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An Empirical Investigation of the relationship between Corporate Social Responsibility and Strategic Crisis Management

Does CSR act as a reservoir of goodwill during a crisis?

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Acknowledgments

The process of completing this Master Thesis has been an exciting journey, filled with times of joy, cooperation, inspiration, learning and satisfaction. On the other hand, there have been times of frustration, challenges, hard work and focus. However, we have developed a deep passion and interest for the contemporary fields of Corporate Social Responsibility and Strategic Crisis Management. The process has led to a strong commitment to further explore the synergies between the two disciplines, and the interest remains strong as we commence on our careers.

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Abstract

Recent times have witnessed a proliferation of crises damaging corporate reputations as well as their stakeholders. In this context, the fields of Corporate Social Responsibility and Strategic Crisis Management are of increasing importance. The theoretical progression has evolved in parallel in different disciplines and research has failed to investigate their potential synergies.

The thesis consists of a primary and secondary study. The major findings were obtained through a survey conducted by Norstat of Norwegian executives in various industries (N=206). The primary research question is: "Does Corporate Social Responsibility have a positive effect on Strategic Crisis Management?. The study explores the concept and nature of corporate social responsibility (CSR) in relation to the process of strategic crisis management (SCM). This is a relatively neglected area of research within academia and the authors' aims to redress the imbalance and reduce the research gap. Mitroff's five stage SCM model and the SOCRATES categorization of CSR represent the core literature utilized. The quantitative analysis utilized a factor analysis, a multiple regression and ANOVA. The results revealed a symbiotic relationship between the two communalities; CSR has a positive effect on organizations SCM. The data suggested modifying some of the concepts components CSR was found to consist of five components; strategy, product, diversity, employee, and non-US-operations. The SCM model was revised to contain four stages; detection, prevention/preparation, containment/recovery, and learning. The symbiotic relationship benefits stakeholders in terms of being able to recognize companies as trustworthy and responsible, and benefits corporations in maintaining a positive stakeholder-organizational relationship which enhances companies' SCM. The thesis underpins that society judge business from a moral perspective and presents an ethical and strategic approach to managing organizational crises. The thesis suggests that organizations SCM should emphasize an integrated stakeholder approach pre-, during and post-crises. As a contribution to reduce the gap between the two concepts, the authors introduced the term "social responsible crisis management" (SRCM). It underpins that leading a corporation through a crisis requires an integrated stakeholder approach and takes a step towards developing a stakeholder approach towards SCM.

The secondary research question is: "Does CSR impact stakeholders' assignment of blame in a product-harm crisis?" The authors' employed experimental manipulations of prior CSR on the sample, and explored whether CSR impacts stakeholder assignment of blame in a product-harm crisis. In addition, we investigated whether CSR moderates the relationship between SCM and blame in light of a PHC, and explore whether attributions mediate the relationship between CSR and blame. The quantitative study utilized ANOVA, regression and Bootstrap analyses. It reveald that a positive CSR reputation impacts the resilience to negative information during a product-harm crisis, thus functions as a halo-effect that acts as a shield protecting the company against reputational harm. Hence, a positive CSR reputation enacts as a reservoir of goodwill, while irresponsible social organizational activities enhances stakeholders' attribution of blame. The findings indicated that CSR represents a moderator as hypothesized, however it does not mediate the relationship between SCM and blame. Commercial findings in relation to CSR and SCM are also outlined to explore the concepts position among Norwegian executives.

Key Words: *Strategic Crisis Management, Corporate Social Responsibility, Organizational Culture, Crisis Communication, Crisis, Stakeholders, Organizational Learning, Corporate Reputation, Socially Responsible Crisis Management, Blame, Attribution Theory.*

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1 Introduction

1.1 Background Information

"If crises have taught the world anything, it is that a crisis in business can occur today with little or no warning, anywhere, anytime. It can happen to any company, large or small, public or private. The safest assumption is that a crisis looms on the horizon"   *(Fink, 1986b:813)*

The world's present business context is characterized by continuous dynamic changes and complexity. One of the leading issues in this scenario is corporate social responsibility (CSR). The stringent regulation to which society hold corporations responsible for their actions is becoming increasingly more difficult to accommodate as a result of globalization (Cramer et al., 2004, Tombs and Smith, 1995, Godfrey and Hatch, 2007). CSR *"reflects the organization's status and activities with respect to its perceived societal obligations"* (Brown and Dacin, 1997:68). More than ever before, the Medias spotlight highlights corporation's failures to meet CSR standards, potentially bringing the organizations into disrepute and imperilling its future profitability and growth, possibly its very existence (Lerbinger, 1997a). Increased transparency makes it more difficult to "stick your head in the sand", and as a result fewer crises remains unpublished as the number of society's watchdog's increases (Fern-Banks, 2002).

Merck, BP, Enron and Apple are all reminders that no organizations are immune to crises. Organizations and humans have their limitation, and thus every organization should be prepared (Coombs, 2007a, Heath, 2001). Increasing attention to understand the dynamics of crises, such as the triggering cause and factors which affects the strategic crisis management (SCM) is therefore essential in order to protect the company's vital resources. The erosion of a company's vital resources such as the reputation, customer and employee loyalty are in great danger in a crisis (Kvåle and Wæraas, 2006). As a result, corporations increasingly attempt to improve their SCM, because crises can severely disrupt operations and significantly undermine organizations legitimacy in public opinions (Kovoor-Misra et al., 2000). Questions regarding legitimacy express concern for a corporation's image (Clark, 2000). Meeting stakeholder expectations is therefore vital for organizations in order to achieve a "license to operate", i.e. the legitimacy needed to operate.

Many real-life examples underpin that society judge business from a moral perspective. A great number of business practices have experienced the detrimental consequences of

disregarding their social responsibilities. The confectionary company Cadbury suffered a full blown media attack in the British press in 2000, when news leaked that the company was buying slave-farmed cocoa beans from West Africa (Blowfield and Murray, 2008). Moreover, other examples (e.g., Nike, Toyota, Coca-Cola, Ford/Firestone) aid the link between CSR and SCM. In addition, Chernobyl, Exxon Valdez and BP reinforce the connection between failing to meet CSR principles (environmental degradation) and corporate crises. In a national context there are several cases where companies' inability or failure to meet established CSR principles have resulted in corporate crises. Statoil's reputation experienced negative publicity due to its corruption crisis in 2002, known as "the Horton scandal". Tine, Norway's dominant dairy company, suffered financial and reputational losses when the news revealed that Tine tried to muscle a smaller rival dairy firm, Synnøve Finden, to exit the market in 2005. Allegedly, Tine had bribed the largest grocery chains to solely market Tine's brands and remove rival dairy products off the grocery store shelves (Berglund, 2005). In an international context, a scandal emerged in China in 2008 that shocked the world. Investigators found contaminated milk from three of the country's top dairy companies. The concentration of the ingredient melamine was too high which caused the sickness of 53 000 children and the decease of four babies (Volkskrant, 2008). This is a perfect example of a product-harm crisis (PHC) that can be devastating to a company and harmful for society (Dawar and Pillutla, 2000). PHC is defined as a well-publicized incidence wherein products are found to be defective or dangerous (Dawar and Pillutla, 2000). Hence, these cases shed light on how fragile company's images can be when a corporation is accused publicly of misbehavior.

For centuries the Chinese have embraced the concept that there is a positive side to crises. The Chinese word for crises, "危機"(*wei-ji*), is a combination of two words, "danger" and "opportunities" (Lerbinger, 1997b). This is supported by Augustine's (1995a:148) argument that *"almost every crisis contains within itself the seed of success as well as the roots of failure"*. The way Johnson and Johnson (J&J) handled the Tylenol crisis in 1982 is a classic example of capitalizing the opportunities of a crisis and putting a positive spin on a complex and uncertain situation. In this case the repercussions transcended organizational boundaries and posed serious threats to the company's stakeholders. Pearson (1997a) ascribe J&J successful handling of the crisis to be due to the close alignment of values and behavior, and their stakeholder management. The J&J case shows how important CSR is to brands within a global business context, because brands are built on perceptions, ideals and concepts appealing to high values (Werther and Chandler, 2006). On the opposite end of the

continuum, Enron illustrates the consequences of attending to a very narrow set of values and stakeholder concerns, and the dangers inherent to radical innovation when few established rules or standards are available. Heath and Ni (2008) underpins this, and claims that CSR can advance the organization's credibility and character in public policy battles during the early stages of a crisis. Related to the stakeholder argument, social capital can be viewed as a "stockpile of goodwill" that can aid an organization in responding and recovering from crises (Heath and Ni, 2008).

According to Blowfield and Murray (2008) stakeholder theory is regarded as one of the cornerstones of good CSR management. A logical linkage can therefore be applied between the fields of SCM, where established stakeholder relationships enables more efficient SCM (Ulmer, 2001a) and CSR, where stakeholder management is one of the pillars and most important areas of CSR. According to Heath (1998) and Fern-Banks (2002) monitoring and responding to the stakeholders' needs and desires are emphasized within the field of SCM and are looked upon as key success factors. Grunig (1992) has articulated that: "*an organization can withstand crises better if they have established good, long-term relationships with publics*"(Paine, 2002:2), and aid the aforementioned statements. Therefore, the authors subscribe to the logical linkage that CSR can positively affect the organizations SCM.

Although there seem to exist shared dimensions between the disciplines, limited empirical research have been conducted in the area (Mitroff, 2011, Alpaslan, 2011, Tombs and Smith, 1995). The authors have mainly been inspired to investigate the relationship between CSR and SCM by the courses SCM and CSR at NHH. As a primary objective the authors' will investigate the potential synergies between CSR and SCM. Secondly, the authors will examine whether CSR impact stakeholders' assignment of blame in a product-harm crisis.

Throughout the paper, the authors will be referred to as *authors*, while the published literature sources will be labeled *researches*.

1.2   Research Question

The purpose of the following research is to measure Norwegian corporations' abilities and aspirations within CSR and SCM. Analyzing the relationship between CSR and SCM creates an exciting opportunity to study the underpinnings of each discipline, in order to reveal concrete ideas about their impact on the corporate world. The dissertation investigates a neglected area of research (Tombs and Smith, 1995, Mitroff, 2011, Alpaslan, 2011) and aims to redress the imbalance and reduce the research gap.

Primary Research Question:*"Does CSR have a positive effect on SCM?"*

The authors have an underlying hypothesis that there exists a positive relationship between socially responsible companies and their SCM. The predicted relationship is shown in the following research model:
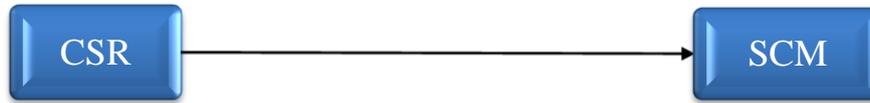
Figure 1 Primary over-arching Research Model

By exploring the concept and nature of CSR and relate this to the SCM process, the authors' wish to highlight a series of questions which may form the basis of a potentially fruitful research agenda.

When provided with the opportunity to perform a survey on Norwegian executives, the authors' decided to include a secondary investigation to explore the effect CSR has on assignment of blame in a PHC. This area within research have also remained relatively scarce (Dawar and Pillutla, 2000). PHC and product recalls can result in negative publicity, threatening the company's reputation and image (Dean, 2004). A PHC resulting in stakeholder blame may cause the erosion of consumer trust, brand equity, and consumers' willingness to purchase the brand in the future (Klein and Dawar, 2004). This creates an exciting opportunity to research whether cognitive processes of attributions are influenced by stakeholder perception of CSR. The frequency of occurrence and the serious consequences of PHC's demand for more insights concerning the underlying process through which product-harm crises influence stakeholders' assignment of blame. The authors postulate that CSR represents a potential halo-effect, i.e. CSR acts as a shield to protect the organization from blame in PHC. Thus, the authors speculate that positive CSR priming will result in less blame assigned to corporations facing PHC.

Secondary Research Question: *Does CSR impact stakeholders' assignment of blame in a product-harm crisis?*

1.3   Structure

The structure of the thesis is divided into 9 chapters, excluding references and the appendix.

Chapter 2 presents an overview of theoretical perspectives relevant to the phenomena addressed by the research question.

Chapter 3 comprise the developed hypotheses and research models (primary & secondary).

Chapter 4 presents the methodology.

Chapter 5 comprise the data analysis of the primary & secondary research.

Chapter 6 outlines the discussion of findings,

Chapter 7 presents concluding remarks.

Chapter 8 addresses limitations of the study.

Chapter 9 outlines future research recommendations.

2   Literature Review

The prominent rationale of the concepts CSR and SCM will be presented in the following sections.

2.1   Corporate Social Responsibility (CSR)

CSR have emerged as a global trend with both practical and theoretical implications as a result of rapid globalization where climate change, community health, education, development, and business sustainability currently represent some of the most pressing issues of our time. During the last decade there has been an upward business trend to mention CSR on corporate WebPages (Esrock and Leichty, 1998), releasing sustainability reports, engaging in social responsible investments and voluntary environmental programs, as well as partnering with NGO's (Non Governmental Organizations). An international study conducted by KPMG (2008) shows that there has been a global transformation, where the most important changes that have occurred are related to the importance of CSR programs. According to the study 80 percent of the world's largest 250 companies report on their social and environmental performance, which represent an increase of 30 percent since 2005. This suggests that CSR reporting is becoming a societal norm, instead of reflecting the general expectations in global companies. The focus of CSR and stakeholder management has increased, and according to Midttun et al. (2005) CSR has emerged as a central business agenda, developing into a business megatrend with global outreach.

In today's world, companies are under societal, as well as competitive pressure. Midttun et al. (2005) argues that extensive societal expectations of responsible corporate behavior voiced by governments and interest groups, puts pressure on companies to develop CSR initiatives to comply with expectations of corporate behavior. Even though multinational enterprises in particular have been in the forefront of developing CSR activities, it has now also been incorporated into smaller companies and public institutions. In the midst of this world, business' is subjected to new levels of transparency and an increasingly media-driven society. The concern with brand profiling and reputation effects seem to demand corporate responsibility at a new level, as failure to meet CSR standards threaten shareholder confidence, brand reputation, product stability, employee trust, and other corporate assets, both tangible and intangible (Blowfield and Murray, 2008).

The public opinion is increasingly less tolerant of corporate malfeasance, and at the same time the expectations of business' is higher than ever before to rectify perceived weaknesses in the

markets concerning sustainability, poverty, inequalities and global warming. A CEO described the pressure of competing interests in the following way: "*On the one hand, you've got Wall Street squeezing you harder and harder for shorter and shorter term performance. On the other hand, you have a broader constituent base that wants more than financial results*"(Blowfield and Murray, 2008:63). Kofi Annan, seventh UN Secretary-General, has called on business to play a bigger role in tackling what Baker (2005) calls "Capitalism's Achilles heel", within which capital, poverty and inequality are intertwined (Blowfield and Murray, 2008). Annan placed social responsibility on the agenda when he invited business to partner up with the government in upholding international human rights at the World Economic Forum in 1999 (Blowfield and Murray, 2008). This initiative resulted in the establishment of the UN Global Compact in 2000, which appeals directly to business for its voluntary endorsement of the ten universally accepted principles. In an interview with Business Week Magazine in 2004 Annan argues that: "*we need business in order to promote development. They are the ones with the money, technology, and management. They are the ones who can create jobs. You can't create sustainable development without creating jobs*" (Annan, 2004). CSR is a voluntary initiative which is underlined by Brown and Dacin's (1997) argument that "*CSR reflects the organization's status and activates with respect to its perceived social obligations*" (Kotler and Lee, 2005:207). CSR activities can be traced back to the early days of capitalism and according to Blowfield and Murray (2008) CSR is the "newest old thing" in business management. Long before the term "CSR" originated, corporate responsibility developed through the idea of making a positive contribution to the rest of society, i.e. "giving back" through philanthropic donations.

According to Blowfield and Murray (2008) there is no single commonly agreed upon definition of CSR which embraces all the aspects and related concepts of CSR such as business ethics, stakeholder management, corporate citizenship and community relations. "*The concept of CSR is constantly changing as society itself evolves, affecting our expectations of business and the ways in which its relationship with society is handled*" (Blowfield and Murray, 2008:19). Terms such as corporate responsibility, philanthropy, community involvement, triple bottom line, and global citizenship are just some of the numerous terms applied in relation to CSR which often are used interchangeably, even though they can mean different things (Rowe, 2006). In general, CSR maintains that business should seek social benefits for society as well as economic benefits for the business. Wood (1991:695) states, "*The basic idea of CSR is that business and society are interwoven rather*

than distinct entities; therefore, society has certain expectations for appropriate business behavior and outcomes". Husted and Salazar (2006) argue that CSR is the realization that organizations have responsibilities beyond investors.

Davis (1973:312) presented a classical definition of CSR; "*what companies do to a make a positive contribution to society above and beyond what constitutes their legal obligations*". Vaaland (2008:933) however, describes CSR activities in terms of their content rather than plainly making a distinction between legal bound duties and volunteer acts within society; "*management of stakeholder concern for responsible and irresponsible acts related to environmental, ethical and social phenomena in a way that creates corporate benefit*". The latter definition is similar to the one presented by the European Commission; "*CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with stakeholders on a voluntary basis*" (Blowfield and Murray, 2008). The World Business Council for Sustainable Development (WBCSD) defines CSR as "*the continuing commitment by business to behave ethically and contribute to economic development, while improving the quality of the workforce and their families as well of the local community and society at large*" (wbcsd.org, 2000). This definition is similar to that of the World Bank, whom states CSR as

> "*the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life, in ways that are both good for business and good for international development*" (Petkoski and Twose, 2003).

Consequently, CSR have been defined in many perspectives, and the use of broad conceptualizations has resulted in many and diverse definitions. However, these definitions share has a common denominator - the belief that companies have a responsibility for the public good. Davis (1973) and the European Commission emphasize that the CSR "umbrella" is voluntary in nature. Bearing in mind that there is no commonly agreed upon definition of the term, the authors will treat CSR as a field with an array of issues bundled together underneath a CSR umbrella.

2.1.1   Categorization of CSR Activities
CSR was originally presented in 1953 in Howard Bowens book "Social Responsibilities of the Businessman" (Carrol, 1999). Carroll (1979) has developed one of the most cited frameworks for understanding the different aspects of CSR which has emerged. Carroll's

(1991) research suggests that CSR consists of four main responsibilities (1) Economic, (2) Legal, (3) Ethical and (4) Discretionary/Philanthropic (Jamali, 2008).

Figure 2: The hierarchy of CSR (Carroll, 1999)

The economic element is business's responsibility to offer what society demands and to sell with profit and grow. The legal component constitutes fulfilling economic missions whilst obeying the law. The ethical component represents the business responsibility which goes beyond legal compliance, and is thus tightly linked to the societal norms and expectations of its stakeholders. Finally, discretionary responsibility refers to philanthropy and voluntary initiatives. Together they represent a pyramid of CSR (Carroll, 1991).

A comprehensive synopsis of various CSR actions is contained in the database SOCRATES, *The CSR monitor* provided by KLD Research & Analytics Inc from Kinder, Lydenberg, Domini and Co. Inc. 1999 research (Sen and Bhattacharya, 2001b). The database monitors various dimension of a firm's CSR, and encompasses a rating of over 3000 publicly traded US companies in terms of their CSR actions and records. This forms the basis for the Domini 400 Social Index, which is the first and largest socially screened index in the world (Fishman et al., 2005). Socrates categorizes the CSR initiatives into seven domains: (1) *community support* (e.g. support of arts and health programs, educational and housing initiatives for the economically disadvantaged, generous/innovative giving), (2) *diversity based* (e.g. sex-, race-, family, and disability based diversity record and initiatives or lack thereof, within and outside the firm), (3) *employee support* (e.g. concern for safety, job security, profit sharing, union relations, employee involvement), (4) *environment* (e.g. environment-friendly products, recycling, hazardous waste management, animal testing, use of ozone-depleting chemicals, pollution control), (5) *non-US operations* (e.g. overseas labor practices, operations in countries with human rights violations), and (6) *product* (e.g. product safety, research and development/innovation) (Sen and Bhattacharya, 2001c) as well as (7) *corporate governance* (Pirsh et al., 2007).

