist and Post-Communist Studies*, 33(4), 485-504.

Lane, D. (2007). Post-state socialism: a diversity of capitalisms? In Varieties of capitalism in post-communist countries. *Palgrave Macmillan UK.* 13-39.

Le Menestrel, M., & de Bettignies, H. (2002). Processes and consequences in business ethical dilemmas: The oil industry and climate change. *Journal of Business Ethics, 41* (3), 251-266.

Lee, J.Y., & Novitskiy, A. (2010). Policy and its Impacts on Northeast Asian Energy Security Russia's Energy. *International Area Studies Review, 13*(1), 41-61.

Lee, M. (2008.). A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. *International Journal of Management Reviews*, *10* (1), 53- 73.

Lee, S. (1992). Quantitative versus qualitative research methods - Two approaches to organisation studies. *Asia Pacific Journal of Management, 9*(1), 87-94.

Li, J., Moy, J., Lam, K., & Chu, W. (2008). Institutional pillars and corruption at the societal level. *Journal of Business Ethics, 83*(2), 327-339.

Ljubownikow, S., & Crotty, J. (2016). Nonprofit influence on public policy exploring non-profit advocacy in Russia. *Nonprofit and Voluntary Sector Quarterly, 45* (2), 314- 332.

Ljubownikow, S., Crotty, J., & Rodgers, P. (2013). The state and civil society in Post-Soviet Russia: The development of a Russian-style civil society. *Progress in Development Studies, 13* (2), 153-166.

Lossan, A. (2015). New sources of finance for Russian companies, Russia Beyond,

https://www.rbth.com/economics/2015/03/30/new_sources_of_finance_for_russian_c ompanies_42261, downloaded 24 April 2018

LSEG, (2017). *ESG Guidance Reporting.* Retrieved September 4, 2017, from your guide to ESG reporting:

https://www.lseg.com/sites/default/files/content/images/Green_Finance/ESG_Guidan

ce_Report_LSEG.pdf

Lynch, A.C., (2002). Roots of Russia's economic dilemmas: Liberal economics and illiberal geography. *Europe-Asia Studies*, *54*(1), 31-49.

Macfarlane, F., Barton-Sweeneya, C., Woodardb, F., & Greenhalgh, T. (2013). Achieving and sustaining profound institutional change in healthcare: Case study using neo- institutional theory. *Social Science & Medicine, 80*, 10-18.

Maignan, I., & Ralston, D. (2002). Corporate social responsibility in Europe and the US: Insights from businesses' self-presentations. *Journal of International Business Studies, 33* (3), 497-514.

Maignan, I. & Ferrell, O. C. (2000). Measuring Corporate Citizenship in Two Countries: The Case of the United States and France. Journal of Business Ethics, 23, 283-297.

Mallin, C. (2009). *Corporate social responsibility: a case study approach.* Edward Elgar Publishing.

Mann, J. (2009). Russia's Policy Towards OPEC. *Middle Eastern Studies, 45* (6), 985- 1005.

March, J. G., & Olsen, J. (1995). *Democratic Governance.* New York: FreePress.

March, J. G., & Olsen, J. (2004). *The logic of appropriateness.* Arena.

March, J.G., & Olsen, J. (2006). Elaborating the "new institutionalism". *The Oxford Handbook of Political Institutions,* 5, 3-20.

Margolis, J., & Walsh, J. (2001). *People and Profits: The Search for a Link Between a Company's Social and Financial Performance.* Mahwah, NJ: Lawrence Erlbaum Associates.

Marquis, C. & Raynard, M., 2015. Institutional strategies in emerging markets. *The Academy of Management Annals,* 9(1), 291-335.

Marquis, C., Glynn, M., & Davis, G. (2007). Community isomorphism and corporate social action. *Academy of Management Review, 32*(3), 925-945.

Marrewijk, M. V. (2003). Concepts and definitions of CSR and Corporate sustainability: between agency and communion. *Journal of Business Ethics, 44* (2), 95-105.

Mason, J. (2017). *Qualitative researching.* Sage.

Matilainen, A. (2013). Forest companies, corporate social responsibility, and company stakeholders in the Russian forest sector. *Forest policy and economics, 31*, 44-49.

