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Multinational Enterprises' Subsidiary Initiative-Taking: A Model for Implementing Corporate Social Responsibility

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Abstract

This paper examines the relationship between subsidiary initiative-taking and corporate social responsibility (CSR). We conducted a qualitative study of the CSR practices of Unilever PLC and Unilever Ghana to document the key features of this relationship. Our findings show that subsidiary mandates and initiative-taking occur in three phases: 1) identifying key and prominent stakeholder issues, 2) implementing subsidiary initiatives, and 3) taking steps to bridge the feedback loop. This research shows that Unilever maintains a pragmatic perspective, with a preference for practical rather than theoretical interactions with stakeholders who form the basis of CSR strategy development and implementation. These findings suggest important implications of how multinational enterprise subsidiaries position themselves in the context of developing countries and sustainable development in at the firm level.

Keywords: Africa; Multinational Enterprise; sustainability; Corporate Social Responsibility.

Introduction

Research on subsidiary mandate and subsidiary initiative-taking has surged within the international business and strategy literature (Ambos et al., 2010; Birkinshaw, 1996; Dörrenbächer & Geppert, 2010; Geppert et al., 2013). Subsidiary mandate is conceptualised as ‘a business, or element of a business, in which the subsidiary participates and for which it has responsibilities beyond its national market’ (Birkinshaw, 1996 p. 467). Much of the current understanding of multinational enterprise (MNE) subsidiaries centres on how resources and expertise are mobilised around the world to improve performance. One possible outcome of subsidiary mandates are initiatives by which subsidiaries engage in entrepreneurial activities or undertake steps to address local demands or concerns (Birkinshaw and Ridderstråle, 1999).

In recent years, subsidiary initiative-taking has attracted growing scholarly attention (Dörrenbächer and Geppert, 2010; Eweje, 2006; Geppert et al., 2013) and corporate social responsibility (CSR) policies (Dobele, Westberg, Steel & Flowers, 2014; Durugbo & Amankwah-Amoah, 2019; Taylor, Vithayathil & Yim, 2018), yet little attention has been given to the role of country-specific institutional factors. Against this backdrop, this research examines how subsidiary initiative-taking unfolds and explores the corporate social responsibility (CSR) policies, practices, and implementation of Unilever Ghana, a Ghanaian agri-food sector MNE, and its parent company, Unilever PLC. Amponsah-Tawiah and Dartey-Baah (2011) posit that CSR activities in Ghana are spearheaded by MNEs. The CSR practices of manufacturing, banking, telecommunication, and mining companies (Amponsah-Tawiah and Dartey-Baah, 2011; Ofori and Hinson, 2007) and extraction industries have been reported (Hilson, 2012; Yankson, 2010), but CSR engagements of the agri-food industry have received less attention. This study is positioned to address this gap.

CSR is herein understood as the ‘continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their

families as well as of the local community and society at large' (Holme and Watts, 1999, p. 40). The centrality of the agriculture food sector (AFS) and the stakeholder conflicts associated with it in developing economies, provide a context that makes this study context well suited for the intended CSR examination. The multiplicity of stakeholder interests reflected in the Ghanaian AFS allows this work to accommodate key sector players, including the Ministry of Food and Agriculture, the Food and Drug Authority, the Ghana Standards Authority, and civil/social groups that continue to impact the AFS. These varying stakeholders have vested interests in AFS activities and, by extension, MNE CSR programmes. One example of the evidence of multiple interests was the significantly differing reception to the introduction of genetically modified (GMO) foods in Ghana, with some accepting and others vehemently opposing (Dogbevi, 2015; Laary, 2016).