Figure 3 The Socrates Framework (Kinder, Lydenberg, Domini and Co. Inc, 1999)

CSR policy should function as a built-in, self-regulating mechanism whereby a business will monitor and ensure its adherence to laws, ethical standards, and international norms. The CSR practices that are perceived as sincere and integral part of a company's business strategy, may potentially contribute to differentiation in developing a strong, positive corporate reputation (Hillestad et al., 2010). The idea that companies have a purpose beyond maximizing profits and that companies needs to consider the way within which the profits are made, is a major component in understanding CSR in terms of how business relates to society (Blowfield and Murray, 2008). If CSR is integrated into the company's governance, it contributes to the organizations performance and competitiveness, by improving the development perspective and reducing the "risk profile". According to a survey conducted by Argument (2003) 90 percent of top executives believe that CSR represents a competitive advantage, and 79 percent believe that the firm's profitability will increase when engaging in a socially responsible strategy. A recent A.T. Kearney analysis reveals that companies that show a "true" commitment to sustainability appears to have outperformed their competitors' in the financial markets (ATKearney, 2009).

2.1.2   CSR in General

According to Webb (2008), 8 of 10 American stakeholders have an increased consumer trust towards CSR profiling companies. Increased attention on CSR in the society has resulted in comparative CSR rankings where organizations are evaluated according to a given set of CSR criteria. Due to the these reasons, a CSR reputation may aid in creating a competitive advantage within society (Porter and Kramer, 2006). Studies have shown that the type of CSR a company is profiling effects the stakeholders product preferences (Sen and Bhattacharya, 2001a).

Bierck (2000) mentions that organizations will be perceived as legitimate if their actions are considered ethically correct in relation to ensuring safety and security of the involved

stakeholders within a crisis. According to Bierck (2000) transparency of information is essential in order to avoid reputation damage and is thus an essential part of the organizational culture. Being transparent with information may therefore be linked to increased effects of positive SCM and reputation legitimacy. Lack of transparency will then be expected to increase the probability of experiencing a crisis that will cause reputational damage (Bierck, 2000).

Researchers stipulate that there must be a link between the values that the organization is promoting through its CSR activities, and the stakeholders' values and expectations (Simola, 2005, Alpaslan et al., 2009b, Coombs and Holladay, 2010a). A company that chooses to promote CSR activities that are consistent with the organizations own values, will be viewed upon as legitimate by society (Blowfield and Murray, 2008). By acting beyond legislative requirements, organizations may increase trust among the society, hence gain legitimacy for operating. Fombrun (1996) advocates that a company's social performance have an imperative role in the self-reinforcing cycle of gaining legitimacy, reputation and competitive advantage

2.1.3   Stakeholder Theory

According to Cortese (2002) *"managers are responding to increased stakeholder demands for greater corporate accountability and initiatives in all aspects of the enterprises"* (Schnietz and Epstein, 2005:328). The stakeholder perspective becomes an important aspect of CSR with reference to organizational responsibilities, and it deals with issues such as what the organizations' are responsible for and to whom they are responsible. Stakeholder theory is according to Blowfield and Murray (2008) regarded as one of the cornerstones of good CSR management. In 1963 the Stanford Research Institute introduced the term "stakeholder" as a generalization of the notion of "stockholders" (Zsolnai, 2006). Freeman (1984a) defines stakeholders as *"any group or individual who can affect or is affected by the achievement of the organization's objectives"* (Mitchell et al., 1997:861).

Freeman (1984) drew a distinction between (1) "*primary*" stakeholders which includes employees, shareholders and business customers who are essential for the survival, and (2) "*secondary*" stakeholders which represent local communities, Non-Governmental Organizations (NGO's) and governments (Waddock et al., 2002;, Mitchell et al., 1997). The latter refers to stakeholders who are not essential for the company's survival, but who can influence the company (e.g. the media). A common notion among stakeholder theorists is that

the value of an issue for a manager derives from the fact that a stakeholder has legitimized it (Blowfield and Murray, 2008).

Mitchell et al. (1997) have created a more dynamic theoretical framework to understand the dynamics between stakeholders and business. He divides stakeholders into three preliminary stakeholder classes based on their level of salience; (1) latent stakeholders, (2) expectant stakeholders and (3) definitive stakeholders. Mitchell et al. (1997:878) defines salience as "*the degree to which managers give priority to competing stakeholder claims*". Salience is shaped by the attributes of power to influence the firm, legitimacy of the stakeholders' relationship with the firm and the urgency of their claim. Power represents the ability of the stakeholders to disrupt organizational operations, such as those who control essential resources or may form coalitions (Coombs, 2007a). Legitimacy refers to *"actions that are considered desirable, proper or appropriate according to a system"* (Coombs, 2007a, Mitchell et al., 1997). Stakeholders who possess all three characteristics are referred to as salient stakeholders, and are given priority by the management (Mitchell et al., 1997).

Investment in CSR is believed to create value not only for stakeholders of the corporation, but also for a corporation itself. By actively giving back to the society that provides the foundation for the business's existence, a corporation may benefit from enhanced legitimacy and reputation among its stakeholders. In addition, CSR may be used as a SCM tool in order to diversify an organizations reputation, making it less prone to negative critique (Mitroff, 1998). "*Strong anti-globalization and anti-corporate sentiments generate a need for a positive reputation to obtain a social license to operate"*(Gjølberg, 2009:611). Thus, stakeholders may give a company the benefit of the doubt within a crisis, due to positive attitudes towards the organization (Simola, 2005).

2.1.4 Critique of Corporate Social Responsibility Theory

Identifying key stakeholders based on perceived influence and interest has raised criticism towards the stakeholder theory. This type of approach does little to assist managers in making decisions based on stakeholder's moral claims, and prioritizing between competing interests. This has resulted in situations in which managers pick and choose whom qualify to represent a stakeholder, hence whom to listen to. Moreover, managers seem to respond to the stakeholders who has the most power or speaks the loudest, whilst ignoring the ones with the strongest need and entitlement (Blowfield and Murray, 2008). Freeman (1984) focused on the moral responsibility of business and opposed the idea of stakeholders being treated in a

utilitarian way, as the means to an end. Based on the lack of acceptance of the ethical dimension to the notion of stakeholders, Freeman abandoned the primary and secondary stakeholder distinction (Blowfield and Murray, 2008). For Gibson (2000) the term stakeholders becomes meaningless if the ethical dimension to the notion of stakeholders is not accepted. Moreover, Philips (2003) has raised a critical voice towards the stakeholder theory for failing to distinguish between, and prioritize, stakeholders based on a moral rather than a business obligation.

The general notion of CSR has been discussed vigorously – is greed good and is the business of business business? Or is business as Annan (2004) states, a necessary tool for development? Blowfield and Murray (2008) argue that the meaning of CSR is constantly changing as society evolves and that the notion of CSR can alter depending on what perspective one uses to understand the world. In an article for the New York Times Magazine Friedman (1970) raised his critical view of CSR in the forceful statement that "*there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engage in open and free-market competition without deception or fraud*" (Friedman, 1970). Friedman (1970), who represented the traditional capitalistic shareholder view advocated that private corporations should get on with making profits, while governments should deal with public goods and externalities (Henderson, 2001). Friedman's shareholder view is in contrast to Freeman (1984b) pluralistic, multi stakeholder view who argue that an active management of the stakeholders and their interests will ensure long-term success of the business, because no firm may survive without its stakeholders. Freeman (1984) saw companies as integrated in the rest of society and argued that stakeholder management is essential to the very survival and prosperity the corporation (Blowfield and Murray, 2008).

Andriof et. al (2002) propose that stakeholder management concerns the interactive, mutually engaged and responsive relationship that "*establish the very context of doing business, and create the ground work for transparency and accountability*"(Andriof et. al. 2002:29). Compared to Andriof et al. (2002) Freeman's stakeholder management is rather business-centric and instrumental subsuming stakeholder management to the purpose of wealth creation (Blowfield and Murray, 2008). Freeman proposed that companies choose who their stakeholders are, based on the potential of those who threaten the survival of the firm.

2.2 Organizational Crisis

An organizational crisis will disrupt normal operations and have undesirable outcomes. A frequently used definition of crisis is *"big trouble that arises suddenly"* (Lerbinger, 1997a). Fink (1986a) argues that crises are inevitable and that a crisis "looms on the horizon". It strikes with little or no warning (Smith et al., 1996, Reilly, 1987, Lerbinger, 1997a, Kovoor-Misra et al., 2000). A more precise delineation of the term has been put forward by Heath (1997) who describes crisis as *"a disruption of normal patterns of corporate activity by a sudden or overpowering and initially uncontrollable event"*. Ulmer (2007) on the other hand defines a crisis as a *"specific, unexpected and non-routine event or series of events that create uncertainty and threaten or are perceived to threaten an organization's high-priority goals"*.

Mitroff (1998:16) explain crises as *"a disruption that physically affects a system as a whole, and threatens its basic assumptions, its subjective sense of self, its existential core"*. Coombs (2007a:480) characterizes it as *"a significant threat to operations that can have negative consequences if not handled properly"*. However, it has also been defined as *"perception of an unpredictable event that threatens important expectancies of stakeholders and can seriously impact the organization's performance and generate negative outcomes"*(Coombs and Holladay, 2010a:159). Shrivastava et al (1988:291) argues that a crisis represent *"a disaster which causes extensive damage, social and economical disruption, and involves multiple stakeholders"* According to Hermann (1963:10) three elements must be present for a crisis to exist; *"managers must recognize a threat and believe it will hinder high-priority goals, they must recognize the irreparableness and degeneration of a situation if they take no action, and they must be faced with a surprise"*. The latter definition is similar to that of Coombs (2007a) focus on the fact that crises may violate expectations that stakeholders hold about how organizations should act. It may disturb stakeholder expectations, which results in negative attitudes towards the organization and thus threatens the relationship between the parties.

Morgan Stanley's chief spokesperson, Ray O'Rourke (1997) argues that there are four elements that describes a crisis. Firstly, there must be an element of surprise which leads to loss of control, and secondly there must exist an information gap. Thirdly, insufficient information causes difficulties for stakeholders to separate facts from rumors regarding the crisis. A quick pace of events as well as intense scrutiny represents the fourth elements of a crisis. Despite numerous differences in the definition of a crisis, they each employ the same principle - a crisis is an event that can drastically affect the ability of an organization to

sustain itself and may threaten an organization's reputation and legitimacy, unless it is successfully managed by the organization. For the purpose of this thesis, the authors will apply Lerbinger's (1997) definition of a crisis; *"an event that brings, or has the potential for bringing, an organization into disrepute and imperils its future profitability, growth, and possibly its very existence"*. Lerbinger (1997a) emphasizes three important characteristics of crisis; suddenness, uncertainty and time compression. This is supported by Barton's arguments confirming that crises strike suddenly, giving them an element of surprise or unpredictability (Barton, 2001).

Mitroff and Alpaslan (2003) present seven different categories of crises, which are divided into abnormal -, normal- and natural accidents. The focus of the thesis will be abnormal and normal crises.

2.3   Strategic Crisis Management (SCM)

"If your stakeholders define a situation as a crisis, it is a crisis, even if the dominant coalition of managers in the organization choose to initially define it as a non-crisis" (Coombs, 2007a).

Crises cost money which according to Heath (2010) offers incentives for managers to avoid, mitigate, and respond in ways that best protects the company's vital resources (Coombs and Holladay, 2010a). James (1906) argues that: *"Crises show us how much greater our vital resources are than we had supposed".* One only has to look at the recent crisis that the employment agency, Adecco, experienced in Norway to understand that James statement is valid. Adecco's vital resources such as their reputation, leadership, integrity, as well as customer and employee loyalty, has been under enormous strain since the news of labor law violations, "social dumping" and illegal practices in nursing homes were leaked by the Norwegian Broadcasting (NRK). NRK whose original investigation in February 2011 sparked the ever-unfolding scandal surrounding Adecco, has brought about a snowballing crisis for the company. They will no longer be tendering for further public nor Parliament contracts (NTB, 2011). Adecco brings into light the complexity of the relationship between an organization and its internal and external stakeholders. Moreover, it is a good example of how organizations who disregards their social responsibilities are more prone to face organizational crises (Grewal and Tansuhaj, 2001).

SCM is relatively new as an academic field and over the last decades there has been an increasing interest in SCM, which emerged in the aftermath of the Tylenol crisis that Johnson & Johnson experienced in 1982 that created a torrent of interest (Heath, 2010, Pearson and

Mitroff, 1993, Simola, 2005). Their corporate culture (credo) ameliorated the crisis situation and emphasizes how important an organizational culture is for effective SCM. This will be further elaborated in section 2.6. A quick Google search on the words "strategic crisis management" gives 163,000,000 hits and indicates an enormous interest in the broad topic of SCM. There is no single definition that is commonly agreed upon of the term SCM (Coombs, 2007a, Heath, 2010, Mitroff, 1998), which encompasses the process by which organizations address negative events or precarious situations. The aim is to support organizations to avert crises and enable them to handle those that do occur more effectively (Pearson et al., 1997a). To achieve this goal, Pearson et al. (1997a) claims that it is essential that senior executives actively sanction and engage in crisis prevention efforts. Moreover, Pearson et al. (1997a:52) describes SCM as a "*mindset and process that, on a daily basis drives a company's decisions and actions*". Furthermore the term encompasses active search for information, crisis prevention, response and containment, and in the aftermath of crisis learning is a central aspect of SCM. The ability to respond to external and internal dynamics is paramount within SCM. According to scholars in the field, the process of information gathering and sharing within organizations are considered to be key success factors (Augustine, 1995a, Sheaffer and Mano-Negrin, 2003).

Heath (2001) describes SCM as an organization's capabilities to *"monitor, identify, evaluate, prioritize issues, and respond by implementing a plan"*. However for Pearson and Clair (1998), SCM is a systematic attempt by organizations to avert crisis or to effectively manage those that occur. Fern-Banks' (2002:1) emphasizes that conscious organizational efforts can mitigate the effects of a crisis even though not all crises are avoidable: "*crisis management is a process of strategic planning for a crisis or negative turning point, a process that removes some of the risk and uncertainty from the negative occurrence and thereby allows the organization to be in greater control of its own destiny"*. According to Pearson et al. (1997a:55) all crisis follow a common pattern where they develop, escalate, and subside.

2.3.1 Strategic Crisis Management Model

In general, researchers within the field of SCM acknowledge that crises occur in a cycle of different stages (Tombs and Smith, 1995, Fink, 1986b, Mitroff, 1998, Pearson and Mitroff, 1993, Simola, 2005, Hale et al., 2006). Scholars such as Fink (1986b), Fern and Banks (2002) have also developed three stage- and five stage crisis models, though Mitroff's five-stage SCM model will serve as the backdrop for this study. Mitroff (1988) proposed a model that

divides SCM into five stages; signal detection, preparation and prevention, containment, recovery, and learning (figure 4). This model is cyclical and proactive.

Figure 4 Five Phases of SCM (Mitroff, 1988)

2.3.1.1 Signal Detection

Because organizations constantly are subjected to multiple input from their internal and external environment (Pearson and Mitroff, 1993, Scott, 2003), warning signals precede all crises (Simola, 2005, Mitroff and Anagnos, 2001, Pearson and Mitroff, 1993, Sheaffer et al., 1998, Hensgen et al., 2003), and if detected crises may be avoided (Mitroff, 1988) or at least provide knowledge about an impending crisis before it reaches public domain (Fern-Banks, 2002). Hence, signal detection may entail a mitigation of the succeeding stages with a following alleviation of its related consequences. Past experience and knowledge of crises may affect the organizations ability to detect the signals, which is why learning influence signal detection. Even clear warnings of impending crises can be overlooked, misinterpreted, or ignored (Boin and Hart, 2003, Moynihan, 2008). Even though research emphasizes the critical nature of detecting early warning signals, many organizations fail to detect and manage these signals (Sheaffer et al., 1998). According to Pearson and Mitroff (1993) the main reason hindering signal detection is due to the belief that no crisis will occur in their organization, lack of focus on detection or by disregarding incoming signals due to their negative connotation.

2.3.1.2 Prevention/Preparation

A primary responsibility of an organization is to prevent crisis from occurring or mitigating its effect (Pearson et al., 1997a, McConell and Dreannan, 2006). Research reveals that those organizations that are prepared for a crisis before its occurrence are more likely to manage it successfully (Pearson and Mitroff, 1993). Prevention involves risk aversion and guarding intangible assets such as the reputation. Corporate reputation and its importance in regards to CSR and SCM will be further presented in section 2.7. Preparation consist of *"reducing the various triggers to a minimum, and preparation consist of implementing procedures and plans to minimize the impact of an impending crisis"* (Hensgen et al., 2003:71, Simola, 2005).

Thus, this construct is logically deduced from signal detection (Hensgen et al., 2003) Boin and Lagadec (2000) in addition to Augustine (1995a) claim that prevention involves senior executives adopting a SCM mindset, creating a crisis management team (CMT) and crisis management plans (CMP). Moreover, it involves disseminating values and strategies throughout the organization as well as simulation exercises (Fern-Banks, 2002, Kovoor-Misra, 1995, Simola, 2005, Coombs and Holladay, 2010b, Pearson and Mitroff, 1993).

2.3.1.3   Containment

The third stage of Mitroff's (1988) SCM model is *containment*. The focus of an organization should be to limit the duration and effects of the crisis once it has occurred (Pearson et al., 1997a). This stage of SCM is one of the most important phases within the SCM framework, and subsequently the phase were the majority of businesses spend most of their resources (Mitroff and Anagnos, 2001, Pearson, 2002, Pearson and Mitroff, 1993). According to Shrivastava and Simkos (1993) the key to constructive containment procedures lies in rapid, well-founded decisions. This stage is therefore the first actual exhibition of the solidity of past planning and preparation efforts (Pearson and Mitroff, 1993, Pearson et al., 1997a). During this phase the company is clearly aware that a crisis is unfolding and thus puts forward efforts to muster necessary resources, which involves close communication with stakeholders. Crisis communication will be further elaborated in section 2.4.

2.3.1.4   Recovery

Recovery represents the fourth phase, which entails returning to the pre-crisis norm, and the resolution of the crisis event. In this stage Mitroff (1988) emphasizes the facilitation of the organizational recovery as well as opportunities to empower crisis managers in a particular crisis event. Reestablishing trust and legitimacy is important (Coombs and Holladay, 2010b). Recovery involves short- and long term planning with the objective of minimizing the impact of a crisis and returning to the level of operation prior to the crisis. (Pearson et al., 1997a, Pearson and Mitroff, 1993, Runyan, 2006). Organizations should learn internally and manage it externally (Hale et al., 2005). Organizations should therefore prioritize restoring their reputation and stakeholder trust (Fern-Banks, 2002, Coombs and Holladay, 2010b) by ensuring the stakeholders that the crisis is truly over (Robstad and Ihlen, 2004). SCM at this stage must also concentrate on ensuring that stakeholders are left with a positive impression of the organizations management efforts (Coombs, 2007a). Effective communication with stakeholder is thus important in order to prevent reputational damage.