Matten, D. (2005). Corporate citizenship: Toward an extended theoretical conceptualization. *Academy of Management Review, 30* (1), 166-179.

Matten, D., & Moon, J. (2008). "Implicit" and "Explicit" CSR: A Conceptual Framework for a Comparative Understanding of Corporate Social Responsibility. *The Academy of Management Review, 33* (2), 404-424.

Mazereeuw-van der Duijn Schouten, C., Graafland, J., & Kaptein, M. (2014). Religiosity, CSR attitudes, and CSR behavior: An empirical study of executives' religiosity and CSR. *Journal of Business Ethics, 123* (3), 437-459.

McCarthy, D., & Puffer, S. (2008). Interpreting the ethicality of corporate governance decisions in Russia: Utilizing integrative social contracts theory to evaluate the relevance of agency theory norms. *Academy of Management Review, 33*(1), 11-31.

McNamara, P., Pazzaglia, F. & Sonpar, K., (2018). Large-scale events as catalysts for creating mutual dependence between social ventures and resource providers. *Journal of Management*, 44(2), 470-500.

McWilliams, A. & Siegel, D. (2001). Corporate Social Responsibility: A Theory of the Firm Perspective, *The Academy of Management Review*, 26, 117-127

McWilliams, A., Siegel, D., & Wright, P. (2006). Corporate social responsibility: Strategic implications. *Journal of Management Studies, 43* (1), 1–18.

Meriläinen, N., & Vos, M. (2011). Human rights organizations and online agenda setting. *Corporate Communications: An International Journal, 16* (4), 293-310.

Meyer, J., & Scott, R. (1983). *Organizational Environments: Ritual and Rationality.* Beverly Hills. CA: Sage.

Michailova, S., & Hutchings, K. (2006). National cultural influences on knowledge sharing: A comparison of China and Russia. *Journal of Management Studies, 43* (3), 383-405.

Michailova, S., & Liuhto, K. (2000). Organization and management research in transition economies: Towards improved research methodologies. *Journal of East–West Business, 6* (3), 7-46.

Mikecz, R. (2012). Interviewing elites: Addressing methodological issues. *Qualitative inquiry,* 18 (6), 482-493.

Miles, M., & Huberman, A. (1994). *Qualitative data analysis: An expanded sourcebook.* Sage.

Miras- Rodríguez, M. M,, Carrasco- Gallego, A & Escobar Perez, B. (2015). Are socially responsible firms paid off equally? A cross-cultural analysis. *Corporate Social Responsibility and Environmental Management, 22* (4), 237-256.

Mitchell, R., Agle, B. and Wood, D. (1997). Toward a theory of stakeholder identification and salience: defining the principle of who and what really counts. *The Academy of Management Review*, 22 (4), 853-886.

Mizobata. S. (2011). *Business society and corporate social responsibility: comparative analysis in Russia and Japan*. Retrieved June 23, 2013, from Kier: http://www.kier.kyoto- u.ac.jp/DP/DP774.pdf

Mol, A.P., (2009). Environmental deinstitutionalization in Russia. *Journal of Environmental Policy & Planning*, *11*(3), 223-241.

Moon, C., & Woolliams, P. (2000). Managing cross cultural business ethics. *Journal of Business Ethics, 27*(1), 105-115.

Moon, J. a. (2010). CSR in China research: Salience, focus and nature. *Journal of Business Ethics, 94*(4), 613-629.

Morgan, G., & Kristensen, P. (2006). The contested space of multinationals: Varieties of institutionalism, varieties of capitalism. *Human Relations, 59* (11), 1467- 1490.

Morgan, G., & Smircich, L. (1980). The case for qualitative research. *Academy of Management Review, 5*(4), 491-500.

Müller, A., & Pfleger, R. (2014). Business transformation towards sustainability. *Business Research*, 7 (2), 313-350.

Muthuri, J., & Gilbert, V. (2011). An Institutional Analysis of Corporate Social Responsibility in Kenya. *Journal of Business Ethics, 98*, 467-493.

Nelson, J. and Prescott, D., (2003). Business and the Millennium Development Goals: A framework for action. London: International Business Leaders Forum.