There have been several studies on CSR activities of MNEs; some of which include Park and Cave (2018), Park (2016), Park and Ghauri (2015), Kolk and van Tulder (2010) amongst others. Specifically, Park and Ghauri (2015) investigated the key drivers of CSR practices by small and medium-sized MNE subsidiaries in Korea, from a stakeholder's perspective. Park and Cave (2018), leaning on the institutional and stakeholder theory, examined how organisational characteristics of international joint ventures in South Korea serve as determinants of their CSR behaviour. Kolk and van Tulder (2010) carried out a systematic literature review to examine the extent to which CSR and MNEs have been used in international business research. This current research offers several contributions. The first is the introduction of a model that clarifies how multinationals' subsidiary initiative-taking unfolds and the inherent role of environmental sustainability and CSR (Kolk and van Tulder, 2010; Rettab et al., 2009). Second, we offer insight into how subsidiaries navigate institutional constraints to improve their chances of success in local markets, especially critical for firms making the significant investments required to succeed in African markets. Third, we provide much-needed perspectives on CSR in non-Western markets. While extant literature supports the use of CSR by MNEs striving to improve their images in the course of resolving global challenges (Jamali, 2010),

existing research on MNE's CSR practices in African markets remains sparse (Kolk and Lenfant, 2010). This significant gap overlooks Africa's growing population and related economic potential in the consumer sector – expected to reach \$2.1 trillion by 2025 (Hattingh, et al., 2017), and its position as an important source of profit for many MNEs.

The paper is set out as follows. After a review of the relevant literature, the next section focuses on the contextual background related to CSR and the agri-food industry. The research methodology is followed by the study's findings; thereafter, the conclusions, theoretical implications, managerial implications, and directions for future studies.

Multinational enterprises' subsidiary mandate and initiative-taking: conceptual integration

MNEs are regarded as intra-organizational fields in which subsidiaries are pressured to comply with specific practices as mandated by the parent company (Kostova et al., 2008; Hamprecht and Schwarzkopf, 2014; see also Amankwah-Amoah & Osabutey, 2020). Earlier research showed that MNEs spell-out strategies at the headquarters level, then mandate related practices to their subsidiaries (Christmann, 2004; Christmann and Taylor, 2001; Hamprecht and Schwarzkopf, 2014; Yang and Rivers, 2009). Historically, multinational subsidiaries were viewed as 'an instrument of the parent company...assigned roles by the central head office' (Delan, 2000 221). Strategic thinking originated from the parent company and was implemented by the subsidiaries (Delany, 2000).

He and Khan (2015) identified two opposite relationships that may exist between a subsidiary and its parent company. The first – the traditional 'hierarchical monolith' MNE – describes tight control of subsidiaries (He and Khan, 2015; Mudambi, 2011) such that while MNE subsidiaries are physically operating in host countries, they are not independent of their headquarters (Oh,2016). At the other extreme, subsidiaries enjoy a high level of autonomy through an inter-organisational network of decentralised entities. Relationships that fall between these extremes reveal that some subsidiaries are neither tightly controlled, nor do they enjoy complete autonomy (Birkinshaw and Hood, 1998; He and

Khan, 2015). Extant literature finds that the more autonomous subsidiaries are, the more likely they are to advance organisational learning and initiate innovations that are applicable to local markets (Birkinshaw, Hood, and Jonsson, 1998; Cantwell and Mudambi, 2005; He and Khan, 2015; Luo, 2003).

A growing body of research demonstrates that subsidiaries are increasingly becoming proactive in not only initiating and implementing policies but also selling issues to head offices (Dörrenbächer and Geppert, 2010; Dörrenbächer and Gammelgaard, 2016; Geppert et al., 2013). According to Weng and Cheng (2019), subsidiary initiative is considered as a process involving subsidiaries and headquarters; thereby defining subsidiary initiative as ‘a set of bottom-up actions taken by subunits with high entrepreneurial spirit within the MNE’(p. 2). Gorgijvesky, Holmström and Lagerström (2019), through the lens of the voice behaviour theory and practice, assessed how the use of a set of initiative selling tactics could influence the acceptance of subsidiary initiatives by MNE head offices. They found that the packaging of the ideas by the subsidiary managers exerted the most influence on the acceptance by the headquarters.