2.3.1.5 *Learning*

The fifth stage of Mitroff's SCM model encompasses organizational *learning*. The SCM literature have mainly viewed this stage as a time for reflection and critical examination, where organizational decisions and actions are scrutinized (Pearson and Mitroff, 1993, Pearson et al., 1997a). *"As crises are a natural and inevitable part of business, learning from experienced crises are imperative to better manage those of the future"* (Simola, 2005, Kovoor-Misra, 1995, Ulmer et al., 2007, Coombs and Holladay, 2010b). The literature on organizational learning from crises has remained scarce (Carley and Harrald, 1997, Dekker and Hansen, 2004, Smith and Elliot, 2007, Lagadec, 1997, Deverell, 2009), but there is a general agreement in academia that learning from past experiences greatly influences the SCM of future events (McConell and Dreannan, 2006, Kovoor-Misra, 1995). However, despite the recognized agreement among scholars, learning opportunities from crisis remain an espoused theory rather than theory-in-use (Roux-Dufort and Metais, 1999). Organizational learning will be further elaborated in section 2.5.

2.3.2 SCM in General

Several prominent researchers such as Mitroff (1998) and Augustine (1995b) have underpinned that corporations are overly confident in their abilities to manage crises. A study conducted by Augustine (1995b) of CEO's attitudes towards crises in Fortune 500 companies, showed that 85 percent felt that a crisis was inevitable. However, barely 50 percent of the organizations were crisis prepared in reference to a CMP and CMT. A more recent study performed by Unsgaard and Silkoset (2006) showed that the management overestimates their potential to handle a crises successfully. The study revealed that 93 percent of Norwegian organizations believed they would be able to handle a crisis satisfactory. As shown in table 1 below, merely 49 percent of them acknowledge that the organization has a CMP, and 31 percent do not believe a crisis will occur within their organization (Unsgaard and Silkoset, 2006). This study indicates that Norwegian organizations allocate a limited amount of resources on SCM. This is in alignment with Burston-Masteller study on SCM in 2002, which showed that approximately 90 percent of Norwegian organizations have developed a CMP and CMT, only one third of the companies have had crisis scenario tests (Unsgaard and Silkoset, 2006). This number is similar to Guth's (1995) research which found that only 84 percent of organizations that have experienced a great number of crises have developed a CMP (Lunde, 2005). However, according to a study conducted by Barton (1993) only 13 percent of organizations that had an operating CMP, had developed this framework in the aftermath of experiencing a crisis. In 2001 Tine, Norway's dominant dairy company, went

through a crisis scenario test, and the results were significantly unsuccessful witch lead to the formulation of a new CMP (Blaker et al., 2001, Lunde, 2005). These finding are congruent with Pearson and Clair's (1998) statement claiming that most corporations are inefficiently prepared to mange a crisis.

Table 1: "Experienced crisis management" (Silkoset and Unsgaard, 2006)

	Yes	No
Experienced crisis within the past two years	25 %	75 %
Believes that organization may face a potential crisis in the future	69 %	31 %
Believes the organization will manage the crisis satisfactory	93 %	7 %
Have established a crisis team	34 %	66 %
Have developed a crisis management plan	51 %	49 %
Have developed a crisis communication plan	42 %	58 %
Have developed a crisis hotline	22 %	78 %

According to Mitroff and Alpaslan (2003) one may characterize organizations as whether they are crisis prepared (proactive) or crisis prone (reactive). Reactive organizations only prepare for crisis events that they previously have been exposed to, while proactive companies prepare to face a greater number of various crises that the organization have not previously been exposed to (Mitroff and Alpaslan, 2003). According to their research, only 5-25 percent of the organizations in the study were operating proactively (Mitroff and Alpaslan, 2003, Mitroff and Pauchant, 2001). However, several positive effect stem for operating proactively. Proactive organizations seem to survive longer in a hostile environment, achieve higher financial benefits as a result of reduced cost related to crisis events, and finally these organizations seem to have a higher brand equity or reputation due to their ability to prepare and learn from crises. Furthermore, Garcia (2006) argues that proactive SCM may result in a competitive advantage. The benefits of proactive crisis management are shown in the self-designed figure 5.

Figure 5: Benefits of Proactive Crisis Management (Inspired by Mitroff& Alpaslan, 2003).

Reactive organizations however, invest merely in SCM that is cost efficient. This indicates that reactive organizations believe that the consequences of a crisis is fully controllable, and

thereby may be directly comparable to the costs of preparing for a crisis (Mitroff and Alpaslan, 2003, Pearson and Mitroff, 1993).

2.4 Crisis Communication

"The initial response is critical. It has the power to restore order or chaos; to heal and soothe or heighten tension and cause friction; to clarify and reassure or cast doubt and increase uncertainty. It is a moment that in many instances can forever shape the image, reputation and sometimes destiny of the company" (Fisher, 1996:102).

Crisis communication is an important part of the third stage in the SCM model – containment. When crises occur, one of the main challenges for companies is to control the information flow that reaches the public through media coverage (Marra, 1998). The news media are the society's watchdog, serving as designators of a crisis where their judgment of an event affects how an organization and its management are perceived by the public (Lerbinger, 1997b). *"An accident or disaster is no longer a private matter. The society's stakeholders deserve and demands information urgently. The crisis will therefore be subjected to various opinions whether the organization likes it or not"*(Sjøborg, 1990:1). A major part of damage control is evidently to temper the media's criticism of management so that the organizations reputation is kept intact (Lerbinger, 1997b).

The stakeholder's prior impressions towards the company may affect the stakeholder's interpretation of the message (O'Rourke, 1997). Good crisis communication and an immediate response are necessary due to the seeming suddenness of a crisis. Crises are dramatic, which makes it newsworthy and if the media can communicate the news the instant it happens, crisis communications dictate that a company must be prepared to respond with the same speed (Fink, 1986a). Protecting the corporate image and reputation from negative media exposure is an important part of SCM (Struges, 1994, Pearson and Mitroff, 1993). Efficient crisis communication is thus a key factor in order to achieve a successful reputational outcome post crisis (Fern-Banks, 2002, Gillingham and Noizet, 2007, Argeti, 2007, Brønn and Berg, 2005). Fink (1986b:96) claims that the time to begin crisis communication is "*when there is no crisis and when it is possible to create a reservoir of goodwill*". In order to build a reservoir of goodwill, he stresses that it is important to have good a reputation as well as building relationships with stakeholders prior to a crisis, as it will function as a "buffer" i.e. "a reservoir of goodwill". Coombs (2007b) provides an evidence-based framework for understanding how one can maximize the reputational protection afforded by post-crisis

communication through his Situational Crisis Communication Theory (SCCT). According to Coombs (2007b) crisis managers can benefit from understanding how crisis communication can be used to protect vital resources during a crisis. SCCT offers a framework for understanding and identifying factors that shape how stakeholders' perceive a crisis (Coombs, 2007a).

The initial crisis response must be quick, and a company must be willing to disclose information honestly and consistent in the media (Kellerman, 2006, Coombs, 2007a). *"The most important thing a company can do when the barbarians are at the gate is to understand the rules of the game"* (Shannon, 2006:13). Arpan and Rosko-Ewolsen (2005) study indicated that an urgent response lead to higher perceived credibility among stakeholders (Heath, 2001, Kellerman, 2006, Coombs and Holladay, 2010b, Larson, 1989, Coombs, 2007a). Empathy and emotional involvement is also highly in order to assure stakeholder that their concern is the number one priority within a crisis (Coombs, 2007a, Harrion, 2000, Black, 1993, Argeti, 2007). According to McCroskey (1997) a reputation of being responsible enhances stakeholders trust. Failure to relate appropriately to the stakeholders, especially the media, can project the crisis to another level and have negative spin-off effects for a company.

Geelmuyden-Kiese (2010) have developed the "Role Wheel" framework in order to structure the communication process. According to the model, it is possible to place all organizations in a situation where they play different roles depending on how they are perceived by the stakeholders.
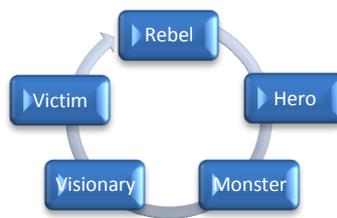
Figure 6: The Crisis Wheel (Geelmuyden-Kiese, 2010)

According to the model, a hero is perceived as action oriented and overcoming of challenges. The monster role represents a dominant and greedy organization with little concern for its stakeholders. The visionary has knowledge and shares expertise that stakeholders believe and listen to. The victim does not redeem its challenges and can only be saved by other parties. The rebel represents a typical "underdog" who challenge larger opponents (Geelmuyden, 2010). Geelmuyden (2010) argues that in order to be perceived as legitimate during a crisis, the organization must prioritize people first.

2.5   Organizational Learning

Organizational learning represents the fifth stage in the SCM model. Argyris and Schòn (1974) made a distinction between single – and double-loop learning.
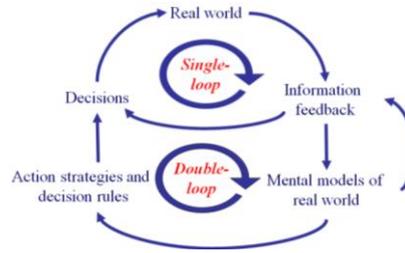
Figure 7 Single- and Double-loop learning (Argyris & Schøn, 1974)

Double-loop learning involves restructuring of organizational norms, strategies and assumptions associated with those norms (Deverell, 2009, Smith and Elliot, 2007). This deeper form of learning presupposes that *"error detection becomes not only connected to strategies, and assumptions for effective performance (single-loop learning), but also to the very norms which define effective performance"*(Argyris and Schøn, 1978:22). Double-loop learning is focused on how to avoid being subjected to the same or a similar crisis in the future (Deverell, 2009). It offers an opportunity to change dysfunctional cultural aspects which hinder effective SCM. Scholars critique the ability to effectively learn within a crisis. *"Despite attempts to apply lessons from one crisis to another, the ambiguity of cause and effect relationships allows multiple, contradictory, and mistaken lessons to emerge from crises"* (Boin et al., 2005:116). This represents an important view, because misinterpretations may increase the severity of the crisis and hinder effective SCM responses. Smith and Elliot (2007) argue barriers to organizational learning are caused by single-loop learning. However, they also mention that it may be due to ineffective communication and denial, centrality of crisis expertise as well as due to the disregard of important information from stakeholders.

Table 2 "Barriers to Effective Learning During Crises" (Moynihan, 2008)

Barriers to Effective Learning during Crises
- The high consequentiality of crises makes trial and error learning prohibitive.
- Crises require inter-organizational rather than organizational learning.
- There is a lack of relevant experience, heuristics, or technologies to draw on.
- The scope of learning required is greater than for routine situations.
- The ambiguity of previous experience gives rise to faulty lesson drawing.
- Crises narrow focus and limit information processing.
- There is a rigidity of response: actors recycle old solutions to new problems
- Political dynamics give rise to bargaining and suboptimal decisions.
- Crises provoke defensive postures and denial of responsibility.
- Crises provoke opportunism as actors focus on their positive role.

2.6   Organizational Culture

Organizational culture is defined by Edgar Schein (1999) as

> "a *pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore to be taught to new members as the correct way you perceive, think, and feel in relation to those problems*" (Sims and Brinkmann, 2003:249).

According to Pearson et al. (1997a:58) the best-prepared organizations share "*convergent values and priorities that will drive the organization's SCM preparation and response*". This is consistent with Mitroff (1989) arguments that culture is perhaps the most crucial factor underpinning better crisis preparedness (Elsubbaugh et al., 2004).

In order to control damage to the organization's reputation, the management must acknowledge that the values are at stake in a crisis. Schein (1999) asserts, that a crisis tests what the leader values and brings these values to the surface (Sims and Brinkmann, 2003). A crisis may offer the opportunity to use the occasion of the media attention as an opportunity to publicize the organization's mission, values and operations (Coombs, 2007a, Sims and Brinkmann, 2003, Pearson, 2002). If the company's actions are consistent with their values, the organization legitimacy and brand value may increase post crisis due to stakeholder's positive evaluation of the SCM.

According to Pearson et al. (1997a) the best-prepared organizations are guided by corporate values rooted in the business culture when confronting a crisis. J&J's successful crisis management in the Tylenol incident remains a classic example of values reflected in action (Pearson et al., 1997a). James Burke, the CEO at the time, led his organization based on the direction provided by the 40 year old J&J credo which placed the company's responsibility to their primary stakeholder, the customers above that of towards other stakeholders (such as shareholders) during the crisis. According to Schein (1999) actions speak louder than words, and therefore role-modelling behaviour is a very powerful tool that leaders may apply to develop to influence the corporate culture (Sims and Brinkmann, 2003). Enron's management serves as a good example of the detrimental effects of poor role-modelling behaviour. Another case that serves as a good example of negative organizational culture is the Astra USA crisis. The pharmaceutical company Astra USA received a great deal of negative media publicity and humiliation when knowledge regarding the organizations degrading treatment of women became known to society. The female staff was being sexually harassed by the

management which led to million dollar lawsuits, a reorganization of the company where current management had to step down. As a result of the crisis, the organization suffered reputational loss because it neglected to integrate CSR policies (which can be seen in relation to the diversity category in the Socrates framework), within the organization and failed to recognize warning signals from the environment (Coombs, 1999).

2.7   Corporate Reputation

According to David Bernstein *"trust has to be earned. You won't get it by claiming it. Companies get to be admired over time. A good reputation cannot be made over night. It may only be lost over night"*

(Geelmuyden-Kiese, 2006).

Corporate reputation is defined by Fombrum (1996) as *"a perceptual representation of a company's past actions and future prospects that describe the firm's overall appeal to all of its key constituents when compared with other leading rivals* . Corporate reputation represents the organizations intellectual capital (Larkin, 2003) or stockpile of goodwill (Fink, 1986b), and it is according to Fombrum (2004) formed based interactions between the stakeholders and the organization (Coombs and Holladay, 2010b).*"There is a strong consensus in the practitioner and academic writings that a reputation is an extremely valuable intangible organizational resource"* (Coombs, 2007a). A study performed by AON.com (2007) on 320 organizations in 29 countries on risk management, revealed that a company's greatest fear is reputational loss (Evensen et al., 2007). According to Aaker (1991) and Keller (1993) corporate response to a crisis appears to be the critical determinant of the impact the crisis have on consumer beliefs that constitute brand equity (Dawar and Pillutla, 2000). *"The organizations CSR is based on how it handles nonfinancial concerns, and it therefore has significant implications for reputation"* (Fombrun, 2005). According to Blowfield and Murray (2008) a strong correlation exists between CSR and reputation. This may be linked to the fact that CSR commitment enhances corporate reputation, through the development of a steady and long-lasting relationship with stakeholders (Perrini et al., 2006).

"CSR practices that are perceived as sincere by external actors and are an integral part of a company's business strategy, can potentially contribute to differentiation in developing a strong, positive corporate brand" (Hillestad et al., 2010). This is because CSR is an important consideration of how stakeholders feel about an organization (Coombs, 2007a). Favorable relationships with stakeholders occurs as a result of meeting and exceeding stakeholder expectations (Coombs, 2004). According to Ulmer (2001a) favorable organization-stakeholder relationships are a benefit during SCM. Aslop (2004:17) states that

"organizations build up 'reputational capital' to tide them over in turbulent times. If a crisis strikes, the reputation suffers less and rebounds more quickly". According to stakeholder theory, an organization survives and succeed by effectively managing their stakeholders (Coombs, 2007a).

2.8   Genders Assignment of Blame

Laufer and Coombs (2006) have identified stakeholders traits, such as gender, to influence stakeholders perception of blame in a product-harm crisis (PHC). PHC's are specific, well-publicised occurrences where products are found to be defective or dangerous (Simkos and Shrivastava, 1993), and are among a firm's worst nightmares. Laufer and Gillespie (2004) examined the differences between genders attribution of blame in the context of an ambiguous PHC, and found that women, more than men, blamed the companies for the PHC. Women felt more vulnerable than men when reading about the PHC, because women were more concerned that a similar accident could occur to them. This, in turn, caused women, more than men, to perceive the PHC to be more severe. Harris and Miller (2000) found similar results – women view threatening events as more severe than men due to biological and socialization factors.

2.9   Literature Shortcomings; The Relationship between CSR and SCM

Even though there seem to exist several shared dimensions of CSR and SCM, the probable communalities of the two variables that proves a causal relationship have not been studied in any publications (Tombs and Smith, 1995, Mitroff, 2011, Alpaslan, 2011). Tombs and Smith (1995) acknowledges that conducted studies isolated focus have failed to embrace the highly integrative nature of the disciplines (Mitroff, 2011, Pearson and Mitroff, 1993, Mitroff and Anagnos, 2000, Sheaffer and Mano-Negrin, 2003, Alpaslan, 2011). However, both disciplines contain valuable contemporary information in the present complex and dynamic global business environment, where CSR concerns represent a high priority because mismanagement of such may potentially destroy an organizations reputation (Boin and Lagadec, 2000). According to Pearson and Mitroff (1993) and Alpaslan (2009b) the relationship between SCM and stakeholders have also been largely overlooked. A common denominator of all crises is that they may harm organizational stakeholders (Mitroff et al., 1996). Inevitably, crises focus attention on corporate public, social , economic, legal and ethical responsibilities (Carroll, 1979, Alpaslan et al., 2009b).

The future of existence of a company is highly dependent on input from its complex network of external stakeholders. Therefore successful stakeholder management in SCM is crucial for a company during crises (Kolk and Pinkse, 2006, Mitroff, 1994, Tombs and Smith, 1995, Vaaland et al., 2008). CSR have become a priority for today's business leaders due to stakeholders base their brand evaluations on corporations CSR-activities (Porter and Kramer, 2006). Negative critique which may harm the organizations reputation may be avoided or at least reduced in situations where corporations act socially responsible, because consumers will have a more positive reference point for which they base their total judgement of the organization legitimacy (Crayer et al., 1997).

Bhattachayra and Sen (2004) suggest that stakeholders reward socially responsible corporations *"through their resilience to negative information about the company"*, and have a greater tendency to forgive a company for mistakes, such as a crisis, if the corporation has a prior positive CSR reputation (Coombs and Holladay, 2010b). This is based on the argument that CSR represent performing "good deeds" in the community of which it operates, hence results in an enhanced favorable corporate reputation (Wigley and Pfau, 2010, Bhattacharya and Sen, 2004, Fombrun, 2005, Coombs and Holladay, 2010b, Hess et al., 2002).

> *"CSR beliefs will be activated in response to a crisis, as part of the activation of corporate associations that occur because stakeholders engage in making attributions about the crisis. This activation enhances the likelihood of the CSR halo having a spillover effect on attributional judgments"* (Klein and Dawar, 2004:204).

Hence, the halo-effect in which organization's prior reputation and image function as a shield to deflect reputational harm resulting from a crisis (Coombs and Holladay, 2006, Klein and Dawar, 2004, Bhattacharya and Sen, 2004). Fomburn and Van Riel (2004) argues that at present, angry stakeholders are increasingly likely to generate crisis (Coombs, 2007a), and highlights the increasing importance of integrating the stakeholder approach with an organization's SCM (Smith et al., 1996). According to Schneiz and Epstein (2005) a reputation for CSR protected organizations from stock declines associated with the crisis. Several empirical studies found evidence of quantifiable financial benefits from CSR. Firms that address the concerns of the stakeholders are less likely to become targets of boycotts (Schnietz and Epstein, 2005). If companies prove its social responsibility, honesty and concern with stakeholder welfare prior and during a crisis, can improve the organizations reputation in the long run (Simkos and Shrivastava, 1993).

3 Hypotheses and Research Model

This section presents the primary research model; the theoretical relationship between CSR and the SCM model. Five hypotheses have been established for each stage of Mitroff's (1988) conceptualization of SCM. The secondary research model demonstrates the theoretical relationship between how CSR affect stakeholders assignment of blame in a PHC. Accordingly, nine hypotheses have been developed.