Netherlands Enterprise Agency (2017). *Corporate Social Responsibility in Russia.* Retrieved July 19, 2017, from

https://english.rvo.nl/sites/default/files/2017/03/Factsheet-Corporate-Social-Responsibility-Russia-2016.pdf

Newell, J., & Henry, L. (2016). The state of environmental protection in the Russian Federation: a review of the post-Soviet era. *Eurasian Geography and Economics, 57*(6), 779-801.

Newman, K. L. (2000). Organizational transformation during institutional upheaval. *Academy Management Review,* 25, 602-619.

Newnham, R. (2011). Oil, carrots, and sticks: Russia's energy resources as a foreign policy tool. *Journal of Eurasian Studies, 2*(2), 134-143.

Nguyen, M., Bensemann, J. & Kelly, S., 2018. Corporate social responsibility (CSR) in Vietnam: a conceptual framework. *International Journal of Corporate Social Responsibility, 3* (1), 9.

Nielsen, E., & Thomsen, C. (2007). Reporting CSR–what and how to say it? *Corporate communications: An International Journal*, 12(1), 25-40.

North, D.C. (1990). Economic performance. *New York*.

Obalola, M. (2008). Beyond philanthropy: corporate social responsibility in the Nigerian insurance industry. *Social Responsibility Journal, 4* (4), 538-548.

Öberseder, M., Schlegelmilch, B., & Gruber, V. (2011). Why don't consumers care about CSR? A qualitative study exploring the role of CSR in consumption decisions. *Journal of Business Ethics, 104*(4), 449-460.

OECD. (2006). *Environmental Policy and Regulation in Russia*. Retrieved from OECD: http://www.oecd.org/env/outreach/38118149.pdf

OECD. (2008). *Russian Federation: Science, Technology and Industry Outlook 2008.* Retrieved from https://www.oecd.org/sti/inno/41559779.pdf

Itotenaan, O., H., Samy, M., & Bampton, R. (2014). A phenomenological study of CSR policy making and implementation in developed countries: The case of the Netherlands and Sweden. *Journal of Global Responsibility, 5*(1), 138-159.

Okoye, A. (2009). Theorizing Corporate Social Responsibility as an essential contested concept: is a definition necessary? *Journal of Business Ethics, 89* (4), 613-627.

Oliver, C. (1991). Strategic Responses to Institutional Processes. *The Academy of Management Review, 16*(1), 145-179.

Örtenblad, A. (2016). Conclusions, a contingency model of CSR and recommendations for further research. *Research Handbook on Corporate Social Responsibility in Context*, 387.

Örtenblad, A. (2016). Research handbook on corporate social responsibility in context. Northampton: Edward Elgar Publishing.

Parvez, Z., & Ahmed, P. (2004). *An Islamic perspective on the lack of social responsibility in business organisations.* Management Research Centre Wolverhampton University Business School.

Patton, M. (1990). *Qualitative evaluation and research methods.* Beverly Hills: CA: Sage.

Patton, M. (2002). *Qualitative research and evaluation methods.* (3.ed, Ed.) Thousand Oaks: CA: Sage.

Pearce, F. (2003). Global Warming 'Will Hurt Russia'. *New Scientist*, 3.

Pedrini, M., Bramanti, V., & Cannatelli, B. (2016). The impact of national culture and social capital on corporate social responsibility attitude among immigrants entrepreneurs. *Journal of Management & Governance, 20(4),* 759-787.

Peng, M. (2003). Institutional transitions and strategic choices. *Academy of Management Review, 28*(2), 275-296.

Peng, M., & Luo, Y. (2000). Managerial ties and firm performance in a transition economy: The nature of a micro-macro link. *Academy of Management Journal, 43* (3), 486-501.

Perrini, F., & Minoja, M. (2008). Strategizing corporate social responsibility: evidence from an Italian medium- sized, family- owned company. *Business Ethics: A European Review, 17*(1), 47-63.

Pfeffer, J. & Salancik, G.R. (1978). *The external control of organizations*. New York.

Pickles, J. (2010). The spirit of post-socialism: Common spaces and the production of diversity. *European Urban and Regional Studies, 17* (2), 127-140.

Polishchuk, L. (2009). Corporate Social Responsibility or Government Regulation: An Analysis of Institutional Choice. *Problems of Economic Transition, 52*(8), 73-94.