Subsidiaries that identify potential initiatives for business enhancement may negotiate with their headquarters to explore how resources and expertise may be utilised to enhance the subsidiary value (Dörrenbächer & Geppert, 2010; Geppert et al., 2013). Such initiatives are considered within the scope of existing organisational structures that seek to maintain alignment between local and headquarters operations. However, it is also possible that a subsidiary’s organisational identification with the MNE could motivate or limit them from carrying out initiatives, as suggested in Weng and Cheng (2019), thereby attributing the reason for unsuccessful initiatives to the resistance from the head office.

MNEs subsidiary initiative-taking and corporate social responsibility

CSR refers to the way organisations respond to their environment, employees, customers, and other stakeholders (Campbell, 2006; Famiola and Adiwoso, 2016; Szulanski, 1996). Studies have

categorised MNE CSR practices into two groups: global CSR and local CSR (Bondy and Starkey, 2014; Campbell et al., 2012; Famiola and Adiwoso, 2016; Husted and Allen, 2006).

Global CSR is described as MNEs' efforts to incorporate universal issues within the implementation of local CSR policies and practices. Local CSR is subject to the unique operating conditions of local or national context (Famiola and Adiwoso, 2016). Famiola and Adiwoso emphasised that local CSR is influenced by local historical context and cultural dimensions. Thus, taking local context into consideration is crucial to business sustainability (Dunfee and Donaldson, 1995).

Though MNE subsidiaries are in a better position to carry out CSR practices within the local context, it is imperative that their initiatives seek to advance the parent company agenda (Ambos et al., 2010). As studies have shown, the degree of autonomy shapes subsidiary initiative-taking and determines the commitment of resources needed to undertake initiatives (Dörrenbächer and Geppert, 2010). Still, a robust understanding of how such initiatives manifest is not clear.

Recent studies such as Dahms (2019) examined how a subsidiary's power base influences its CSR strategies and performance in Taiwan. The study distinguished power base along two perspectives- autonomy and influence. The study, therefore, revealed a significant and positive influence of a large power base on international CSR strategic focus in subsidiaries. In addition, Nguyen, Hoang and Luu (2019) investigated CSR activities of MNE subsidiaries in Vietnam, from the opportunity- and innovation-based perspective. The study finds that CSR activities of subsidiary firms understudied foster new business opportunities and innovation, which are in the form of process, product, idea and management practices. Hence, both the firms and local community benefitted from the opportunities and innovation activities.

Gaining social acceptance and credibility in markets where companies may be regarded with some scepticism constitutes a critical issue for international businesses (Yin and Jamali, 2016).

Although prominent conceptualisations view CSR as an obligation to society (see Amankwah-Amoah, & Syllias, 2020; Barnett et al., 2019), the abstract nature of society has led to arguments that although businesses, in general, are accountable to society, an individual business is responsible only to the definable agents with which it interacts (Donaldson and Preston, 1995; Maignan and Ferrell, 2004).

Methodology

Research context: MNEs in Ghana and Unilever Ghana

In Ghana, MNEs operate in most industries, including banking, insurance, manufacturing, telecommunications, and agri-food business. MNEs dominate the extractive industry, owning over 70 percent of mining firms (Sarpong and Otoo, 2009). The manufacturing and construction sectors have witnessed substantial investment by MNEs in the large-scale construction and development of hotels, roads, dams, stadia, and other infrastructural projects. Labour and natural resources abound in Ghana, but capital to harness these resources often comes from MNEs who play a prominent role in generating Ghana's economic growth through employment creation, resource mobilisation and utilisation, technology development, and transportation, among others (Sarpong and Otoo, 2009).

CSR is widely practised in Ghana by local and international corporations and MNEs, although this has not always been the case. Historically, in Ghana, the awareness and practice of MNE CSR has been low, but in the last two decades the media and organizations like the Commission on Human Rights and Administrative Justice, the Ghana Anti-Corruption Coalition, and Transparency International, have helped to promote CSR (Atuguba and Dowuona-Hammond, 2006). Newly formed CSR-specific and CSR-directed advocacy groups like the CSR Foundation Ghana and the Centre for Sustainability and Enterprise Development have encouraged greater CSR visibility in Ghana, but not without interruption. Policymakers and communities are increasingly concerned about MNE CSR-related ethics and impact.