3.1 Primary Research Hypotheses

3.1.1 Signal Detection
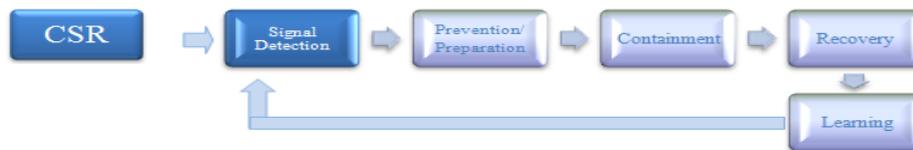
Previous studies have demonstrated Norwegian business managers unrealistic optimism in relation to SCM (Unsgaard and Silkoset, 2006). History has shown that failure to detect warning signal may lead to severe CSR crises such as is evidenced by the Union Carbide Accident in Bhopal, India (Mitroff and Anagnos, 2001, Shrivastava, 2005, Trotter et al., 1989). To detect and identify triggers of a latent crisis requires awareness towards the environment, and therefore it is essential that the company is tuned in to receive signals from both internal and external sources (Heath and Ni, 2008). This may best be attained if the attention towards detection is embedded within the organizational culture (Sheaffer and Mano-Negrin, 2003). Våland and Heide (2008) claims that socially responsible firms have an increased capacity to monitor and evaluate occurrences in the external environment. The implementation and practice of clear and open communication channels with various stakeholders is paramount (Pearson et al., 1997b), which is why the authors purpose that Freeman's (1984a) stakeholder approach plays a major role in the detection stage. According to Dozier (1992) early identification of discontent stakeholders enhances an organizations ability to resolve a problem and keep the stakeholders satisfied. A company that is known for its stakeholder approach will not only profit from internal benefits of a sharpened culture, but in addition stakeholders will be more inclined to share potentially harmful information which illustrates the double-effect of the stakeholder approach. This improves the organizations ability to detect warning signals. Thus, the authors purpose that CSR through the stakeholder approach is important for signal detection. Based on these facts, the authors hypothesize that;

H_1: CSR has a positive effect on organizations ability to detect crises.

3.1.2 Prevention/Preparation

The rationale behind the positive effect CSR has on crisis prevention/preparation, stems from the inherent interest for a responsible company to avoid the damaging consequences of a crisis that impacts its stakeholders (Tombs and Smith, 1995). CSR oriented companies adhere to their moral obligations to safeguard the interests of their stakeholders (Boin and Lagadec, 2000), and Alpaslan et al. (2009b) claims that access to stakeholder information and facilitation of information increases the organization's preparedness. According to Våland and Heide (2008) one of the distinguishing features found in socially responsible firms is the strong capability to handle great demands put forward by stakeholders. An integrated stakeholder approach must incorporate stakeholder communication, a detection-tuned- and a double-loop learning culture (as viewed in section 2.5) (McConell and Dreannan, 2006, Boin and Lagadec, 2000). Shrivastava and Siomkos (1989) claims that organizations who practice proactive communication and interaction with stakeholders, are better equipped to respond to changing conditions in their environment, and are more apt to succeed in preventing a crisis from escalating (Vassilikopoulou et al., 2009). Kovoor-Misra (1995) suggests that a multidimensional approach for a crisis prepared organizations includes implementation of CSR activities similar to the Socrates categories. E.g. cooperating with suppliers that adhere to CSR standards reduces the probability of being involved in crises stemming from the supply chains immoral actions. Such measures can be viewed as part of SOCRATES Non-Us Operations, and thus may aid in crisis prevention/preparation. Kovoor-Misra (2000) highlights the importance of the values when preparing for crises, where CMP's and CMT's are part of a positive CSR culture. Furthermore, CSR may recognize the aspects of an organization's operations that potentially can be the source of malfunction (Mitroff, 1994), because a CSR-oriented companies are better equipped with effective routines directed at handling warning signals and their potential escalation. Hence, CSR is suggested by scholars to be a strategy for preempting a crisis situation (Klein and Dawar, 2004, Bhattacharya and Sen, 2004, Coombs and Holladay, 2010b). Based on these facts the authors hypothesize;

H_2: CSR has a positive effect on organizations ability to prevent and prepare for crises.

3.1.3   Containment

Shrivastava (1988) suggest that companies need to have an adequate conception of CSR in order to respond more effectively to crises. Fomburn and Gardberg (2006) stress that CSR could be considered an effective strategic tool, through which companies may decrease or limit the potential vast consequences of a crisis. According to Våland and Heide (2008) socially responsible firms have an enhanced ability to respond to changing conditions in their environment. Thus, the outcome of a crisis is largely attributed to the firm's pre-crisis endeavours (Ulmer, 2001a, Shrivastava et al., 1988, Shrivastava, 2005, Pearson, 2002, Hale et al., 2006, Stephens et al., 2005). According to Coombs (2010b) variables such as crisis type, prior reputation, crisis history and attributions of responsibility can impact an organization's reputation during the containment phase. Therefore, it is essential that these factors are considered when corporations respond to crises. The time of crisis is the point to which the real values and strengths are revealed, and thus a track record of strong stakeholder relationships and positive corporate reputation becomes extremely valuable. Organizations prior social performance is important, because having a reputation for CSR may provide financial value when faced with a crisis (Schnietz and Epstein, 2005). This argument is based on the previously mentioned concept of CSR acting as a reservoir of goodwill. Malden Mills is a good example of how CSR practises such as strong community involvement (the first of the Socrates categories) contained a serious crisis (Ulmer et al., 2007, Ulmer, 2001b). Another example that highlights the relationship between CSR and containment is the situation that McDonald's faced during the riots in LA. McDonald's was renowned for their local CSR effort which spared them from a potential crisis (Branco and Rodrigues, 2006).One should be aware though, that a CSR reputation may result in the reverse effect during a crisis, in that expectations are set high and may thus prove difficult to satisfy. According to Ulmer and Sellnow (Ulmer, 2001b), a company with no prior CSR profiling will be unsuccessful if it tries to renew its CSR profiling throughout the crisis itself. Based on the presented arguments, the authors believe that CSR will strongly improve an organization's ability to contain crises and thus hypothesize that;

H₃: CSR has a positive effect on organizations ability to contain crises.

3.1.4   Recovery

The success of returning to business as usual will be heavily influenced by how the organization have managed its stakeholder relationships, the media and the amount of goodwill it has prior to the crisis (Hale et al., 2005, Coombs, 2007a). Corporate reputation is closely linked to stakeholder trust, and thus the reputation is a valuable resource for SCM. A pre-crises CSR reputation may be viewed as a reputation building, protection factor for the organizations survival (Whitehouse, 2006, Doh and Guay, 2006, McWilliams et al., 2006). Fomburn (2006) employs the term corporate citizenship, and advocates that an organizations social performance have an imperative role in the self-reinforcing cycle of gaining legitimacy and reputation. Ulmer (2001a) also claims that organizations that focus on maintaining a positive reciprocal relationship with stakeholders are better equipped for creating long standing trust and loyalty. Scholars have previously suggested that firms with good reputations may withstand crises, such as the Tylenol tampering in the 1980s. J&J suffered less economic losses than firms without CSR reputation and a culture for stakeholder management (Fombrun, 1996). Jones et al. (2000) found that firms scoring highly in Fortune Magazine's annual survey of the "Most Admired Firms in America" suffered lower market valuation losses in 1989 stock market plunge, than did firms with lower Fortune reputation ratings" (Schnietz and Epstein, 2005). The authors believe that CSR can be used as an overall strategy to restore damaged reputations, by successful stakeholder management, the following hypothesis is;

H$_4$: CSR has a positive effect on organizations ability to recover from crises.

3.1.5   Learning

According to KPMG survey (2005), the top drivers for organizations CSR efforts include learning and risk management. Many researchers argue that reciprocal relationships between organizations and stakeholders are pivotal for learning to occur (Coombs and Holladay, 2010b). Thus, managers must engage in double-loop learning which requires them to reconsider their goals and values (Mitroff and Anagnos, 2001, Alpaslan et al., 2009a).

Furthermore, it also depends on the organizational culture, where conscious efforts towards conducting transparent operations as well as internal attitudes that supports the learning process in times of crises. When a crisis do occur, no organizations may solely rely on its own set of discrete skills or knowledge to prevent future crises (Lerbinger, 1997b, Pearson and Mitroff, 1993, Brooks, 2005). A crises affects the organizations stakeholders, and thus knowledge sharing throughout as well as in the aftermath of a crisis is important for the organizational own learning. In addition, it may aid in the process of reestablishing stakeholders trust, which ultimately may lead to a stronger corporate reputation. A learning culture characterizes CSR-organizations, thus the authors hypothesize that;

H_5: CSR has a positive effect on organizations ability to learn from crises.

As an imperative to the research question, the authors will test the direct effect of the CSR framework against the SCM framework, thereby affirming or confuting the primary overarching research model. Based on this, the following hypothesis was developed;

H_6: CSR has a positive effect on organizations SCM

3.2 Primary Research Model
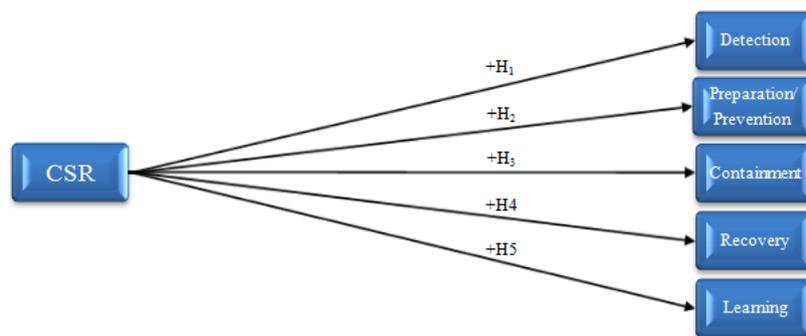
Figure 8: The Primary Research Model

3.3 Secondary Research Hypotheses

As an extension of the primary research, the authors developed two secondary research models (figure 9 and 10). The first model investigates whether CSR moderates the relationship between SCM and blame in light of a PHC. The second research model investigates whether attributions mediates the relationship between CSR and blame. The two research models are comprised in the summary research model in figure 11, in section 3.4.

The literature review has exemplified how organizations SCM affect stakeholders' assignment of blame in a PHC. As a result firms may experience (i) loss in baseline sales, (ii) reduced effectiveness of its marketing instruments, (iii) increased cross sensitivity to rival

firms' marketing-mix activities, and (iv) decreased cross impact of its marketing-mix instruments on the sales of competing, unaffected brands (Simola, 2005). PHC and product recalls can result in negative publicity, threatening the company's reputation and image (Van Heerde et al., 2007). A PHC resulting in stakeholder blame may cause the erosion of consumer trust, brand equity, and consumers' willingness to purchase the brand in the future (Dean, 2004). Thus, the authors propose that there exists a direct link between SCM and assignment of blame in a PHC.

H7: Effective SCM reduces assignment of blame

Klein and Dawar (2004) have demonstrated the link between CSR and attributions of blame. Stakeholders existing positive expectations may provide organizations with a form of insurance policy against the negative impact a PHC have on stakeholders attribution of blame (Klein and Dawar, 2004). Siomkos et al (Klein and Dawar, 2004, Dawar and Pillutla, 2000) has identified CSR as a factor that influences stakeholders response to a PHC. This can be seen in relation to research that reveals that CSR has a "halo effect" on consumer judgements (i.e. CSR has an insulating effect on attributions of blame) (2009). *"A halo effect is the tendency for attitudes about ones salient beliefs to colour attitudes about another* (Klein and Dawar, 2004, Brown and Dacin, 1997). According to Klein and Dawar (2004) CSR is cast as a moderator between CSR and blame. Thus, the authors propose that;

H8: A positive CSR reputation moderates the relationship between SCM and assignment of blame.

Social responsible initiatives and corporate reputation can be effective strategic tools for controlling and minimising the danger of destroying a favourable reputation among stakeholders (Blythe, 2008:68). Laczniak, et al. (2001) identified that a link exists between a company's reputation and blame attributions for in a PHC, while Laufer and Coombs (2006) suggested that managers can interpret the different ways stakeholders react to a PHC based on the reputation of the company involved. If a company has a favourable CSR reputation, the authors propose that a lower degree of blame will be attributed to the company.

H9: A positive CSR reputation reduces assignment of blame

Klein and Dawar (Fombrun, 2005) argues stakeholders spontaneously construct attributions of blame in PHC (2004). According to Coombs (Folkes, 1984, Folkes and Kotsos, 1986) it is essential for mangers to understand how stakeholders perceive and cognitively process crises and post-crisis messages, because successful CSR communication assist in reducing damage

incurred by the impacted organization (2010b). Attributions form the basis of revision and updating of enduring central stakeholder judgements such as brand evaluations (Fediuk et al., 2010), because stakeholders search for the cause of the crisis and an understanding of whom is responsible (e.g. Whom should they blame) (Folkes, 1984, Klein and Dawar, 2004). Attribution theory explain that stakeholders base their judgements on the cause of the crisis by analyzing *locus, stability* and *control* of causality, which are the three most powerful and widely employed dimensions (Folkes, 1984, Fediuk et al., 2010, Folkes and Kotsos, 1986). According to Weiner (Kent and Martinko, 1995, Coombs, 1995, Weiner, 1985, Folkes, 1984, Davies, 1992) locus refers to whether the event that triggers the crisis is perceived to be internal or external. Stability refers to whether the crisis is stable or temporary, and controllability refers to the degree the company is in control of preventing similar types of crisis from occurring in the future. If the locus is external, the behavior temporary and the company in control of preventing similar types of crisis from occurring in the future, less blame (responsibility) will be attributed to the company post crisis. However, if the locus is internal, the behavior is stable and uncontrollable; the respondents tend to attribute more blame (responsibility) to the company post crisis. The intention of studying attributions in a PHC setting is to establish whether CSR antecedents bias locus, stability, and controllability attributions. Based on the presented arguments, the authors propose that the trigger event for the PHC will be judged as more external, less stable and more controllable in organizations that have a positive CSR reputation. Hence, the following hypotheses are deducted;

H$_{10a}$: A positive CSR reputation will cause the locus of the crisis to be perceived as external rather than internal.

H$_{10b}$: A positive CSR reputation will cause the crisis event to be perceived as temporary rather than stable.

H$_{10c}$: A positive CSR reputation will cause the crisis event will be perceived as controllable rather than uncontrollable.

Based on Klein and Dawar's (2004) research, where they found attributions (locus, stability and controllability) to mediate the relationship between CSR and buying intentions when faced by a PHC, the author want to test if positive CSR rating can lead to lower levels of blame attributed.

H$_{11a}$: Locus mediates the relationship between CSR and assignment of blame.

H$_{11b}$: Stability mediates the relationship between CSR and assignment of blame.

H$_{11c}$: Control mediates the relationship between CSR and assignment of blame.

3.4   Secondary Research Model
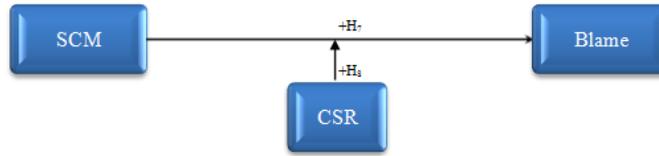
Figure 9 Secondary Research Model
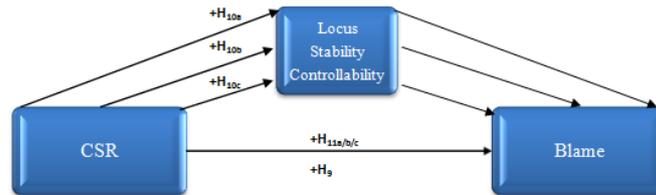
Figure 10 Secondary Research Model

The secondary research consists of two research models. The first model is shown in figure 9 demonstrates the investigation of the direct relationship between SCM and blame, and how CSR may act as a moderator on the relationship between SCM and blame. Figure 10 entails the investigation of the direct relationship between CSR and blame, as well as the direct effect CSR have on attributions (locus, stability and control) concerning the investigation of whether attributions mediate the relationship between CSR and blame. Hence, the authors will test whether CSR affects the attribution process itself, and if attributions in turn influence blame. These attributions are conceptualized as a mediator of the impact of SCM on blame. Overall, CSR association are cast as a moderator of attribution as whole in reference to the overarching research model. Figure 11 shows the summary of figure 9 and 10, visualizing the proposed secondary research model. It should be noted that each research model (moderating and mediating effects) will be tested separately.
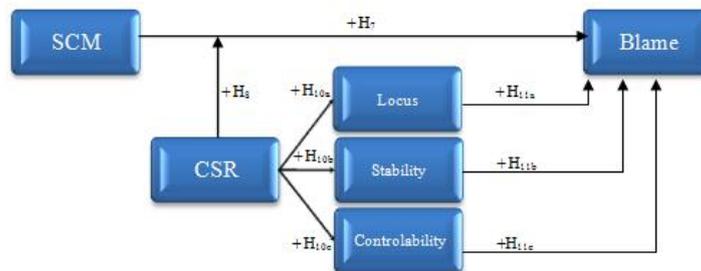
Figure 11 Secondary Research Summary Model

4   Methodology

"It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something"   Franklin D. Roosevelt (1945 -1982)

This chapter outlines the methodological approach, including an explanation of the research design, data collection and the credibility of research findings.

4.1   Research Design

The research design is the *"overall plan for relating the conceptual research problem to relevant practicable empirical research"* (1980). Ideally it would be beneficial for this research paper to prove a causal relationship between CSR and SCM, however due to challenges of unfeasible isolation and detailed measurement it is difficult to proclaim causality within the social sciences (Ghauri and Grønhaug, 2005). The literature review disclosed that limited empirical knowledge has been developed to investigate the explicit relationship between the two academic fields, which suggests that an exploratory design is appropriate. However, the authors have developed several hypotheses based on a descriptive choice of research strategy, and assessed this best suitable to answer the research question, and moreover meet the set objectives for the thesis. The descriptive design allows for the results to be generalized (Saunders et al., 2009). There exists two different types of research approaches; induction and deduction (Frankfort-Nachimas and Nachimas, 2005). Deduction involves *"the gathering of facts to confirm or disprove hypothesized relationships among variables that have been deducted from existing knowledge"* (Ghauri and Grønhaug, 2005, Gill and Johnson, 2010). Given the research theme and limited empirical knowledge and research within this field, a deductive approach was chosen (Hygen, 2005, Vikan and Rostrup, 2010). Derived from the research question the authors adapted the philosophical stance of the natural scientist, i.e. the research will reflect the philosophy of positivism.

4.2   Research Method

"Research methods refer to systematic, focused and orderly collection of data for the purpose of obtaining information from them to answer a particular research question" (Gill and Johnson, 2010, Ghauri and Grønhaug, 2005, Saunders et al., 2007). Saunders (Ghauri and Grønhaug, 2005:101) mentions two ways of research methods for collecting data; qualitative and quantitative methods, however these are not mutually exclusive (2007). Quantitative methods are preferable in analytical deductive hypothesis testing, and were therefore found as best suitable for the study.

4.3   Data Collection

4.3.1   Survey

The data collection occured through a web-based questionnaire and represents a primary data source. According to deVaus (2002) surveys include *"all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order"*(Ghauri and Grønhaug, 2005:69). The authors will apply a cross-sectional, descriptive survey, because it focuses on the accuracy of the findings and whether they may be generalized (Saunders et al., 2007). In addition it enhances the ability to generalize finding, and indentify the variability in the research phenomena (Ghauri and Grønhaug, 2005, Saunders et al., 2007). Based on the objectives, several issues complicated the data collection. This implied an extensive sampling size, great difficulties of accessing requested key respondents (business leaders) and a large number of items. Due to this complexity as well as restrictions in time, the data collection was outsourced to Norstat, the leading professional data collection company in Northern Europe (Saunders et al., 2007). Norstat was chosen due to their strong and well repudiated brand name and because they have the region's largest panel (Norstat, 2011). In addition, the authors believe that outsourcing the data collection best inhibits contaminated or distorted answers, increases the sample size, the likely response rate as well as being best suited for the type and number of questions being asked. This cooperation was rendered possible due to generous financial support from JLK group and TINE. The survey represents the type of a self-administered on-line questionnaire which is completed by the respondents on their convenient time (Norstat, 2011) which results are collected electronically by Norstat through the Internet.