Pope, C., Royen, P., & Baker, R. (2002). Qualitative methods in research on healthcare quality. *Quality and Safety in Health Care, 11* (2), 148-152.

Popov, V. (1999). The financial system in Russia compared to other transition economies: The Anglo-American versus the German-Japanese model. *Comparative Economic Studies, 41*(1), 1-42.

Porter, M. E. (1990). *The competitive advantage of nations.* New York: Free Press.

Preuss, L., & Barkemeyer, R. (2011). CSR priorities of emerging economy firms: is Russia a different shape of BRIC? *Corporate Governance: The International Journal for Effective Board Performance, 11*(4), 371 – 385.

Pryde, P.R., (1991). *Environmental management in the Soviet Union* (Vol. 4). CUP Archive.

Ptichnikov, A., & Park, J. (2005). Strengthening Russia's Engagement with Market-Based Corporate Social Responsibility (CSR): Conclusions and Recommendations from Experience in Forestry and Lessons for Other Sectors. *Foreign Investment Advisory Service.*

Puffer, S. (1996). *Business and management in Russia.* Edward Elgar Pub.

Puffer, S. M., & McCarthy, D. (2007). Can Russia's state-managed, network capitalism be competitive?: Institutional pull versus institutional push. *Journal of World Business, 42* (1), 1-13.

Qu, S., & Dumay, J. (2011). The qualitative research interview. *Qualitative Research in Accounting & Management*, *8* (3), 238-264.

Ralston, D., Holt, D., Terpstra, R., & Kai-Cheng, Y. (2008). The impact of national culture and economic ideology on managerial work values: A study of the United States, Russia, Japan, and China. *Journal of International Business Studies, 39* (1), 8-26.

Realo, A., & Allik, J. (1999). A cross-cultural study of collectivism: A comparison of American, Estonian, and Russian students. *The Journal of Social Psychology, 139* (2), 133-142.

Reinhardt, F., Stavins, R., & Vietor, R. (2008). Corporate social responsibility through an economic lens. *Review of Environmental Economics and Policy*, 2, (2), 219–239

Remington, T., Soboleva, I., Sobolev, A., & Urnov, M. (2013). Economic and social policy trade-offs in the Russian regions: Evidence from four case studies. *Europe- Asia Studies, 65* (10), 1855-1876.

Richardson, P. (2014). Engaging the Russian Elite: Approaches, Methods and Ethics. *Politics, 34* (2), 180-190.

Ringov, D., & Zollo, M. (2007). The impact of national culture on corporate social performance. *Corporate Governance: The International Journal of Business in Society. 7* (4), 476-485.

Roberts, K., & Wilson, R. (2002). May. ICT and the research process: Issues around the compatibility of technology with qualitative data analysis. *In Forum Qualitative Sozialforschung/Forum: Qualitative Social Research, 3(2).*

Robertson, G. (2009). Managing society: protest, civil society, and regime in Putin's Russia. *Slavic Review*, 528-547.

Rodik, P., & Primorac, J. (2015). To use or not to use: Computer-assisted qualitative data analysis software usage among early-career sociologists in Croatia. *In Forum: Qualitative Social Research, 16* (1).

Rogers, D. (2014). Energopolitical Russia: Corporation, state, and the rise of social and cultural projects. *Anthropological Quarterly, 87* (2), 431-451.

Roth, K., & Kostova, T. (2003). Organizational coping with institutional upheaval in transition economies. *Journal of World Business, 38* (4), 314-330.

Rubin, H., & Rubin, I. (2011). *Qualitative interviewing: The art of hearing data.* Sage.

Kremlin, P. O. (2010). *Consolidated State Policy is Needed to Address Environmental Problems.* Retrieved September 1, 2017, from Kremlin: http://eng.kremlin.ru/news/273

Ryan, G., & Bernard, H. (2003). Techniques to identify themes. *Field Methods, 15(1), 85-109.*

Salles-Djelic, M.L. & Sahlin-Andersson, K., 2006. Institutional dynamics in a reordering world. *Transnational Governance*, Cambridge University Press, 375 – 397.

Sapkauskiene, A., & Leitoniene, S. (2014). Corporate social responsibility research methods analysis. *European Scientific Journal, ESJ, 10* (7).