As one of the largest and most successful MNEs in Ghana, Unilever Ghana, a subsidiary of the multinational company Unilever PLC, was selected as the case company for this study. Globally, Unilever maintains hundred-year-old brands in 100 countries and in Ghana manufactures and markets three broad categories of foods and beverages, home care, and personal care. Leading Ghana brands include Blue Band margarine, Lipton, Royco, Annapurna Salt, Omo, Key Soap, Pepsodent, Close-Up toothpaste, Lux Soap, Geisha Soap, and Sunlight. They are the largest seller of packed tea in the country, with the Lipton brand leading the foods and beverages category. The Blue Band brand occupies a similar market position and Royco is a firmly established household name.

In addition to having a mission that is rooted in understanding consumers' needs and aspirations, Unilever PLC defines CSR as sustainable living and CSR is a key driver of many of the company's corporate activities. One brand manager commented on such activities:

Brand-based CSR activities cascade from Unilever PLC and come with accompanying budgets.

The campaigns' implementation and targets are set by the regions (Unilever Ghana) under the supervision of a particular brand's manager.

The company maintains a Sustainable Living Plan that outlines the company's goals related to growing the business while reducing environmental pollution and increasing positive contributions to society. Together with a number of key partners, Unilever PLC established the Unilever Foundation. This non-profit is dedicated to improving individual and community quality of life through the provision of hygiene, sanitation, access to clean drinking water, basic nutrition, and the enhancement of self-esteem.

Research Design

A qualitative approach and, more specifically, the case study method, allowed in-depth insight into MNE subsidiary initiative-taking processes. This method is consistent with the interrogative method in case research (Miles and Huberman, 1994). According to Yin (2003), numerous levels of analyses of a single case can provide detailed understating of a phenomenon. We collected data through 30

semi-structured interviews with key personnel from multiple levels within the Unilever Ghana Limited organisation.

Data Collection

An interview guide derived from the Maignan et al. (2005) framework and a review of MNEs' CSR literature facilitated interview direction and consistency. Interviewees were members of management, especially those responsible for CSR policies, strategies, and practices of Unilever.

Unilever's pragmatic approach to stakeholders is grounded in scholarship on stakeholder theory that compares an autonomous, individualistic stance whereby a firm sees itself as a distinct entity separate from its stakeholders, to a pragmatist stance in which a firm seeks to develop relationships with its stakeholders whom they regard as inseparable (Freeman, 1994; Rosenthal and Buchholz, 2000).

Issues relevant to stakeholders were also summarised through a qualitative content analysis of mission and vision statements and other organisational documents (General Accounting Office, 1989). Maignan, Ferrell, and Ferrell's (2005) directed content analysis framework was used to structure key concepts as initial coding categories. Coding itself drew from predetermined codes suggested by Hsieh and Shannon (2005). We assessed the definition and the implementation of CSR of the focal firm at the global, regional and national levels and compared these findings to investigate the extent to which they are related, in any way.

Data Analysis

Following Spence and Bourlakis's (2009) guidelines, the interviews were recorded, transcribed, and analysed to capture the perspectives of the interviewees. To reduce selectivity and reporting biases and to enhance research reliability, secondary information garnered from the Unilever website, annual reports, and other documents was triangulated with the direct interviews (Lamberti and Lettieri, 2008). Given the exploratory nature of the research, a thematic analysis was used to unearth important issues raised by the interview analyses. Items included on the pre-interview descriptive code based on the

Maignan et al. (2005) framework included norms and values; stakeholder issues; defining, implementing and promoting CSR; and auditing and gaining stakeholder feedback.

Transcripts of the interviews were reviewed, highlighting, then coding, all texts that fit a variable included in the selected framework. The coding “fractured” the findings (Strauss, 1987), i.e., it broke the data into smaller groups applying criteria selected for efficient analysis. The Maignan et al. (2005) adapted framework was employed throughout the research as a basis for data collection and analysis. However, since the framework was developed in a Western context, we conducted a preliminary assessment of the properties and meanings underpinning the typology via long face-to-face interviews with a convenience sample of MNE executives enrolled in an MBA class in a leading business school in Ghana. We found that all the steps in the Maignan, O. Ferrell, and E Ferrell framework were relevant to understanding CSR issues of an MNE operating in Ghana.