4.3.2   Instrumentation

In order to investigate the primary RQ, two empirical frameworks were utilized in the survey; SOCRATES and Mitroff's five stage SCM-model. In order to investigate the secondary RQ, the authors self-designed two fictional cases which were included in the questionnaire. This may be viewed in appendix A. When the 60 scale items were designed, room for diversity in interpretation was minimized by removing unnecessary words and focusing on wording of the scale items to ensure that each respondent interpreted the questions similarly. Furthermore, double-barrelled and leading questions were avoided, and the items were placed in a natural order (Saunders et al., 2007). The two cases were strategically placed, in order to prevent habitual answers and boredom. Attention was paid to the layout, the natural order and length of the questionnaire as this may impact the respondents answers (Frankfort-Nachmias and

Nachmias, 2005). The questionnaire included a covering letter explaining the purpose of the questionnaire, as well as an explanation of how the respondents needed to complete the survey (Ghauri and Grønhaug, 2005). Theories in the field of CSR and SCM are primarily in English. To have the questionnaire in English might have a negative effect on the respondents' rates (Frankfort-Nachmias and Nachmias, 2005). To alleviate this risk, the two frameworks were written in Norwegian and to ensure that the original English meaning was maintained, a back-translation technique, as recommended by Grewal and Tansuhaj (Selnes and Sallis, 2003) was applied. This systematic process of developing the instrument were performed thoroughly, as the quality of the survey is directly related to the credibility of the questionnaire (2001).

4.3.2.1   *Primary Research: Measuring Corporate Social Responsibility*
To measure Norwegian corporations' abilities and aspirations within CSR, SOCRATES; The CSR Ratings Monitor was applied as an instrument. The authors' made this decision based on the fact that SOCRATES is the first and largest socially screened index in the world (Selnes, 1999). Moreover, the lack of a universally accepted definition of CSR (Fishman et al., 2005) lead SOCRATES to be a better option than self-designing an instrument. The authors' applied these categories and developed 15 scale items on the basis of correspondence with academics, but foremost through inspiration from earlier studies and academic articles within the field of CSR. In addition 8 general items of CSR was also included in the survey. Prominent researcher within the CSR field, such as Lars Jacob Tynes Pedersen, offered their thoughts in order to maximize the validity of the instrument and the developed items.

A five point Likert scale, with the extreme indicators ranging from *"strongly disagree"* to *"strongly agree"* were utilized. In addition *"do not know"* category was included. *"The values of the Liker-scale exhibit the weights and direction of the items based on their level of favourableness"*(Aupperle et al., 1985).

4.3.2.2   *Primary Research Measuring Strategic Crisis Management*
To measure Norwegian corporations' abilities and aspirations within SCM, Mitroffs five stage SCM model was applied. This framework have been utilized in other studies and have been confirmed valid and reliable by scholars around the world and is widely utilized in the SCM literature (Frankfort-Nachmias and Nachmias, 2005, Dillman, 2000). The authors' developed 14 scale items for measuring SCM. In addition 8 general SCM items was included in the survey. The items were measured on a five point Likert scale.

4.3.2.3 *Secondary Research Instrumentation*

In order to measure the secondary RQ, two self-designed, fictional cases (iChocolate and A-Meieriet) was developed, which may be viewed in appendix A. However, only A-Meieriet was chosen to be analysed, as the items in iChocolate contained methodological weaknesses. The design involved three between-subject conditions (positive CSR, negative CSR and a control condition (in which no CSR information was provided), and accordingly, three versions of the questionnaire was developed. Thus, CSR represents the manipulated variable in the study. A normal PHC was chosen purposely in order to present a realistic study. The authors find this approach more valuable for organizations operating in Norway, as abnormal, extreme crisis occurs more seldom and would provoke abnormal.

The authors chose to utilize Weiner (Simola, 2005) framework as the main inspiration when designing the items. Some additional general items were also included. In total the two cases comprise of 15 items. In A-Meieriet item 53, 54 and 55 comprise locus, while stability is measured by item 56 and controllability represented item 57. SCM was measured by item 58. Item 59 measures buying intension and item 60 comprise trust as a measure of blame. Locus was measured utilizing a percentage scale ranging from 0 to 100. The other items were measured with a five-point Likert scale.

4.3.3 Pre-testing the Questionaire

"However pressed for time you are, do your best to give the questions a trial run, as, without a trial run, you have no way of knowing your questionnaire will succeed" (1980)

A survey pre-test is needed in order to validate the measurement instrument (Bell, 1999:128). A web survey pretest (N=20) was conducted in order to check whether issues such as understanding, the level of difficulty, the willingness to answer sensitive questions and the time it took to answer the questionnaire. The respondents were contacted by telephone after the completion and were asked to offer input on potential alterations. Norstat also conducted a survey pre-test (N=30) to determine how well the questionnaire worked, and to further validate the measurement instrument. This process lasted one week and the data generated from the pre-test indicated good variance and sensible mean values. The results after one week with pretesting, demonstrated a need to correct spelling mistakes as well as removing some items as they were misunderstood.

4.3.4 Sample

The population comprises of Norwegian executives, top and middle business managers. The sampling frame consists of Norwegian business executives (top and middle) managers

represented through Norstats' expert panel. The expert panel consists of more than 3000 respondents from different geographic locations, company sizes, and sectors in Norway. Access to the panel ensured a high variance among the respondents. Furthermore, large amounts of data from a high amount of respondents, along a fairly good control over the process and the ability to generate representative findings strengthened the study (Olsen, 2009). The sampling technique is a probability (or representative) sampling, indicating that the different business leaders of the sampling frame have equal probabilities of being chosen (Gripsrud et al., 2007, Selnes, 1999). This enhances the generalizability of the study's results. Norstat carried out a process which included both reminders and recruitments, until the agreed 200 respondents had completed the questionnaire. This method minimized the skeweness. The sampling frame was divided into three groups; positive CSR priming, negative CSR priming as well as a control group.

4.4 Credibility of Research Findings
This section addresses reliability and validity issues in relation to quantitative data collection.

4.4.1 Reliability
The term reliability refers to the extent to which the results are consistent over time and whether the data is an accurate representation of the population, as well as if the collected data of the study can be reproduced under a similar methodology (Saunders et al., 2009). If these conditions are met and there is a transparency in how the conclusions were obtained from the data, then the research instrument is considered to be reliable (Frankfort-Nachmias and Nachmias, 2005). The data collected from the questionnaire may be subjected to several threats to reliability such as respondent error, respondent bias, observer error and observer bias (Easterby-Smith et al., 2008). Respondent error is a term that describes a situation in which the researcher receives atypical answers, as a result of the respondent being placed in a situation that feels deviant from normal (Robson, 2002, Gripsrud et al., 2007). Questioning leaders in regards to their SCM may render some biases, especially if the businesses recently have experienced a crisis. Mood swings may have influenced the responses, which may yield inconsistent findings increasing the participant error (Saunders et al., 2009). Participant bias will represent a lesser threat due to the insurance of anonymity in the survey. To ensure the reliability of the survey, random errors (e.g. misunderstanding items) must be minor (Gripsrud et al. 2007). The observer error was reduced due the self administered questionnaire. Skewed respondent distribution is a type of bias that occurs when the respondent tries to manipulate the research, which normally occurs when answering sensitive questions such as a crisis event

and the business perspectives on ethics which is prevalent this research. The Cronbach's alpha test was applied in order to ensure the internal consistency (Saunders et al., 2009). Insufficient knowledge or experience regarding CSR and/or SCM may have led the respondents to deliberately guess some answers.

4.4.2   Validity

Validity is concerned with whether researchers measure what they intended to measure. Internal validity refers to whether the items measured what the study intended to measure (Mitchell, 1996). External validity relates to the generalizability of the study − whether the results of the study are transmissible to similar studies or research (Saunders et al., 2009). When assessing validity of the questionnaire, the concepts of *content validity* (e.g. if the items cover the research question adequately), *construct validity* (e.g the extent to which the items measure the presence of the constructs which the study' intend to measure), and *criterion validity* (e.g. whether the items have the ability to make accurate predictions) is central to address (Mitchell, 1996). Convergent and discriminant validity are important subcategories of construct validity (Saunders et al., 2009). *Convergent validity* occurs when items that are expected to measure the same construct are correlated with each other. *Discriminant validity* occurs when items that measures different constructs have no correlation with each other. Robson (2002) has chartered threats to validity such as history, testing, instrumentation, mortality, maturation, and ambiguity about causal direction (Gripsrud et al., 2007). To maintain the validity of the study, systematic errors (e.g. leave out important questions) was avoided (Gripsrud et al. 2007).

4.5   Methods of Analysis

This paper will focus on these following statistical tests;

4.5.1   Factor Analysis (FA)

The purpose of a FA can be explained as categorizing variables into a smaller number of fundamental factor variables (Saunders et al., 2009). FA uses correlations among many items to search for clusters and the purpose is to simplify the data structure, by revealing a smaller number of underlying factors (Clausen, 2009, Hair et al., 2006). An exploratory FA technique was employed. Even though the study has a deductive approach and is concerned with testing the extent to which the data and the five developed hypotheses correspond (Hair et al., 2010), an exploratory multivariate technique was chosen. The authors found an explorative FA appropriate to analyze the underlying structure of interrelationship among the items in the

study (Clausen, 2009). An explanatory approach enabled the authors to explore and summarize underlying correlation structure in the data set.

4.5.2   Univariate Analysis of Variance (ANOVA)

This is a statistical, flexible technique used to determine, on the basis of one dependent measure, whether samples are from populations from equal means (i.e. do the groups differ significantly) (Hair et al., 2006). In this paper three groups was compared to one another.

4.5.3   Simple & Multippel Regression

This is a method for estimating the parameters of a multiple linear regression model; an approach to modelling the relationship between a dependent variable *y* and an independent variable *x* (Hair et al., 2010). The values β and standard error (SE) are utilized in the analyses.

4.5.4   Simple Mediation and Bootstrap

According to Preacher and Hayes (Hair et al., 2010) the causal step strategy by Baron and Kenny (2004) represents the most commonly used method for testing mediation hypotheses. However, several researchers have underpinned weaknesses related to this approach (1986). Criticism includes that methodologists have found that the causal steps approach to be among the lowest in power. Furthermore, the approach is not based on quantification of the intervening effect (Preacher and Hayes, 2008, Preacher and Hayes, 2004, Hayes, 2009). A criterion for Baron and Kenny's (Hayes, 2009) multistep approach is that the independent variable (X) accounts for variability in the dependent variable (Y); hence there must be a significant total effect of *X* on *Y* for mediation to occur. Researchers have suggested that a significant total effect of X on Y (quantified as c) is not essential in establishing mediation (1986). The bootstrapping approach is recommended for simple mediation since it is does not impose the assumption of normality of the sampling distribution. MacKinnon et al. (Cole et al., 2008, Hayes, 2009, Preacher and Hayes, 2008) recommended the use of bootstrapping over the Sobel test, on the grounds that the bootstrapping have higher power while maintaining reasonable control over the Type I error rate in large samples (2002). *Bootstrapping is a nonparametric re-sampling procedure, which involves repeatedly sampling from the data set and estimating the indirect effect in each re-sampled data set* (MacKinnon et al., 2004, Preacher and Hayes, 2008). It is a computer-based method for assigning measures of accuracy to sample estimates (Preacher and Hayes, 2008:880). This technique allows estimation of the sample distribution of almost any statistic using only very simple method (Efron and Tibshirani, 1994). Furthermore, bootstrapping builds an empirical approximation of the sampling distribution of *ab* that is used to construct confidence intervals

for the indirect effect, and represents the most powerful and reasonable method of obtaining confidence limits for specific indirect effects under most conditions (Varian, 2005). The bootstrap confidence intervals will in the secondary study be used as the basis for hypotheses testing of the mediator model. The *total effect* of X on Y is expressed as the sum of the direct and indirect effects: $c = c` + ab$. c' is the difference between the total effect of X on Y and the indirect effect of X on Y through M - that is, $c' = c - ab$ (Preacher and Hayes, 2008). According to Preacher and Hayes (2008) the assessment of an indirect effect does not require an initially present total effect, which is opposite to that of mediation.
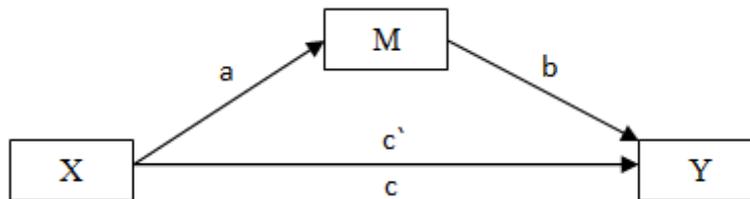
Figure 12 Illustration of a Mediation Design Preacher & Hayes (2008)

5   Data Analyses

"It is a good morning exercise for a research scientist to discard a pet hypothesis every day before breakfast. It keeps him young".   Konrad Lorenz (1903-1989)

This section presents the data analysis of the survey. SPSS will be employed as a statistical tool to analyze the data. The results for the primary research will be presented first, followed by the results of the secondary research. The sampling frame of N=206 were divided into three groups as displayed in figure 13. The pie diagram shows an even distribution among the groups.
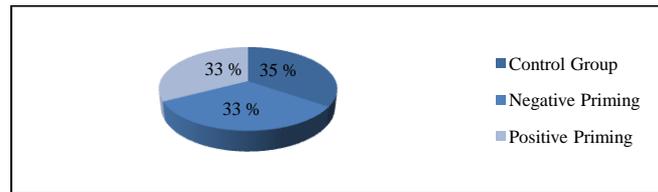
Figure 13 Sampling frame Percentage Division

Figure 14 indicate a large sample from the travel & service chain.
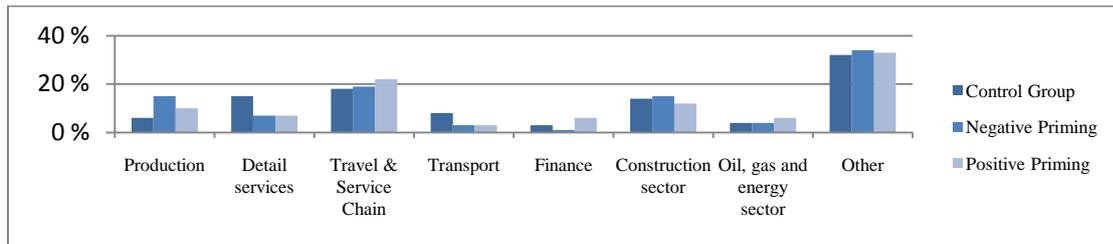
Figure 14 Respondents Business Categories

Figure 15 indicates that approximately 60 percent of the respondents have between 1-9 employees, however a fair amount of larger businesses are represented.
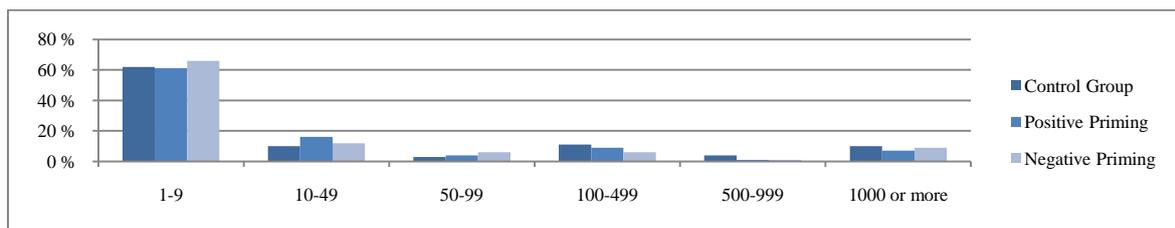
Figure 15 Number of Employees

Figure 16 represents the division between male and females in the study. As expected, men are overly represented.
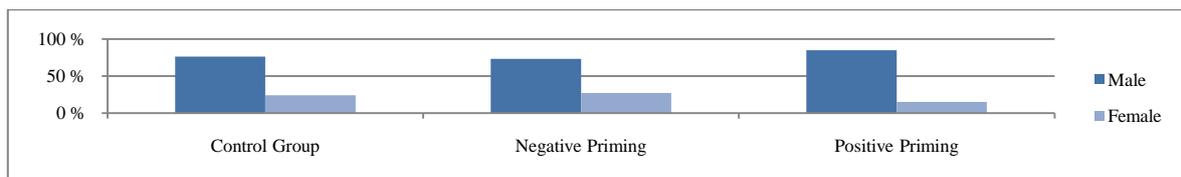
Figure 16 Gender distribution

5.1 Descriptive Statistics

The analysis was initiated by coding missing values, since the numerical and the categorical data were pre-coded by Norstat. Replies representing "don't know" were coded as missing values in order to avoid skewed results. However, the non-response of some specific questions was not coded as missing values, as it provided valuable insight for the research. Furthermore, the data was checked for errors such as illegitimate codes. Various items were relabeled to simplify the interpretation of the analysis and the results of the descriptive test are reported in table 3.

Table 3: Descriptive Statistics

	N	Min	Max	Mean	Std. D	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
CSR_Community_1	195	1	5	3.96	1.121	-1.051	.174	.481	.346
CSR_Community_2	194	1	5	3.10	1.398	-.084	.175	-1.314	.347
CSR_Diversity_1	190	1	5	2.99	1.291	-.080	.176	-1.015	.351
CSR_Diversity_2	193	1	5	3.94	1.261	-1.079	.175	.126	.348
CSR_Employees_1	193	1	5	3.72	1.313	-.726	.175	-.644	.348
CSR_Employees_2	189	1	5	3.76	1.205	-.738	.177	-.293	.352
CSR_Employees_3	193	1	5	3.89	1.171	-.856	.175	-.051	.348
CSR_Environment_1	196	1	5	3.59	1.264	-.628	.174	-.612	.346
CSR_Environment_2	194	1	5	3.64	1.359	-.684	.175	-.752	.347
CSR_NonUSOperations_1	160	1	5	3.39	1.458	-.428	.192	-1.151	.381
CSR_NonUsOperations_2	179	1	5	3.83	1.261	-.870	.182	-.268	.361
CSR_Product_1	182	1	5	4.14	1.128	-1.243	.180	.817	.358
CSR_Product_2	161	1	5	3.88	1.117	-.788	.191	.053	.380
CSR_Corporate Goverernance_1	183	1	5	3.68	1.355	-.683	.180	-.763	.357
CSR_Corporate Goverenance_2	192	1	5	3.86	1.235	-.876	.175	-.172	.349
SCM_Detection_1	189	1	5	3.02	1.238	-.075	.177	-.853	.352
SCM_Detection_2	190	1	5	2.88	1.238	.019	.176	-.906	.351
SCM_Prevention_1	193	1	5	3.68	1.127	-.676	.175	-.157	.348
SCM_Prevention_2	194	1	5	3.56	1.101	-.383	.175	-.628	.347
SCM_Containment_1	188	1	5	3.82	.997	-.415	.177	-.610	.353
SCM_Containment_2	155	1	5	3.57	1.013	-.053	.195	-.780	.387
SCM_Containment_3	186	1	5	3.90	1.006	-.599	.178	-.429	.355
SCM_Recovery_1	159	1	5	3.46	1.054	-.482	.192	-.128	.383
SCM_Recovery_2	158	1	5	3.44	1.043	-.273	.193	-.312	.384
SCM_Recovery_3	154	1	5	3.54	1.042	-.315	.195	-.156	.389
SCM_Recovery_4	154	1	5	3.60	1.057	-.362	.195	-.310	.389
SCM_Recovery_5	158	1	5	3.68	1.047	-.514	.193	-.136	.384
SCM_Learning_1	190	1	5	4.19	.975	-1.196	.176	1.052	.351
SCM_Learning_2	185	1	5	4.19	1.044	-1.286	.179	1.122	.355
Valid N (listwise)	97								

The minimum and maximum values indicate that the respondents have utilized the whole Likert scale. The mean statistics provides a value of 3.5 and the standard deviation is within an acceptable range. Skewness and kurtosis was included in order to provide a more detailed presentation of the distribution and its divergence from a normal distribution. Skewness indicates whether the distribution deviates to the right or left side (Preacher and Hayes, 2008). Kurtosis refers to the peakedness or flatness of a distribution in comparison to a normal

distribution (Pallant, 2010, Hair et al., 2006, Hair et al., 2010). Skewness values falling outside the range of - 1 to + 1 indicate a substantially skewed distribution (Saunders et al., 2009). The output has just one skewness value above than + 1 and twenty eight less than – 1, which indicates a clustering of scores on the right hand side if the graph. Furthermore, the output has a large degree of negative kurtosis values. This indicates that the distribution is relatively flat, hence platykurtic (Hair et al., 2010, Pallant, 2010). A descriptive analysis which demonstrates the difference between the respondents gender is displayed in appendix B. The results indicate that the female respondents' answers include more extreme values, whereas the men's answers include less variation as they are more centralized on the Likert scale. Gender differences will be further elaborated in section 5.7.3.