Saunders, M. L., & Thornhill, A. (2009). *Research Methods for Business Students.* Pearson Education.

Schreier, M. (2014). *Qualitative content analysis.* The SAGE.

Schwartz, B. & Tilling, K., (2009). 'ISO–lating' corporate social responsibility in the organizational context: a dissenting interpretation of ISO 26000. *Corporate Social Responsibility and Environmental Management*, *16*(5), 289-299.

Scott, W. (1995). *Institutions and Organizations. Ideas, Interests and Identities.* Sage.

Scott, W. (2008). *Institutions and Organizations: Ideas and Interests.* (3rd, Ed.) Los Angeles, CA: Sage Publications.

Scott, W. (2013). *Institutions and Organizations Ideas, Interests, and Identities.* (4th, Ed.) USA: Stanford University.

Scott, W. R. (2001). *Institutions and Organizations.* Thousand Oaks, CA: Sage Publications.

Seivwright, A., & Unsworth, K. (2016). Making sense of corporate social responsibility and work. *Frontiers in Psychology, 7.*

Semeniuk, J. (2012). The Alignment of Morality and Profitability in Corporate Social Responsibility. *Erasmus Student Journal of Philosophy*, 17-26.

Siltaoja, M. (2006). Value priorities as combining core factors between CSR and reputation–a qualitative study. *Journal of Business Ethics, 68*(1), 91-111.

Simpson, D. (2012). Institutional pressure and waste reduction: The role of investments in waste reduction resources. *International Journal of Production Economics, 139* (1), 330-339.

Singh, S., 2010. *Handbook of business practices and growth in emerging markets.* World Scientific.

Slim, H. (2002). By what authority? The legitimacy and accountability of non-governmental organizations. *Journal Humanitarian Assistance.*

Smirnova, Y. (2012). Perceptions of corporate social responsibility in Kazakhstan. *Social Responsibility Journal*, 8(3), 404-417.

Snider, J., Paul, R. and Martin, D. (2003). Corporate social responsibility in the 21st century: a view from the world's most successful firms. *Journal of Business Ethics*, 48(2), 175- 87.

Sobczak, A. D. (2006). The impact of higher education on students' and young managers' perception of companies and CSR: an exploratory analysis. *Corporate Governance: The International Journal of Business in Society, 6*(4), 463-474.

Soboleva, I. (2006). Corporate social responsibility: global context and Russian realities. *Problems of Economic Transition, 49*(8), 82-95.

Söderholm, P. (2001). Environmental policy in transition economies: Will pollution charges work? *The Journal of Environment & Development, 10* (4), 365-390.

Sorsa, V.P., (2008). How to explain socially responsible corporate actions institutionally: theoretical and methodological critique. *Electronic Journal of Business Ethics and Organization Studies*, *13* (1).

Spence, C. (2012). Managing sensory expectations concerning products and brands: Capitalizing on the potential of sound and shape symbolism. *Journal of Consumer Psychology , 22* (1), 37-54.

Spence, D. B. (2012). Federalism, regulatory lags, and the political economy of energy production. *U. Pa. L. Rev, 161*, 431.

Spencer, L., Ritchie, J., & O'Connor, W. (2003) Analysis: practices, principles and processes. *Qualitative research practice: A guide for social science students and researchers*, 199-218.

SSE. (2017). *NYSE launches central repository of ESG reporting resources.* Retrieved 2017, from Sustainable Stock Exchanges Initiatives: http://www.sseinitiative.org/home-slider/nyse-launches-central-repository-of-esg-reporting-resources/

Steurer, R. (2010). The role of governments in corporate social responsibility: characterising public policies on CSR in Europe. *Policy Sciences, 43*(1), 49-72.

Stoian, C., & Zaharia, R. (2012). CSR development in post- communist economies: employees' expectations regarding corporate socially responsible behaviour–the case of Romania. *Business Ethics: A European Review, 21*(4), 380-401.

Stoney, C. & Winstanley, D. (2001). Stakeholding: confusion or utopia? Mapping the conceptual terrain. *Journal of Management Studies*, 38(5), 603- 26.

Strauss, A., & Corbin, J. (1998). *Basics of qualitative research techniques.* Sage publications.