Our interview approach was consistent with Si and Bruton (2005), who conducted 50 face-to-face interviews in China with managers within international joint ventures. Taking inspiration from Goodwin et al. (1997), we sent a summary of the findings from our preliminary interviews to the interviewees, soliciting their comments and suggestions, thereby assessing the validity of our findings. Their responses were incorporated into the final manuscript. We also invited two academicians (one based in a developing country and the other in a developed country) with expertise in qualitative research and the subject area, to review and critique the study. A former Corporate Affairs Head of Unilever Ghana Limited and an editor of the CSR Watch (a quarterly magazine of the CSR Foundation, Ghana) critically reviewed and made suggestions on the findings of the paper.

Research findings: approach to subsidiary mandate and initiative-taking (implementing CSR)

Research findings generated creation of a three-phase model showing the evolution of subsidiary mandate and initiative-taking, as shown in the Figure. During Phase 1, stakeholders and prominent

issues were identified. Phase 2 research focused on subsidiary initiative-taking. Phase 3 examined the ways subsidiaries became operationally efficient by creating a feedback loop.

Insert Figure about here

Phase 1: Identify key and prominent stakeholder issues

Unilever PLC has a CSR-oriented global mission and vision along with corporate policies that affirm their responsibility, especially to consumers and operational communities. The Unilever Sustainable Living Plan (USLP) recognises the global challenges of climate change and environmental sustainability, improving health and well-being, enhancing livelihoods, and the potential effect of these challenges on the company’s operations. The three thematic areas adopted by Unilever PLC in its USLP are to: (1) improve health and well-being; (2) reduce environmental impact and enhance livelihoods; (3) reveal customers, communities and suppliers as the main targets of the CSR programme. A ubiquitous corporate poster captures this CSR commitment: ‘Our first priority is to our consumers – then customers, employees, suppliers and communities’.

Unilever Ghana has policies and operations in place to address stakeholders’ issues and expectations. This table identifies the stakeholders and stakeholder issues relevant to Unilever Ghana as revealed in the interviews:

INSERT TABLE ABOUT HERE

Though Unilever PLC CSR is formulated in global terms, evidence of subsidiary input is evident in their identification of key and prominent stakeholder issues that fall within the scope of

corporate values. Although Unilever Ghana considers an entire community as a major stakeholder, children and women are the primary beneficiaries of CSR initiatives.

According to one of the brand managers, the main focus of Unilever Ghana's CSR has been consumers, especially children.

I will take children (as key stakeholders) because most of the brands' CSR activities are targeted at them. Lifebuoy, Pepsodent, and Blue Band all target children. For Lifebuoy, the target children are between the ages of six and twelve...probably because kids within that age range are more open to behavioural change.

As indicated by one of the brand managers:

Most of our activities are based in schools. We have a mothers' programme that we have in churches and clinics, but about 90% are based in schools.

Unilever Ghana's consumer focus is found in their Product Quality Policy that enjoins all employees to be responsible for the quality of Unilever products at all levels of operations from design through sales to the disposal of Unilever products.

Other policies include the Occupational Health and Safety Policy related to employees, and the Environmental Care Policy aimed at achieving environmentally-sound operations.

Unilever Ghana's policies, values, and culture make CSR a characteristic of the whole company, as evidenced by one brand manager's statement:

We are all encouraged to do some CSR in our own little ways, like saving energy and conserving water. We get a lot of weekly, monthly updates on how to save water and how to save energy.

One informant pointed to the CSR goal statement found on Unilever Ghana's website:

Because our vitality mission is rooted in the intimate understanding of people's needs and aspirations, it inspires new ways to reach consumers with quality products that care for their families and help them get more out of life. To achieve this aim, we maintain the highest standards of corporate behaviour towards our employees, consumers, customers, shareholders and indeed our operating environment.