5.2 Theoretical investigation

A FA was performed in order to make sure that the theoretical items loaded on the same factor, to ensure the validity of the developed items. One of the most widely used diagnostic measures for internal consistency is Cronbach's Alpha (α) (Hair et al., 2010). The generally agreed upon lower limit for Cronbach's Alpha is .70, but in exploratory research it may decrease to .60 (Hair et al., 2010, Gripsrud et al., 2007).

Table 4 Factor matrix for each construct in the CSR Framework

Diversity		Employees		Environment		Non-US-Operations		Product		Corporate Governance		Community	
Factor 1		*Factor 1*		*Factor 1*		*Factor 1*		*Factor 1*		*Factor 1*		*Factor 1*	
Div.1	.656	Emp.1	.849	Env.1	.827	Non.1	.815	Pro.1	.776	CG.1	.904	Com.1	.719
Div.2	.656	Emp.2	.805	Env.2	.827	Non.2	.815	Pro.2	.776	CG.2	.904	Com2.	.719
		Emp.3	.667										
α = .60		α = .82		α = .81		α = .80		α= .75		α = .89		α = .67	

Table 4 shows that only one factor was extracted in each of the seven categories, which implies that the items loaded as intended on the constructed category. The Cronbach's Alpha coefficient is well above the .70 threshold (Hair et al., 2010), indicating that the CSR framework has a strong convergent validity. The results in table 5 show that the same conclusion can be made for the SCM framework.

Table 5 Factor matrix for each construct in the SCM Framework

Detection		Prevention/Preparation		Containment		Recovery		Learning	
Factor 1		Factor 1		Factor 1		Factor1		Factor 1	
SCM_DET2	.879	SCM_PP1	.857	SCM_CON1	.929	SCM_REC3	.939	SCM_LEA1	.843
SCM_DET1	.879	SCM_PP2	.857	SCM_CON3	.816	SCM_REC4	.924	SCM_LEA2	.843
				SCM_CON2	.784	SCM_REC5	.858		
						SCM_REC2	.818		
						SCM_REC1	.787		
α = .87		α = .85		α = .88		α = .93		α = .83	

5.3 Factor Analysis

The suitability of the data for a FA was assessed by taking the sample size into consideration. The sample size (N=206) exceeds Hair et al (Hair et al., 2010, Pallant, 2005, Gripsrud et al., 2007) rule of thumb that the sample size should have 100 or more observations. Next, a correlation matrix was performed to ensure that a strong conceptual foundation existed to perform the FA. The output is shown in table 6. The results satisfies the criteria set by Bryant and Yarnold (2010) that a FA is appropriate where correlations precedes 0.3 percent (1995).

Table 6 Correlation Matrix

		SUM_SCM Detection	SUM_SCM P&P	SUM_SCM Containment	SUM_SCM Recovery	SUM_SCM Learning
SUM_CSR Community	*PearsonCorrelation*	.401**	.557**	.446**	.517**	.464**
	Sig. (2-tailed)	,000	,000	,000	,000	,000
	N	183	187	150	137	177
SUM_CSR Divecity	*PearsonCorrelation*	.600**	.521**	.529**	.579**	.439**
	Sig. (2-tailed)	,000	,000	,000	,000	,000
	N	181	183	149	136	173
SUM_CSR Employees	*PearsonCorrelation*	.538**	.599**	.554**	.620**	.526**
	Sig. (2-tailed)	,000	,000	,000	,000	,000
	N	180	182	148	136	173
SUM_CSR Environment	*PearsonCorrelation*	.616**	.602**	.492**	.591**	.505**
	Sig. (2-tailed)	,000	,000	,000	,000	,000
	N	186	188	150	137	175
SUM_CSR Non-US-Operation	*PearsonCorrelation*	.527**	.481**	.486**	.558**	.510**
	Sig. (2-tailed)	,000	,000	,000	,000	,000
	N	152	153	130	117	144
SUM_CSR Product	*PearsonCorrelation*	.596**	.531**	.512**	.578**	.558**
	Sig. (2-tailed)	,000	,000	,000	,000	,000
	N	152	155	129	118	152
SUM_CSR Corporate Governance	*PearsonCorrelation*	.589**	.650**	.567**	.634**	.487**
	Sig. (2-tailed)	,000	,000	,000	,000	,000
	N	177	181	144	132	171

**. Correlation is significant at the 0.01 level (2-tailed).

In addition, two more statistical tests was employed to determine the appropriateness of a FA; Barlett test of sphericity and Kaiser-Meyer-Olkin (KMO) (Clausen, 2009, Hair et al., 2006). The KMO index for the CSR framework is .946 and this value is well above the recommended minimum value of .60 to run a FA (Hair et al., 2010) (Tabachnick and Fidell, 2007). In addition, Barlett's test of sphericity is significant (p<.000 and df = 105) and indicates that sufficient correlation exist among the variables (Clausen, 2009). The same procedure was employed for the SCM framework, resulting in a KMO index of .904 and the Barlett's test of sphericity came out as significant (p<.000 and df = 91). Based on these measures, both frameworks were assessed suitable to proceed with a FA (Pallant, 2010).

According to Hair et al (2010) the next step is to derive factors and assess the overall fit. In doing so, the method of extracting the factors must be decided. A common FA was chosen for extracting factors in both frameworks. The rationale behind this was due a strong

correlation between the factors. Being that the Oblimin (angled vectors) factor rotation allows correlation between factors, this method was chosen. This is supported by Pallant (2005), who argues that components that are more strongly correlated (e.g. above .30) need to report the Oblimin rotation. Based on the aim to analyze the common variance (i.e. leave out the unique variance) to uncover the structure among the items, a Principal Axis Factoring method was utilized to extract the factors (Hair et al., 2010).

As Tabachnick and Fidell (Neill, 2011) recommends, an explanatory approach was adopted experimenting with different numbers of factors until a satisfactory solution was found.

5.3.1 Theoretical Factor Analysis

5.3.1.1 Data Reduction; CSR Framework
Table 7 shows the total variance explained for the CSR framework.

Table 7 Total Variance Explained for the CSR framework

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*
1	9.18	61.19	61.19	8.84	58.95	58.95
2	1.01	6.70	67.89	.62	4.12	63.06
3	.76	5.09	72.98			

The cumulative percent indicates that of the 15 items captured in the framework, the first two components explain 67.89 percent of the total variance. The two components satisfy the latent root criterion of having eigenvalues (latent root) above 1.0. Thus, all factors with eigenvalues less than 1.0 theoretically is disregarded and considered insignificant (2007). The authors were satisfied with the total variance explained, as the information in social science is less precise and according to Hair et al (Pallant, 2010, Hair et al., 2010); "*it is not uncommon to consider a solution that accounts for 60 percent of the total variance (and in some instances even less) as satisfactory.*"

The Oblimin factor rotation method was applied to interpret the factors. Oblimin is a non-orthogonal factor rotation which is similar to the orthogonal method, but instead of maintaining independence between the rotated factors it allows correlation (2010). The output from the component correlation matrix showed a strong correlation (.767) between the factors. SPSS was programmed to retain communalities above .40 and the output of the rotated factor matrix is shown in table 8.

Table 8 Theoretical Pattern Matrix CSR Framework

	Factor 1	Factor 2
CSR_EMP2	.885	
CSR_EMP3	.851	
CSR_COM1	.815	
CSR_DIV2	.806	
CSR_EMP1	.796	
CSR_CG2	.726	
CSR_ENV2	.680	
CSR_CG1	.679	
CSR_ENV1	.632	
CSR_DIV1	.624	
CSR_COM2	.506	
CSR_NON1		.820
CSR_PRO2		.786
CSR_NON2		.718
CSR_PRO1		.496
Cronbach's Alpha	α = .93	α = .85

The factor loadings were scrutinized for each item by examining the pattern matrix. Component 1 is composed by the original items from the Employee, Community, Diversity, Corporate Governance and Environment categories. The authors have labelled this component as CSR_Umbrella. The rationale behind this is that the only common factor among the items is that they embrace many important aspects of CSR. Component 2 is composed of the original items from the Product and Non-US-Operations categories. The items share a common factor in control, i.e. controlling unethical activities in international subsidiaries, and control to avoid product harm crises. Thus, the authors have labelled this component CSR_Control.

Cronbach's Alpha coefficient was employed to measure the reliability of the two new factors The result show a high reliability of .93 and .85 which indicates adequate convergence or internal consistency and ensures the construct validity (Hair et al., 2006). The result implies that the respondents more or less perceive CSR as one single concept. The theoretical data reduction to only two CSR factors may be seen in relation to the multitude of definitions that exist of the term and the ensuing confusion that this creates (Hair et al., 2010).

5.3.1.2   Data Reduction; SCM Framework
The authors followed the same procedure regarding the SCM framework. The total variance explained is captured in table 9.

Table 9 Total Variance Explained for the SCM framework

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*
1	8.95	63.95	63.95	8.65	61.81	61.81
2	1.17	8.33	72.28	.85	6.07	67.88
3	.88	6.30	78.58			

Two factors have an eigenvalues exceeding 1.0, and explain a total 72.29 percent of the variance in the SCM framework. Once again, the correlations between the factors were quite strong (-.718) and the Oblimin rotation was utilized.

The Principal Axis Rotation is shown in appendix C. The output indicates four significant cross-loadings (Recovery 1, 2 and Containment 1, 3) which were removed. The removal of the four items increased the total variance explained with 1.42 percent, but the pattern remix showed a significant cross-loading, thus learning 1 had to be removed. The procedure was repeated until all cross-loadings were removed, and the new total variance explained without cross-loading is displayed in table 10.

Table 10 Total Variance Explained for the SCM framework theoretically without cross-loadings

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*
1	4.07	67.81	67.81	3.89	64.89	64.89
2	1.19	19.77	87.58	1.0	16.63	81.52
3	.29	4.75	92.32			

Theoretically, a total of 8 items (Prevention/Preparation 1, 2, Containment 1, 3, Recovery 1, 2, and Learning 1, 2) had to be removed in order to avoid significant cross-loadings. This increased the total variance explained from 72.28 percent to 87.58 percent.

Table 11 Theoretical Pattern Matrix SCM Framework

Roated Pattern Matrix	Factor 1	Factor 2
SCM_REC4	.988	
SCM_REC3	.948	
SCM_REC5	.904	
SCM_CON2	.749	
SCM_DET1		.929
SCM_DET2		.843
Cronbach's Alpha (α)	α = .94	α = .87

The factor loadings were scrutinized for each item according to the pattern matrix. Table 11 revealed high loadings on two components; Recovery/Containment and Detection. The pattern matrix revealed that the respondents perceived stage three and four of the SCM model as one single component; "Containment/Recovery", which is comprised in component 1 in the pattern matrix. When scrutinizing the items, the authors discovered that time needed to get back to business with regards to trust and reputation was a common denominator between the components. As for the CSR framework, the reliability of the factors produced by the rotation was measured and the output is displayed in the table 11. Both factors have Cronbach's Alpha coefficients' well above the recommended threshold recommended by a plural of researcher for the test of scale reliability (Tombs and Smith, 1995).

5.3.1.3   *Computing The Theoretical Constructs*
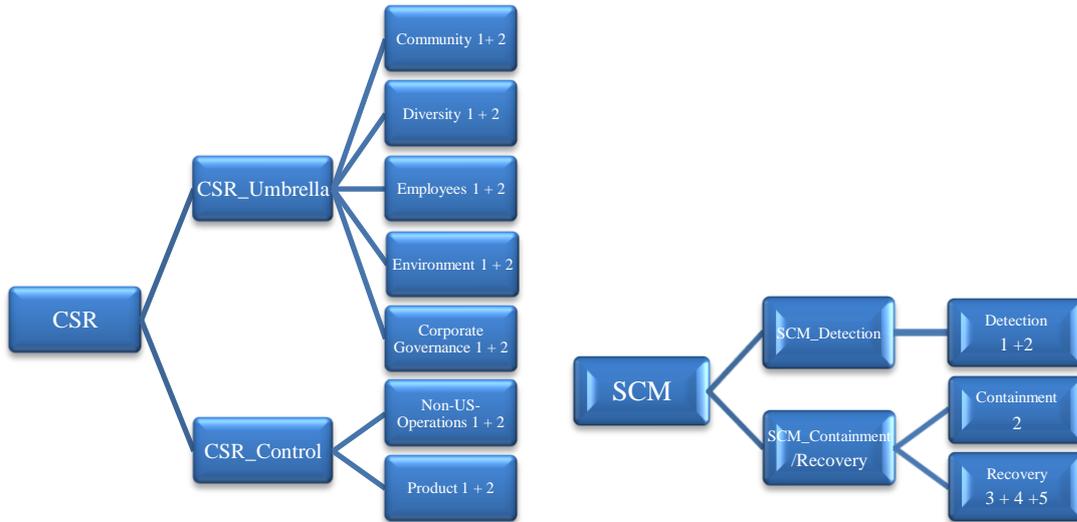
Figure 17 Construct overview CSR and SCM

The results from the previous chapters can be summarized in figure 17. The 10 items under CSR_Umbrella construct were all implemented in the target variable; SUMFactorCSRUmbrella. The items under the CSR_Control construct were summarized in the target variable SUMFactorCSRControl. After computing the two constructs of CSR, they were implemented in the target variable SUMFactorCSR. The same procedure was employed for the SCM framework. Firstly, both items under SCM_Detection were summarized in the target variable SUM_SCM_SignalDetection. Secondly, containment 2 and Recovery 3 + 4 + 5 were captured in the target variable SUMFactorContainment/Recovery. Finally, after computing the different constructs of SCM they were implemented in the target variable SUMFactorSCM_t. A correlation matrix was performed prior to the hypotheses testing.

Table 12 Correlation Matrix for the Theoretical Construct

		SUMFactor ContainmentRecovery	**SUM_SCM_ SignalDetection**	**SUMFactor CSRUmbrella**	**SUMFactor CSRControl**
SUMFactor Containment Recovery	*PearsonCorrelation*	1	.478**	.551**	.538**
	Sig. (2-tailed)		.000	.000	.000
	N	142	140	131	109
SUM_SCM_ SignalDetection	*PearsonCorrelation*	.478**	1	.645**	.606**
	Sig. (2-tailed)	.000		.000	.000
	N	140	188	166	134
SUMFactor CSRUmbrella	*PearsonCorrelation*	.551**	.645**	1	.774**
	Sig. (2-tailed)	.000	.000		.000
	N	131	166	167	126
SUMFactor CSRControl	*PearsonCorrelation*	.538**	.606**	.774**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	109	134	126	137

**. Correlation is significant at the 0.01 level (2-tailed).

The output reveals a significant correlation at the .01 level between the various constructs. The correlations indicates absence of multicollinearity being that none of the correlations have values above the critical level of .90 (Gripsrud et al., 2007, Pallant, 2010, Hair et al., 2006). The levels of correlations are between .48 and .77 which is satisfactory, because some degree of multicollinearity is desirable since the objective is to identify interrelated sets of variables (Hair et al., 2006, Saunders et al., 2009).

5.3.1.4   Theoretical Residual Statistics

Control for outliers was the last test employed before the hypotheses were tested. *"Outliers are observations with a unique combination of characteristics identifiable as distinctly different from the other observation"* (Hair et al., 2006). Appendix D reports the theoretical residual statistics and the outliers for each construct from the FA. Standard residual for all constructs lie within the recommended range of – 4 and 4 (Hair et al., 2010:73).

5.3.2   Empirical Factor Analysis

5.3.2.1   Data Reduction: CSR Framework

Initially, the latent root criterion was applied as a guideline for extracting factors. The results were identical to those found in the theoretical data reduction. The authors found it necessary to compare the theoretical, conceptual foundation (how many factors should be in the structure) with the empirical evidence (how many factors can be reasonably supported). When deciding on the number of factors to retain the authors based the decision on Hair et al (Hair et al., 2006) rule of thumb that: "*one can retain a predetermined number of factors based on prior research*". In addition, one can retain: *"enough factors to meet a specified percentage of variance explained, usually 60 % or higher."* Since the SOCRATES framework contained seven factors, the a priori criterion was applied in order to obtain as many factors as possible. The authors did not obtain seven factors from the FA according to Hair et al. (2010) rule of thumb. Due to the exploratory nature of the study, Hair et al (2006) recommendation was applied to retained factors with eigenvalues above .60. Applying this criterion five factors with eigenvalues exceeding .60 was retained. These five factors explain a total of 81.72 percent of the total variance in the CSR framework. The authors find the result adequate as it is close to the original seven components in the SOCRATES framework. The Oblimin rotation was assessed as an adequate rotation method, and was run on the CSR framework. The output indicated that three items cross-loaded; Environment 1 + 2, and Diversity 2, hence were removed. The result of the without cross-loadings is shown in table 13.

Table 13 Empirical Pattern Matrix CSR Framework

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
CSR_CG2	.812				
CSR_CG1	.738				
CSR_COM1	.718				
CSR_COM2	.596				
CSR_EMP2	.512				
CSR_PRO2		.781			
CSR_PRO1		.688			
CSR_NON1			-.591		
CSR_NON2			-.495		
CSR_DIV1				.768	
CSR_EMP1					-.497
CSR_EMP3					-.452
Cronbach's Alpha (α)	α = .86	α = .75	α = .80		α = .73

The pattern matrix in table 13 revealed high loadings on five significant factors; (1) Corporate Governance 1 + 2, Community 1 + 2, Employee 2, (2) Product 1 + 2, (3) Non-US-Operations 1 + 2, (4) Diversity 1, and (5) Employee 1 + 3. When scrutinizing the items related to factor (1), it was discovered that organizational CSR strategy issues were a common denominator between the components. Thus it is natural for the items to load on the same component. The factors were relabelled (1) as CSRFactorStrategy. The rest of the factors were grouped naturally according to the theoretical framework, thus in the proceedings the pattern matrix output will be discussed in a chronological order according to the Socrates framework. "Diversity" comprise of component 4, thus the original labelling was kept; CSRFactorDiversity. Employee is comprised in component 5, and reflects the authors' expectations of the importance of having good employee relations, thus the original labelling was kept, CSRFactorEmployee. Component 3 comprises international operations (Non-US Operations), and the original labelling was kept, CSRFactorNon-US Operations. Finally, factor 2 comprise of both of the original items which were assessed to fit into this category, thus the original labelling, CSRFactorProduct was kept.

Table 14 shows that the total variance explained for the SCM framework increased from 83.5 percent to 88.4 percent when the items that cross loaded were removed.