Suchman, M. C. (1995). Managing Legitimacy: Strategic and Institutional Approaches. *Academy of Management Journal, 20* (3), 571 - 610.

Sutela, P. (2013). *The political economy of Putin's Russia.* Routledge.

Svirina, A., & Khadiullina, G. (2017). Industry CSR Perception and Practices: The Case of Russia. In The Dynamics of Corporate Social Responsibility. *Springer International Publishing*, 203-219.

Sweeney, L., & Coughlan, J. J. (2008). Do different industries report corporate social responsibility differently? An investigation through the lens of stakeholder theory. *Journal of Marketing Communications, 14* (12).

Székely, F., & Knirsch, M. (2005). Responsible leadership and corporate social responsibility: Metrics for sustainable performance. *European Management Journal, 23* (6), 628-647.

Sztompka, P., (1999), Trust: A Sociological Theory, Cambridge University Press, Cambridge, UK.

Tench, R., & Sun, W. (2014). *Communicating Corporate Social Responsibility: Perspectives and Practices.* (1), Emerald Group Publishing.

Thelen, K. (1999). Historical institutionalism in comparative politics. *Annual review of political science, 2* (1), 369-404.

Thiel, M. (2016). *The Social Domain in CSR and Sustainability: A Critical Study of Social Responsibility Among Governments, Local Communities and Corporations.* Routledge.

Thomas, D. (2006). A general inductive approach for analysing qualitative evaluation data. *American journal of evaluation, 27* (2), 237-246.

Thomas, R. (1995). *Interviewing important people in big companies.* Thousand Oaks, CA: Sage.

Thurner, T., & Proskuryakova, L. (2014). Out of the cold–the rising importance of environmental management in the corporate governance of Russian oil and gas producers. *Business Strategy and the Environment, 23*(5), 318-332.

Tilt, C. A. (2016). Corporate social responsibility research: The importance of context. International Journal of Corporate Social Responsibility, 1(1), 1–9.

Trevino, L., Thomas, D., & Cullen, J. (2008). The three pillars of institutional theory and FDI in Latin America: An institutionalization process. *International Business Review, 17*(1), 118-133.

Tulaeva, S. (2010). Gosudarstvennoe i negosudarstvennoe regulirovanie v Rossiiskom lesnom sektore: Konfrontatsiya ili sotrudnichestvo? (Na primere vnedreniia sertifikatsii FSC v Rossii). *Zhurnal sotsiologii i sotsial'noi antropologii, spetsial'nyi vypusk: Internatsionalizatsiya, doverenie i mnogoaktronoe upravlenie prirodnymi resursami, Tom XII.*

Vadi, M., & Vereshagin, M. (2006). The deposit of collectivism in organizational culture in Russia: Some consequences of human resources management. *Baltic Journal of Management, 1*(2), 188-200.

Vaht, R., Mayes, W., & Luud, A. (2011). Mine Water and the Environment. *Impact of oil shale mining on flow regimes in Northeast Estonia. 30*(4), 284-295.

Vaismoradi, M. T. (2013). Content analysis and thematic analysis: Implications for conducting a qualitative descriptive study. *Nursing & health science, 15* (3), 398-405.

Van de Ven, B., (2008). An ethical framework for the marketing of corporate social responsibility. *Journal of business ethics*, *82*(2), 339-352.

Van den Hove, S., Le Menestrel, M., de Bettignies, H., (2001), The Oil Industry and Climate Change: Strategies and Ethical Dilemmas, *Climate Policy,* 2, 3 -18.

Villamayor, J. (2010, Sept 29). *Voluntary Corporate Social Responsibility: The Power of Convictions*. Retrieved Sept 23, 2015, from Juan Villamayor: https://juanvillamayor.wordpress.com/2010/09/29/csr-mandatory-or-voluntary/

Visser, M. (2008). Keeping up with a warming world; assessing the rate of adaptation to climate change. *Proceedings of the Royal Society of London B: Biological Sciences, 275* (1635), 649-659.

Visser, W. (2008), CSR in Developing countries, The Oxford Handbook of Corporate Social Responsibility, Chapter 21.

Visser, W., & Tolhurst, N. (2010). *The world guide to CSR: A country-by-country analysis of corporate sustainability and responsibility.* Greenleaf Publishing.