In order to create awareness and to show that stakeholder issues are important and are being addressed, Unilever PLC organises press conferences, press releases, speeches, and interviews. Unilever has also set up a corporate responsibility committee which ensures that appropriate communication policies are in place and are working effectively to build and protect Unilever's reputation internally and externally.

Phase 2: Subsidiary initiative-taking

Unilever PLC's CSR policies flow down to Unilever regional groupings like Unilever Ghana whose brand-based CSR activities align with underlying business motives. Unilever PLC adopts strategic CSR engagements meant to sustain the business and protect their reputation while promoting growth aimed at solving societal problems that are caused by or may affect business. The Unilever PLC's USLP goals and expectation, which affirm the corporation's commitment to consumers, are realized through their dedication to quality of life issues: improved hygiene, sanitation, access to clean drinking water, basic nutrition, and enhanced self-esteem. The company estimates that by 2020 they will have helped more than a billion people improve their hygiene habits and will have brought safe drinking water to 500 million people, which alone will reduce the incidence of diseases like diarrhoea.

In addition to helping more than a billion people improve their health and well-being, Unilever PLC plans to source 100% of their agricultural raw materials sustainably and enhance the livelihoods of people across their value chain. The implementation of these goals is overseen by the Corporate Responsibility Committee (formerly the Corporate Responsibility and Reputation Committee). In a bid to reduce their environmental impact, Unilever PLC is taking steps to reduce greenhouse gases and other environmental contaminants related to waste and drinking water. Since 2010 the greenhouse gas

impact per consumer has been reduced by six percent, waste impact per consumer has reduced by around seven percent, but clean water availability has remained broadly unchanged. In their efforts to enhance livelihoods, Unilever had trained around 450,000 smallholder farmers and 48,000 small-scale distributors by the end of 2012.

Analysis of the interview data suggests that apart from Unilever PLC's CSR agenda, Unilever Ghana has occupational health and safety, product quality, and environmental care policies that uphold CSR standards and implementation. Unilever Ghana policies demonstrate a commitment to the prevention of occupational hazards and illness and compliance with applicable legislation and Unilever standards that meet consumers' needs for a safe environment.

Unilever Ghana adopted and customised a USLP CSR policy that utilises a 'think global, act local' (GLOCAL) strategy that holds that strategies developed for a global market may contain market-specific adaptations. Unilever Ghana is motivated by the need to 'give back to society' with initiatives targeted at health, safety, the empowerment of women, and environmental well-being.

Unilever Ghana indicates an adaptation of the global strategies to the needs of local stakeholders. One of the brand managers hinted at that:

In Africa, probably they will identify a need which will be different from a need in Europe. So the African countries will have similar needs. So for instance, in the UK, hand washing may not really be an issue because there is no issue of cholera, diarrhoea and other diseases, but in Africa, these may be key concerns.

Unilever Ghana initiated the Lifebuoy hand wash and the Pepsodent 'brush twice' campaign and gave training and working capital in the form of products for women to begin a small-scale trade. As part of its health and hygiene programme Unilever Ghana has invested considerably in making handwashing a habit, an effort noted by one of the brand managers:

We have the Schools Health and Education programme coordinators for Lifebuoy. They are the ones who co-ordinate everything that has to do with schools.

Unilever Ghana introduced female empowerment programmes in the Eastern Region of Ghana and hopes to make it national in the medium- to long-term. One of the brand managers noted this:

We initiated a project where we set-up underprivileged women to start buying and selling our products. In the year 2012, between March and June, we contributed seed money and gave them some products, and when they sold them, they got money and started buying and selling from us, and we also gave them basic training in buying and selling; so that was our contribution. It was some sort of a pilot programme at Aburi, but I know this year it will be rolled out as a national programme.

According to a project manager, Unilever Ghana's CSR activities are related to customer development and are implemented at both the corporate and brand level. The Corporate Affairs Department sometimes collaborates with brand managers in implementing certain brand-based activities, according to one of the brand managers:

For brand-based CSR activities, we sometimes collaborate with our corporate affairs department.