Table 14: Total Variance Explained for the CSR framework without cross-loadings Empirical

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*
1	7.11	59.28	59.28	6.86	57.13	57.16
2	.99	8.22	67.50	.69	5.78	62.94
3	.77	6.42	73.92	.42	3.47	66.40
4	.67	5.58	79.50	.34	2.86	69.27
5	.61	5.12	84.62	.252	2.10	71.37
6	.42	3.48	88.10			

As for the theoretical investigation of the framework, the reliability of the components produced by the rotation was controlled and the output is displayed in the table 13. All factors have Cronbach Alpha coefficients' above the threshold (2010).

5.3.2.2 Data Reduction; SCM Framework

The authors followed the same procedure regarding the SCM framework. The total variance explained is displayed in table 15.

Table 15 Total Variance Explained for the SCM framework Empirical

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*
1	8.95	63.95	63.95	8.65	61.81	61.81
2	1.17	8.33	72.28	.85	6.07	67.88
3	.88	6.30	78.58			
4	.70	4.98	83.56			
5	.56	4.01	87.58			
6	.34	2.45	90.02			

Initially, the latent root criterion technique was employed for extracting factors. Table 15 shows that two factors have eigenvalues exceeding 1.0 and explain 72.28 percent of the total variance. However, it was assessed necessary to compare the theoretical conceptual foundation with the empirical evidence. When deciding on the number of factors to retain, the decision was based on Hair et al (Gripsrud et al., 2007, Pallant, 2010, Hair et al., 2006) rule of thumb that: "*one can retain a predetermined number of factors based on prior research*". In addition, one can retain: *"enough factors to meet a specified percentage of variance explained, usually 60 % or higher."* Since the SCM model contained five factors, the a priori criterion was applied in order to obtain as many factors as possible. Five factors were not obtained from the FA according to Hair et al. (2010) rule of thumb. Therefore, due to the exploratory nature of the study, Hair et al (2006) recommendation to retained factors with eigenvalues above .60 was applied. Applying these criterions, four factors showed eigenvalues exceeding .60, and explain a total of 83.56 percent of the variance in the SCM framework. The authors find the result adequate as it is close to the original SCM model. The Oblimin rotation was assessed as an adequate method, due to the relative strong correlation (-.718) between the factors. When the Oblimin rotation was run, the output showed that four items significantly cross-loaded, thus Containment 1 + 3, and Recovery 1 + 2 were removed. The output without cross-larding is shown in table 16.

Table 16 Empirical Pattern Matrix SCM without Cross Loadings

Pattern Matrix	Factor 1	Factor 2	FActor 3	Factor 4
SCM_RECOVERY4	.967			
SCM_RECOVERY5	.941			
SCM_RECOVERY3	.930			
SCM_CONTAINMENT2	.777			
SCM_DETECTION2		.940		
SCM_DETECTION1		.923		
SCM_LEARNING2			-.972	
SCM_LEARNING1			-.759	
SCM_PREVENTION/PREPARATION1				-.940
SCM_PREVENTION/PREPARATION2				-.871
Cronbach's Alpha	α = .94	α = .87	α = .83	α = .85

The pattern matrix in table 16 revealed high loadings on four significant components; Recovery/Containment, Detection, Learning and Preparation/Prevention. The items were grouped naturally according to the theoretical framework, thus in the proceedings the pattern matrix output will be discussed in a chronological order according to the SCM model. "Detection" stage comprise of component 2. The grouping of these items was expected as they all regard the identification of potential crises. "Prevention/Preparation" is comprised in component 4. The component reflects the authors' expectations of the importance of a good overview in crisis situations. The respondents perceive the next two stages of the SCM model as one single component; "Containment/Recovery", which is comprised in component 1. When scrutinizing the items, it was discovered that time needed to get back to business with regards to trust and reputation was a common denominator between the components. Finally, component 3 comprises the last stage of the SCM model; learning. The authors have labelled the component according to the original framework: Detection, Prevention/Preparation, Containment/Recovery and Learning. All four components have Cronbach's Alpha coefficients' well above the recommended threshold of .70.

Table 17 Total Variance Explained for the SCM Framework without Cross-Loadings

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.21	62.06	62.06	6.21	62.06	62.06
2	1.22	12.20	74.26	1.22	12.20	74.26
3	.87	8.67	82.93	.87	8.67	82.93
4	.54	5.43	88.36	.54	5.43	88.36

Table 17 shows that the total variance explained for the SCM framework increased from 83.5 percent to 88.36 percent, when the items that cross loaded were removed. It is interesting to note that in the empirical approach, utilizing the a priori criterion and extracting factors with eigenvalues above .60, the total variance explained increased with approximately one percent.

5.3.2.3   *Computing the Empirical Constructs*

The results from the previous chapters can be summarized in the figure 18.
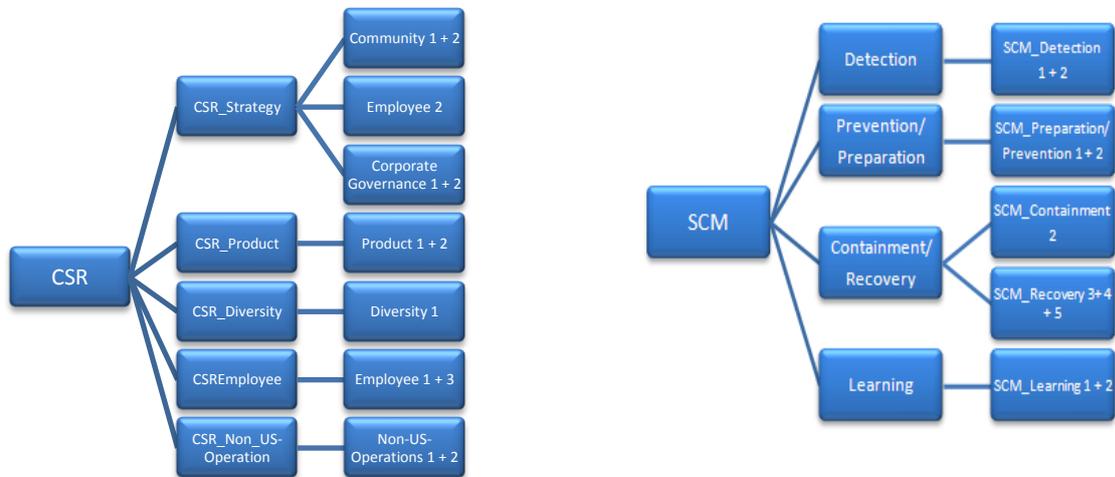
Figure 18 Construct Overview Empirical CSR and SCM

The 5 items under CSRStrategy construct were all implemented in the target variable; CSRFactor_S. The items under the CSR_Product construct were summarized in the target variable; CSRFactor_P. Next, the items in the CSR_Diversity construct were implemented in the target variable; CSRFactor_D. The items related to CSR_Employee and CSR_Non-US-Operations were summarized in correspondingly CSRFactor_E and CSRFactor_N. After computing the five constructs of CSR, they were implemented in the target variable; SUMFactorCSR_E.

The same procedure was employed for the SCM framework. Firstly, both items under SCM_Detection were summarized in the target variable; FactorSCM_D. Secondly, both items under SCM_Preparation/Prevention were implemented in the target variable; FactorSCM_PP. Thirdly, containment 2 and Recovery 3 + 4 + 5 were captured in the target variable; FactorSCM_CR. Finally, both items under the construct SCM_Learning were summarized in the target variable FactorSCM_L. After computing the different constructs of SCM they were implemented in the target variable SUMFactorSCM_E.

A correlation matrix was outlined, before testing the hypotheses. The correlation matrix for all the empirical constructs of both frameworks appears in table 18.

Table 18 Correlation Matrix of the Empirical Construct

Correlations		CSR Factor_S	CSR Factor_P	CSR Factor_N	CSR Factor_E	CSR Factor_D	Factor SCM_D	Factor SCM_PP	Factor SCM_CR	Factor SCM_L
CSR Factor_S	*PearsonCorrelation*	1	.627**	.689**	.722**	.488**	.554**	.703**	.555**	.569**
	Sig. (2-tail)		,000	,000	,000	,000	,000	,000	,000	,000
	N	174	147	144	171	171	170	174	134	166
CSR Factor_P	*PearsonCorrelation*	.627**	1	.664**	.524**	.406**	.596**	.531**	.467**	.558**
	Sig. (2-tail)	,000		,000	,000	,000	,000	,000	,000	,000
	N	147	159	137	153	152	152	155	123	152
CSR Factor_N	*PearsonCorrelation*	.689**	.664**	1	.657**	.488**	.527**	.481**	.482**	.510**
	Sig. (2-tail)	,000	,000		,000	,000	,000	,000	,000	,000
	N	144	137	155	150	150	152	153	120	144
CSR Factor_E	*PearsonCorrelation*	.722**	.524**	.657**	1	.463**	.531**	.539**	.447**	.458**
	Sig. (2-tail)	,000	,000	,000		,000	,000	,000	,000	,000
	N	171	153	150	191	186	183	185	139	175
CSR Factor_D	*PearsonCorrelation*	.488**	.406**	.488**	.463**	1	.559**	.304**	.310**	.287**
	Sig. (2-tail)	,000	,000	,000	,000		,000	,000	,000	,000
	N	171	152	150	186	190	183	185	140	175
Factor SCM_D	*PearsonCorrelation*	.554**	.596**	.527**	.531**	.559**	1	.571**	.478**	.491**
	Sig. (2-tail)	,000	,000	,000	,000	,000		,000	,000	,000
	N	170	152	152	183	183	188	186	140	173
Factor SCM_PP	*PearsonCorrelation*	.703**	.531**	.481**	.539**	.304**	.571**	1	.631**	.626**
	Sig. (2-tail)	,000	,000	,000	,000	,000	,000		,000	,000
	N	174	155	153	185	185	186	192	141	178
Factor SCM_CR	*PearsonCorrelation*	.555**	.467**	.482**	.447**	.310**	.478**	.631**	1	.626**
	Sig. (2-tail)	,000	,000	,000	,000	,000	,000	,000		,000
	N	134	123	120	139	140	140	141	142	138
Factor SCM_L	*PearsonCorrelation*	.569**	.558**	.510**	.458**	.287**	.491**	.626**	.626**	1
	Sig. (2-tail)	,000	,000	,000	,000	,000	,000	,000	,000	
	N	166	152	144	175	175	173	178	138	181

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation matrix output reveals a significant correlation at the .01 level. Furthermore the correlations indicates absence of multicollinearity being that none of the correlations have values above the critical level of .90 (2010). The levels of correlations are satisfactory.

5.3.2.4 *Empirical Residual Statistics*

Control for outliers was the last test employed before testing the hypotheses. Appendix E reports the empirical residual statistics and the outliers for each construct from the FA. Standard residual for all constructs lie within the recommended range of – 4 and 4 (Hair et al., 2006, Saunders et al., 2009).

5.4 Empirical Testing of the Primary Hypotheses

The following part of the data analysis concerns empirical testing of the hypothesis in the primary research utilizing multiple regression. A regression will be performed where the (4) empirical SCM factors (retained from the FA) will be utilized as a set of dependent variables and SUMFactorCSR was the independent variable. The authors will report according to the standards from the American Psychological Association (APA) (Hair et al., 2006).

Table 19 Summary Empirical Testing of the Hypotheses

Hypotheses	ΔR^2	t	B	SE B	β
H_1	.49	11.00	.81	.07	.70 ***
H_2	.58	12.95	.81	.06	.76 ***
$H_{3/4}$	.40	8.35	.65	.08	.64 ***
H_5	.39	8.81	.63	.07	.63 ***
H_6	.62	12.72	.73	.06	.79 ***

*Note; *** p<.001, Δ R2: Adjusted R Square, t: T-value of t-test, B: Unstandardized Coefficient Standard error Beta, SE B: Unstandardized Coefficient Beta, β: Standardized Coefficient Beta.*

H_1: CSR has a positive effect on organizations ability to detect crises.

The regression demonstrates that H_1 cannot be rejected, because the results are significant (t=11.00, p<.000). The adjusted R Square indicates that CSR explains 49 percent of the variation.

H_2: CSR has a positive effect on organizations prevent and prepare for crises.

The regression clearly displays that H_2 cannot be rejected, because the results are statistically significant (t=12.95, p<.000). The adjusted R Square indicates that CSR explains 58 percent of the variation.

The FA suggested that stage three and four "Containment" and "Recovery" of the SCM model are perceived as one factor by the respondents. Therefore, adjustments had to be made when testing the third and fourth hypothesis. Thus, the two constructs with their additional hypothesis were combined into one hypothesis; $H_{3/4}$.

$H_{3/4}$: CSR has a positive effect on organizations ability to contain and recover from crises.

The regression clearly displays that $H_{3/4}$ cannot be rejected, because the results are statistically significant (t=8,35, p<.000). The adjusted R Square indicates that CSR explains 40 percent of the variation.

H_5: CSR has a positive effect on organizations ability to learn from crises

The regression clearly displays that H_5 cannot be rejected, because the results are statistically significant (t=8.81, p<.000). The adjusted R Square indicates that CSR explains 39 percent of the variation.

As an imperative to the hypotheses and the discussion, a final test was run on the two target variables SUM_Factor_SCM (as the dependent variable) and SUM_Factor_CSR (as the independent variable) against each other.

H_6: CSR has a positive effect on organizations SCM.

The results confirmed the authors underlying assumption that CSR has a significant and positive effect on an organization's SCM. In Table 19, it is evident that the effect is both statistically significant (t=12.72, p>.000). The adjusted R Square is 62 percent.

Since the total variance explained increased for both frameworks in the empirical FA investigation, the authors utilized these results in the remaining parts of the study. Moreover, when comparing the results between the empirical and theoretical hypothesis testing (appendix F) it was evident that the empirical approach generated a higher adjusted R square which supports the former decision to exclude the theoretical approach.

Based on the unexpected findings from the FA where the containment and recovery stage were perceived as one stage by the respondents, the main research model was reassessed. Thus, the original SCM model with five stages had to be re-examined. The final research model is therefore adjusted in alignment to the empirical findings in the study and is displayed in figure 19.
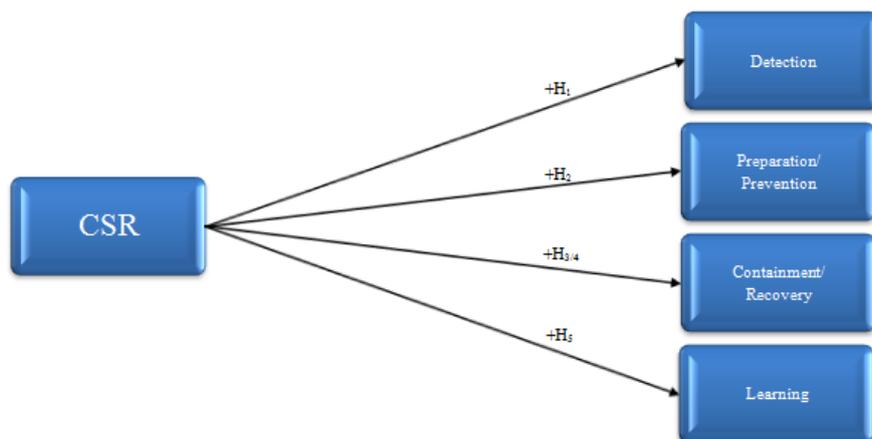
Figure 19 The Final Primary Research Model

5.5 Secondary Research

This section will outline the results of the A-Meieriet case. The complete case text is displayed in appendix A. A univariate analysis of variance (ANOVA) was performed in order to evaluate whether there were significant differences between the groups (control, negative – and positive priming).

5.5.1 Hypothesis Testing

H7: Effective SCM reduces assignment of blame

To measure whether SCM has an effect on blame, a univariate analysis was performed. The result (m = 3.41, Std.Dev = 1.19, df = 4, F = 9.94, p<.000) confirms H7. A simple linear regression was run to further investigate the relationship. The output (ΔR^2 = .17, t = 6.13, F = 37.52, B = .48, SE.B = .08, β = .41) confirms H7, that effective SCM reduces stakeholders' assignment of blame by increasing trust in the organization.

H8: A positive CSR reputation moderates the relationship between SCM and assignment of blame. In order to assess H8, a regression with interactions effects were performed, where the independent variable consisted of SCM and CSR.

Table 20 Regression with Interaction Effects

Linear Regression	ΔR^2	t	F	B	SE B	β
Positive Priming	.11	2.6	6.73	.18	.07	.35 **
Negative Priming	- .00	.96	.93	.23	.24	.19

Note: *** p<.001, ** p<.01, Δ R2: Adjusted R Square, t: T-value of t-test, F: F-value of F-test, B: Unstandardized Coefficient Standard error Beta, SE B: Unstandardized Coefficient Beta, β: Standardized Coefficient Beta.

The result for the positive CSR condition is significant, hence H8 is accepted. In the negative CSR condition the result is not significant.

H9: A positive CSR reputation reduces assignment of assignment blame.

A univariate analysis was performed, and the Scheffe values may be viewed in appendix G.

Table 21 Univariate Analysis Total Effects of CSR on Blame

Ind. Var: CSR, Dep.Var: Q60	Mean	Std. Dev.
Control Group	3.84	.83
Negative priming	2.51	1.27
Positive priming	2.75	.97

Note: Q: Question numer.

Table 21 indicates that the positive priming group attributes more trust, thus reduced blame to A-Meieriet compared to the negative priming group, m(P) = 2.75 while m(N) = 2.51. However, the control group attributes more trust, thus reduced blame m(C) = 3.84 compared to the positive priming group. The results indicate that significant (p=.000) differences

between the control and the negative priming group, as well as between the negative and positive priming group (p=.000). Test of the total effects (c) show that the locus, stability and controllability significantly enhance the effect CSR has on blame. The significant results indicate that positive CSR reputation reduces blame, thus H_9 must be accepted.

$H_{10a)}$: *A positive CSR reputation will cause the locus of the crisis to be perceived as external rather than internal.*

$H_{10b)}$: *A positive CSR reputation will cause the crisis event to be perceived as temporary rather than stable.*

$H_{10c)}$: *A positive CSR reputation will cause the crisis event will be perceived as controllable rather than uncontrollable.*

Table 22 summarizes the descriptive statistics from the univariate analysis of whether CSR affects the attribution process. The Post hoc and Scheffe can be viewed in appendix G.

Table 22 Descriptive Statistics Univariate Analysis

Descriptive Statistics	Q53 Locus 1		Q54 Locus 2		Q55 Locus 3		Q56 Stability	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Control group	59.51	23.915	29.41	18.461	11.40	11.637	4.63	2.619
Negative priming	71.64	23.150	20.88	16.710	7.48	10.700	5.98	2.554
Positive priming	59.40	24.256	28.60	17.472	12.00	13.609	5.31	2.500

	Q57 Controllability	
	Mean	Std. Dev.
Control group	6.63	2.195
Negative priming	5.40	2.570
Positive priming	6.65	2.259

Note: Q: Question number

Table 22 indicate that the positive priming group attribute less responsibility to A-Meieriet than subjects in the negative priming condition, as depicted by the authors (m(P)= 59.4 while m(N)= 71.64). Appendix G reveals a significance (p=.012) between the control group and the negative priming group, and (p=.013) between the negative and positive priming group. The positive priming group assigns a larger extent of responsibility to the supplier than the negative priming group, (m(P) = 28.6 while m(N) = 20.88). This is significant (p=.019) between the control and the negative priming group as well as (p=.042) between the negative and positive priming group. The results also indicate that the positive priming group assign a larger extent of responsibility to the customer, than the negative priming group, (m(P) = 12.0 while m(N) = 7.48). However, the results are not significant. Based on these findings, the positive priming group perceive the locus of the crisis to be more external compared to the negative priming group who perceive the locus to be more internal. Thus, $H_{10a)}$ is accepted.