Vlasenko, L. (2017). Formirovanie korporativnoi socialnoi otvestvenosti y studenta- vajnaya sostovlyaushaya upravlencheskogo obrazovaniya. *Vestnik MGSY, 12*(5).

Voldnes, G., Grønhaug, K., & Sogn-Grundvåg, G. (2014). Conducting qualitative research in Russia: Challenges and advice. *Journal of East-West Business, 20*(3), 141- 161.

Votaw, D. (1972). Genius becomes rare: A comment on the doctrine of social responsibility Pt. 1. *California Management Review, 15*(2), 25-31.

Waagstein, P. R. (2011). The mandatory corporate social responsibility in Indonesia: Problems and implications. *Journal of Business Ethics, 98*, 455–466.

Waldman, D., De Luque, M., Washburn, N., House, R., Adetoun, B., Barrasa, A., (2006). Cultural and leadership predictors of corporate social responsibility values of top management: A GLOBE study of 15 countries. *Journal of International Business Studies, 37* (6), 823-837.

Wang, H., Tong, L., Takeuchi, R., & George, G. (2016). Corporate social responsibility: An overview and new research directions thematic issue on corporate social responsibility. *Academy of Management Journal, 59* (2), 534-544.

Wang, L. & Juslin, H. (2009), The Impact of Chinese Culture on Corporate Social Responsibility: The Harmony Approach, *Journal Business Ethics*, 88.

Wang, S., Gao, Y., Hodgkinson, G., Rousseau, D., & Flood, P. (2015). Opening the black box of CSR decision making: a policy-capturing study of charitable donation decisions in China. *Journal of Business Ethics, 128* (3), 665-683.

Wegren, S.K., (2016). Food policy in Russia. *Reference Module in Food Science*, (1), 15-20.

Wei, Z., Shen, H., Zhou, K.Z. & Li, J.J., (2017). How does environmental corporate social responsibility matter in a dysfunctional institutional environment? Evidence from China. *Journal of Business Ethics,* 140(2), 209-223.

Welford, R. (2005). Corporate Social Responsibility in Europe, North America and Asia. *Journal of Corporate Citizenship, 17*, 33–52.

Wendt, K. (2015). Opportunities Through Positive Impact Investing and Finance Embedded in Banking Value Chains. *In Sustainable Value Chain Management*, 227- 247.

Whitley, R. (1999). *Divergent capitalisms: The social structuring and change of business systems.* Oxford: Oxford University Press.

Wilkinson, C. (2014). Putting 'traditional values' into practice: The rise and contestation of anti-homopropaganda laws in Russia. *Journal of Human Rights, 13* (3), 363-379.

Wilson, I. (2000). The new rules: ethics, social responsibility and strategy. *Strategy & Leadership*, 28(3), 12- 16.

Wilson, J. (2015). Soft power: A comparison of discourse and practice in Russia and China. *Europe-Asia Studies, 67* (8), 1171-1202.

Wood, D. J. (1991). Corporate social performance revisited. *Academy of Management Review, 16* (4), 691-718.

Wry, T. (2009). Does business and society scholarship matter to society? Pursuing a normative agenda with critical realism and neo-institutional theory. *Journal of Business Ethics , 89* (2), 151-171.

Xie, X., Jia, Y., Meng, X. & Li, C., (2017). Corporate social responsibility, customer satisfaction, and financial performance: The moderating effect of the institutional environment in two transition economies. *Journal of Cleaner Production*, 150, 26- 39.

Xu, S. & Yang, R., (2010). Indigenous characteristics of Chinese corporate social responsibility conceptual paradigm. *Journal of Business Ethics*, 93(2), 321-333.

Yachina, N. (2015). The Problems of University Education in Russia. *Procedia-Social and Behavioral Sciences*, 2541-2545.

Yanitsky, O. (2000). Sustainability and Risk: The Case of Russia. *Innovation, 13.*

Yin, R. (2004). *The case study anthology.* Sage.

Young, S., & Makhija, M. (2014). Firms' corporate social responsibility behaviour: An integration of institutional and profit maximization approaches. *Journal of International Business Studies, 45* (6), 670-698.

Zaharchenko, T. (1990). Environmental Policy in the Soviet Union. *Environs: Envtl. L. & Pol'y J., 14.*