Usually, the Corporate Affairs Department deals with non-brand-based CSR or internal CSR initiatives. The Corporate Affairs Manager described those efforts:

Almost every department was asked to adopt an area in the factory to plant trees in. We also have clear-cut rules as to the usage of electricity. These are all CSR activities that are not sponsored by brands; these activities are championed by corporate affairs.

Unilever PLC communicates with stakeholders through press conferences, press releases, speeches, and interviews, which create awareness and assure that stakeholder issues are being addressed. A corporate-responsibility committee ensures that appropriate and effective communication policies are in place to build and protect Unilever's internal and external reputation.

According to Maignan et al. (2005), the promotion of CSR must not be limited to the creation of awareness but should establish bonds with stakeholders by inviting them to participate in CSR initiatives. To this end, Unilever addresses issues related to the enhancement of livelihoods, one of the USLP thematic areas, by investing in farmers, entrepreneurs, and women's empowerment programmes.

Through Unilever Ventures, we are investing in early and mid-stage companies with new technologies and compelling business models that are of strategic relevance to Unilever. Sustainable business is a key factor in this mix. Through our supply partnerships, we have helped to train 450,000 tea farmers in sustainable practices, around 150,000 more in 2011. Over 300,000 of them have achieved Rainforest Alliance certification, the majority of whom are smallholders in Kenya. Elsewhere we have supported cocoa farmers to gain Rainforest Alliance certification in West Africa (corporate records).

Apart from input from Unilever PLC's CSR agenda, Unilever Ghana has occupational health and safety, product quality, and environmental care policies, all of which uphold CSR standards and implementation. These policies position Unilever Ghana as being committed to the prevention of occupational hazards and illness through workplace safety and health codes, compliance with applicable legislation and internal Unilever standards, and continuous improvement of environmentally-sound business decisions.

Unilever seeks partners' endorsements in finding solutions for global transformational issues like climate change, food security, and poverty alleviation.

We are working with organisations and initiatives such as the Consumer Goods Forum, the World Business Council for Sustainable Development, the World Economic Forum, and the Tropical Forest Alliance 2020 (corporate website).

Notably, while CSR is formulated by the Unilever head office in global terms that address major social issues, the Ghana subsidiary CSR is tightly linked to day-to-day business operations and

the ways in which their brands and products affect the lives of people. The embodiment of corporate CSR values is, however, mirrored in Unilever Ghana.

Phase 3: Closing the feedback loop

This phase focuses on attention given to the comments and concerns of Unilever Ghana stakeholders. Our data suggest that during this phase, line managers engaged in processes that facilitated communication with stakeholders, thereby closing feedback loops. The concerns of the stakeholders became the concerns of the company. One key personnel described a particular outcome of this collaboration:

We recruited and trained ‘hygiene ambassadors’ who trained kids, but we realised that they had only thirty minutes per day with them whilst the teacher had the whole day to influence these kids. The kids have developed some kind of trust in the teacher's over time whereas these ‘hygiene ambassadors’ are complete strangers, so the teachers have more influence in imparting the message that we are trying to get across to them than the ‘hygiene ambassadors’. This year we are training the teachers directly for them to go back and bring our message to the kids.

The Unilever Sustainable Living Plan (USLP) articulates CSR activities and provides indicators for measuring performance. In addition to complying with those indicators, Unilever Ghana conducts spot checks and reviews and collaborates with other stakeholders such as NGOs in their evaluation of CSR activities. A brand manager described the auditing process as a means of gaining stakeholder feedback:

Basically, we do spot checks as well as weekly and monthly reviews. There are internal mechanisms and an external marketing communications agency for the Pepsodent and Blue Band brands which monitor their communication and CSR performances.

During this third phase, Unilever Ghana obtains feedback from stakeholders through question and answer and reward systems. One example of this effort is the spot visits made to schools when children are asked questions about a key message drawn from a hygiene lesson. Souvenirs or tokens are given out as motivational rewards. One brand manager described such a visit:

Afterwards, we have a post-study in the same schools that we went to. We go back there and then ask a few questions, interview some kids, and find out their attitude towards hand washing (the programme) and how often they practise it. This gives us an idea of the impact that the programme had.

By mobilising and responding to stakeholders' comments and concerns, the firm improved its localisation strategy and became more responsive to local demands.

Discussion and conclusions

This paper examined CSR initiative-taking implemented by Unilever PLC's subsidiary, Unilever Ghana, an agri-food sector MNE. Our research concluded that subsidiary mandates and subsidiary initiative-taking follow a three-phase process: In Phase 1, subsidiaries comply with mandates to identify key and prominent stakeholder issues; in Phase 2, subsidiaries implement initiative-taking activities; and in Phase 3, subsidiaries take steps to bridge feedback loops, acknowledging stakeholder communications. Unilever Ghana's informants and publications documented the company's pragmatic approach to its relations with stakeholders and collaborators in the creation of CSR strategy development and implementation. We found the CSR implementation was clearly embedded in the Unilever PLC business model, as evidenced in the norms and values of the firm, standards mirrored in the operations of Unilever Ghana. Unilever Ghana views CSR as a way of giving back to society. CSR activities are largely brand-based and highly integrated into their business plan. Taken together, we provided a step-by-step approach to implementing a CSR framework to analyse a research question related to the policies, practices, and implementation of Unilever PLC and Unilever Ghana.

Implications of the study

This paper aimed to shed light on how subsidiary initiative-taking unfolds. Our results support an extant theory that organisational practices are handed down from the parent company to subsidiaries in host

countries (Kostova, 1999). The findings also confirm the importance of contextualising organisational practices and strategies of MNEs, as demonstrated when a subsidiary, in this instance Unilever Ghana, does not adopt practices and strategies wholesale from the parent company but remains cognisant of the cultural and political nuances within the host country. Consequently, it may be argued that Unilever is practising a “GLOCAL strategy” – thinking globally but acting locally in their CSR engagements (Kotler, 2009).

Practically, this research shows that Unilever maintains a pragmatic perspective of CSR strategy development and implementation with a preference for practical rather than theoretical interactions with stakeholders. These findings, therefore, suggest important implications of how multinational enterprise subsidiaries position themselves in the context of developing countries.

Regarding managerial implications, the findings suggest that Unilever has been able to maintain a healthy balance between stakeholder expectations and the environment’s wellbeing, an approach consistent with Maas and Boons (2010), who concluded that the first condition for strategic CSR is that it needs to become integrated into a firm’s overall business plan. Unilever PLC has adopted CSR strategy designs and implementation that address a wide range of international stakeholder issues – improving nutrition, reducing greenhouse gases, and enhancing the quality of life through the provision of hygiene, sanitation, access to clean drinking water, basic nutrition and enhancing self-esteem.

Future studies could further examine Unilever’s pragmatic CSR engagement in order to provide a deeper understanding of CSR in the MNE context. We believe the full benefit of CSR will be realised when commitment to CSR becomes integral to the corporation’s global strategy.

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Table: Stakeholders and Stakeholder Issues

Stakeholders	Stakeholder Issues – Unilever PLC.	Stakeholder Issues – Unilever Ghana
Consumers (children)	Promoting enduring healthcare behaviours.	Promoting improved healthcare behaviour among Ghana’s citizens, especially children.
Customers	Production of superior quality products.	The business model begins with consumer insights that inform brand innovation to create products supported by marketing and advertising across a range of distribution channels.
Community and Environment	Climate change, water use, and sustainable sourcing.	Establish a positive social impact and reduce environmental footprints, which are the essence of the USLP.
Shareholders and Investors	Generate growth that is consistent, competitive, profitable, and responsive through innovation, continuous improvement, market development, and beneficial to people.	Strive for world-class manufacturing to drive cost savings and higher returns and provide extra fuel for growth as cash is redeployed to take advantage of strategic opportunities.
Employees	Fairness in the workplace. Opportunities for women and inclusive business.	Value diversity and equal opportunity, mutual trust, respect for human rights, and absence of discrimination.

Figure: A step-by-step mode of subsidiary initiative-taking for CSR