Respondents in the positive priming group perceive the product harm crisis to more temporary than those in the negative priming condition (and the control group), m(P) = 5.31 while m(N) = 5.98). The results are only significant (p=.014) between the control and the negative priming group. Consequently, $H_{10b)}$ is rejected.

The positive priming condition assigns a higher degree of controllability of A-Meieriet to prevent similar types of crises from occurring in the future than the negative priming group, and a greater amount of controllability within the crisis compared to the negative priming subjects, as shown by m(P) = 6.65 while m(N) = 5.40). The results are significant (p=.013) among the positive and negative priming conditions, and (p=.015) between the control and the negative priming group. Therefore, $H_{10c)}$ is accepted.

5.5.2 Bootstrap Indirect Effects & Simple Mediation

$H_{11a)}$: *Locus mediates the relationship between CSR and assignment of blame.*

$H_{11b)}$: *Stability mediates the relationship between CSR and assignment of blame.*

$H_{11c)}$: *Control mediates the relationship between CSR and assignment of blame.*

The syntax macro equation may be viewed in appendix I.

Table 23 Simple Mediation Effects Results (Preacher & Hayes, 2008)

	Coeff. a	Coeff. b	Coeff. c	Coeff. c`
Locus₁	-13.80*	-.01*	1.25***	1.08***
Locus₂	9.51*	.01	1.25***	1.14***
Locus₃	4.29	.02*	1.25***	1.15***
Stability	-.77	-.03	1.20***	1.17***
Controllability	1.32***	.01	1.24***	1.22***

Note: Coeff: Coefficient, *** p<.001,** p<..01, * p>0.5

The simple mediation (INDIRECT) macro for SPSS indicates that $Locus_1$ mediates the effect of CSR on blame (Field, 2009), which is illustrated in figure 20. A-Meieriets responsibility within the PHC mediates the relationship between CSR and blame.
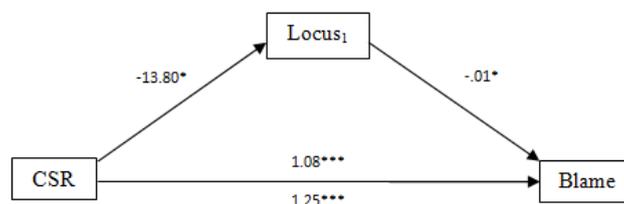
*** p<.001, ** p<.01, * P<.05

Figure 20 Simple Mediation – Impact of CSR on Locus1 via Blame

The results indicate however, that $Locus_2$ and $Locus_3$ do not represent mediators between CSR and assignment of blame. Thus, locus may not be viewed as a mediator between CSR

and blame. Stability and Controllability have no mediation effects on the relationship between CSR and blame.

Table 24 Bootstrap Indirect Effects A-Meieriet

	Data	SE	LL95% CI	UL95%CI
Locus$_1$	.16	.08	.04	.36
Locus$_2$	.10	.06	.01	.27
Locus$_3$	.10	.06	.01	.26
Stability	.02	.05	-.03	.17
Controllability	.01	.07	-.11	.19

Note: SE: Standard Error, LL: Lower Level, CI: Confidence Interval, UL: Upper level.

The bootstrap analysis showed that there was a significant indirect effect of Locus$_{2 \& 3}$ on attribution of blame, as indicated by the exclusion of zero in the bootstrapped confidence interval (Locus$_2$: 95% CI = {.01, .27, Locus$_3$: 95 % CI= {.01, .26}). The standardized indirect effect is significantly different from zero at the .001 level (p=.001). The bootstrap further demonstrates that H$_{11b \& c}$ includes zero in the CI (Stability: 95 % CI = {-.03, .17} and controllability {-.11, .19}). For stability, the path of c and c` is significant, but not path a and b. Whereas for controllability c and c` is also significant, and path a and b is not significant. Thus, H$_{11a, b \& c}$ must be rejected (though Locus$_1$ did represent a mediator, because the other constituents of locus did not). Note in figure 21 that Locus$_{2 \& 3}$ is rejected as mediators, thus H$_{11a}$ is only partially accepted. However, Locus is considered to represent an indirect effect.
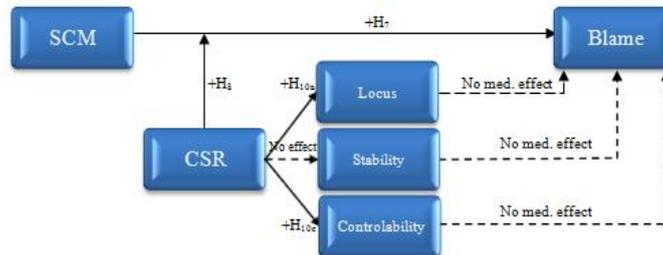
Figure 21 Revised Secondary Research Model from Bootstrap Mediating Analysis

5.6 Summary of Primary and Secondary Hypotheses Testing

Table 25 Summary of Hypotheses Testing Primary & Secondary Research

Hypotheses	Accepted
H$_1$	Yes
H$_2$	Yes
H$_{3/4}$	Yes
H$_5$	Yes
H$_6$	Yes
H$_7$	Yes
H$_8$	Yes
H$_9$	Yes
H$_{10a)}$	Yes
H$_{10b)}$	No
H$_{10c)}$	Yes
H$_{11a)}$	No (Indirect Effect)
H$_{11b)}$	No (Indirect Effect)
H$_{11c)}$	No (Indirect Effect)

All hypotheses evaluated at the 95 % level.

5.7 General Commercial Findings in the Primary Study

The following section comprises the commercial findings from the study by analyzing the general items regarding CSR and SCM. The authors developed these items in order to follow up general knowledge within the two disciplines from previous research. Firstly, the main results from the general CSR questions will be presented, and thereafter the results from the general SCM questions will be highlighted.

5.7.1 General Commercial Findings CSR

Table 26 Commercial Findings General CSR items

	CSR_Gen Q9		CSR_Gen Q10		CSR_Gen Q11		CSR_Gen Q12		CSR_Gen Q13	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
1	0	0	12	5.8	5	2.4	2	1.0	11	5.3
2	5	2.4	11	5.3	12	5.8	1	0.5	11	5.3
3	25	12.1	51	24.8	44	21.4	33	16.0	40	19.4
4	64	31.1	61	29.6	73	35.4	89	43.2	60	29.1
5	99	48.1	57	27.7	52	25.2	61	29.6	70	34.0
Total	193	93.7	192	93.2	186	90.3	186	90.3	192	93.2
Do not know	13	6.3	14	6.8	20	9.7	20	9.7	14	6.8
Total	206	100.0	206	100.0	206	100.0	206	100.0	206	100.0

Note: Q: Question number, Freq: Frequency,

The results above show that 79.2 percent (strongly agree/agree) that CSR has a positive effect on corporate reputation (Q9). Moreover, the results indicate that 57.3 percent (strongly agree/agree) that CSR represents a competitive advantage, (Q10).When asked about their personal opinions if CSR has a positive effect on SCM, 60.6 percent (strongly agree/agree) (Q11). The results indicate that 72.8 percent strongly agree/agree) that their organization has a positive corporate reputation. (Q12). Approximately 63.1 percent (strongly agree/agree) that it is important for the organizations to invest in CSR (Q13).

Table 27: CSR Standards employed by the Respondents companies

Range	Standard	Mean	Std. Dev	Percent
1	No stadard	0.48	0.50	48.1 %
2	ISO	0.36	0.48	36.4
3	Miljøfyrtårnet	0.11	0.32	11.2 %
4	Others	0.09	0.29	9.2 %
5	OECD	0.03	0.17	2.9 %
6	Kyoto	0.03	0.17	2.9 %
7	CERES	0.03	0.15	2.4 %
8	UN Global Compact	0.02	0.15	2.4 %
9	IFA 26000	0	0.01	0.5 %
10	UN Global Index	0	0	0 %

Very few organizations follow CSR standards (Q14). ISO represents the most frequent used standard, while a mean of 0.48 reveal that they do not follow any of the mentioned CSR

standards. The most recognized CSR standard, UN Global Compact, is not widely used as the mean is .002. Be aware range 9 and 10 in table 27 are fictional standards.

Table 28 CSR responsible within the organization

Category	Frefquency	Valid Percent
CSR Department	9	4.4
Head of CSR	13	6.3
Communication Representative	15	7.3
General Manager	152	73.8
Other	6	2.9
None	21	10.2
Do not know	17	8.3

Table 28 shows that the general manager is responsible for managing CSR issues in most of the respondents' organizations. Moreover, 10.2 percent of the respondents have no individuals within the organization who is assigned to address CSR issues. In addition, 8.3 percent of the leaders do not know who handles CSR matters within their organization.

Table 29 The Prioritization Ranking of Stakeholders

Factor	Mean	Std. Dev
Environment	3.37	1.31
Employees	2.32	1.09
Owners	3.25	1.48
Local Community	3.91	1.14
Customers/Clients	2.13	1.2

The respondents ranked the stakeholder prioritization (Q44) on a scale from 1-5, where 1 represented the highest level of priority. The results indicate that customers/clients represented the number one priority of the organizations, and employees secondly. The local community followed by the environment is given the least priority.

5.7.2   General Commercial Findings SCM

Table 30 Commercial Findings SCM

	SCM_Gen Q46		SCM_Gen (Q47)		SCM_Gen Q48		SCM_Gen Q49		SCM_Gen Q50		SCM_Gen Q51		SCM_Gen Q52	
	Freq.	**Valid %**	**Freq.**	**Valid %**	**Freq.**	**Valid %**	**Freq.**	**Valid %**	**Freq.**	**Valid %**	**Freq.**	**Valid %**	**Freq.**	**Valid %**
Yes	96	46.6	63	30.6	89	43.2	58	28.2	64	31	156	75.7	91	44.2
No	35	17.0	132	64.1	102	49.5	141	68.4	105	51.0	19	9.2	85	41.3
Do not know	75	36.4	11	5.3	15	7.3	7	3.4	37	18.0	31	15.0	30	14.16
Total	206	100.0	206	100.0	206	100.0	206	100.0	206	100.0	206	100.0	206	100.0

Note: Q: Question number, Freq.: Frequency

According to the result, 46.6 percent (Q46) of the respondents believe that their SCM procedures are effective, while 36.4 percent of the respondents do not know if their SCM procedures are effective or not. Contradictory to this finding, 64.1 percent (Q47) of the respondents in the survey have not orchestrated a crisis management team (CMT). Furthermore, 49.5 percent (Q48) have not developed a crisis management plans (CMP). Out of the 206 respondents', 28.2 percent (Q49) have experienced one or several crisis the past five years. The percentage of respondents whom does not believe their organization may become involved in a crisis within the next five years represent 51 percent (Q50). When asked if the respondents expect to manage a crisis in a satisfactory manner, 75.5 percent (Q51) of the respondents answered yes. Finally, 44.2 percent (Q52) of the respondents reports that SCM is prioritized in the executive management, and 14.6 percent of the respondents do not know if the top management prioritize SCM in their own organization.

Table 31 The Prioritization of Crises Q45

Range	Q45	Mean	Std. Dev.
1	*Fatal Accidents*	1.75	1.30
2	*Reputational Loss*	2.90	1.32
3	*Loss of Resources*	3.32	1.25
4	*Corruption*	3.45	1.27
5	*Environmental Damage*	3.53	1.14

Note: Q: Question number

According to table 31 expected, loss of human life is the crises the companies fear the most, while environmental damage is faired the least. Reputational loss however, does represent a great threat to organization though it was prioritized secondly.

5.7.3   Comparing Differences between Genders

The authors were interested in whether there were any significant differences in responses between the genders in the survey and ran a one-way ANOVA. The significant differences between the genders may be viewed in appendix J.

Table 32 Comparing Differences between Genders

	ANOVA		Males	Females
Item	**F**	**Sig.**	**Mean**	**Mean**
CSR Enviroment 1(Q21)	5.008	.026	3,48	3,98
CSR Product 1 (Q25)	4.919	.028	4,05	4,5
CSR Product 2 (Q26)	7,29	.008	3,76	4,34
CSR Corporate Governance 2 (Q28)	2,843	.093	3,61	3,95
SCM Containment 3 (Q35)	6,49	.012	3,8	4,26
SCM Recovery 3(Q38)	4,022	.047	3,46	3,89
SCM Recovery 4 (Q39)	3,645	.058	3,53	3,96
SCM Learning 1 (Q41)	3,032	.083	4,13	4,44
SCM Learning 2 (Q42)	3,535	.062	4,12	4,49

Note: Q: Question number

The authors regard $p < .05$ to be significant and table 32 indicates that five out of the 29 items in the two frameworks have significant differences in the replies between genders.

5.8   General Commercial Findings in the Secondary Study:

Inspired by Klein and Dawar's (2004) research where CSR attribution effects the assignments of blame. If a company has a positive CSR reputation, the authors want to investigate whether females will attribute less blame to the company, than men. The low percentage of females in the study (N=42) will influences the analysis, however the authors find this angle of investigation relevant because it may further the understanding of the factors that can shape attributions of crisis responsibility/blame.

Table 33 Interaction Effects between Genders

Q53		Mean	Std. Dev.	N	Q54		Mean	Std. Dev.	N	Q55		Mean	Std. Dev.	N
Control Group	Male	58.18	25.098	55	Control Group	Male	30.43	19.449	54	Control Group	Male	30.43	19.449	54
	Female	63.82	19.648	17		Female	26.18	14.951	17		Female	26.18	14.951	17
Neg. Priming	Male	71.35	23.371	49	Neg. Priming	Male	20.84	16.273	49	Neg. Priming	Male	20.84	16.273	49
	Female	72.44	23.185	18		Female	21.00	18.340	18		Female	21.00	18.340	18
Pos. Priming	Male	60.39	24.711	57	Pos. Priming	Male	28.33	18.067	57	Pos. Priming	Male	28.33	18.067	57
	Female	53.80	21.776	10		Female	30.10	14.310	10		Female	30.10	14.310	10

Q56		Mean	Std. Dev.	N	Q57		Mean	Std. Dev.	N
Control Group	Male	30.43	19.449	54	Control Group	Male	30.43	19.449	54
	Female	26.18	14.951	17		Female	26.18	14.951	17
Neg. Priming	Male	20.84	16.273	49	Neg. Priming	Male	20.84	16.273	49
	Female	21.00	18.340	18		Female	21.00	18.340	18
Pos. Priming	Male	28.33	18.067	57	Pos. Priming	Male	28.33	18.067	57
	Female	30.10	14.310	10		Female	30.10	14.310	10

Note: Q: Question number

A univariate analysis was performed where the independent variable was the interaction effect (CSR priming x gender), and the dependent variable was blame (Q60). The output in table 33 demonstrates that females assign a higher degree of responsibility to A-Meieriet than men on a general basis. The scheffe values from table 33 can be viewed in appendix H.

Q 53 indicates that males and females assign more responsibility within the negative priming group compared to the positive priming- and control group. Females within the positive-priming group assign a lower degree of responsibility compared to females in other groups. However, males in the control group assign the lowest degree of responsibility to A-Meieriet compared to the other groups. The finding of the total effect is significant (p=.012) between the control and the negative priming group, and (p=.013) between the positive and negative priming. However the interaction effect is not statistically significant between genders within the various groups (p=.706). Females within the positive- and priming group assign a larger degree of responsibility to the supplier than men; however the opposite is true for the control group. The total effect is significant (p=.019) between the control and the negative priming, and between the positive and negative priming (p=.042). However, the interaction effect is not significant (p=.841). Furthermore, the positive priming group has assigned more responsibility to the customer compared to other groups. Females within the positive priming group have assigned more responsibility to the customer than men. However, the opposite is true for the negative priming- and the control group. Neither the total effect nor the interaction effect is significant. On a general basis, females attribute the locus to be more internal than men.

Females in the control group perceive the crisis to be more stable compared to the males (Q56). Within the negative priming group females perceive the crisis to be more temporary than men, while in the positive priming group both genders view the crisis as more stable than temporary. The total effect is significant between the control- and the negative priming group (p=.014), and the interaction effect is significant between the genders (p=.11).

Females within in control group perceive A-Meieriet to be in more control of preventing (Q57) similar types of crises from occurring in the future compared to females in the other groups. Males within the positive priming group believe A-Meieriet is in a greater degree of control compared to the other groups. The total effect is significant between the control and the negative priming group (p=.015) and also between the positive and negative priming groups (p=.013). The interaction effect is not significant (p=.731).

6 Discussion

"The outcome of any serious research can only be to make two questions grow where only one grew before"

Thorstein Veblen (1857-1929)

This chapter discusses the statistical results presented in the previous chapter and relate them to previous research within the area.

6.1 Primary Study

The basic premise of the study was to explore the concept and nature of CSR and relate this to SCM. The primary research question was *"does CSR have a positive effect on SCM"*? Even though there seem to exist several shared dimensions of CSR and SCM, the probable communalities of the two variables that proves a causal relationship have not been studied in any publications (Preacher and Hayes, 2008). Even though the question is important, many researchers' acknowledges that conducted studies isolated focus have failed to embrace the highly integrative nature of the disciplines (Tombs and Smith, 1995, Mitroff, 2011, Alpaslan, 2011). Stakeholder theory is regarded as one of the cornerstones within CSR management (Mitroff, 2011, Pearson and Mitroff, 1993, Mitroff and Anagnos, 2000, Sheaffer and Mano-Negrin, 2003, Alpaslan, 2011), and thus the authors' made a logical linkage between CSR and SCM, where stakeholder relationships enables more efficient SCM (Blowfield and Murray, 2008).

The results from the study provided support for the five primary hypotheses which posits that CSR has positive effect on an organization's ability to detect, prepare/prevent, contain, recover and learn from crises. However, the data showed that the respondent perceive the third and fourth phase of the SCM model as one stage, thus the SCM model was revised to contain four stages where the containment and recovery phase was merged.

H₁: CSR has a positive effect on organizations ability to detect crises.
CSR was found to have a positive and significant effect on organizations ability to detect crises. Scholars have argued that an organization's ability to prevent or effectively respond to crises depend on the accuracy of the organization's assumptions and knowledge concerning its stakeholders' behaviour in the context of crises (Ulmer, 2001a). When organizations have an emphasis on effective stakeholder management it allows managers to develop a more realistic understanding of themselves and the environment (Ulmer, 2001a, Mitroff and Kilmann, 1984, Nathan and Mitroff, 1991, Pearson and Clair, 1998, Perrow, 1999, Alpaslan et al., 2009a). This leads to increased capacity to monitor occurrences in the external

environment (Nathan and Mitroff, 1991, Perrow, 1999) and adequately interpret early warning signals sent out by different stakeholders (Vaaland et al., 2008). Thus organizations are more likely to provide a wide variety of damage containment mechanisms in advance of the occurrence of crises (Pearson et al., 1997:56). The authors suggest that the underlying rationale behind this is that socially responsible firms' engagement with stakeholders enhances the communication channels, which in turn enables access to information which can help to disclose important triggers. Therefore, CSR should be incorporated into the SCM in order to enhance signal detection. Furthermore, the stakeholder approach can reduce the gap between organizational performance and stakeholder expectations (Clair, 1993). Thus, CSR proves the double-effect of the stakeholder approach (Heath, 1997, Pearson et al., 1997b). The findings supports Heath and Ni (Simola, 2005) and Simola's (2003)research which underpins that CSR can advance the organizations credibility during the early stages of a crisis.

H$_2$: CSR has a positive effect organizations ability to prevent and prepare for crises.

The results advocate that CSR has a positive and significant effect on organizations ability to prepare for and prevent crises. In the preparation phase, organizations should aim to identify and interact with stakeholders to prevent crises from happening and affecting stakeholders (2008). The positive effect of CSR on prevention/preparation may stem from the belief that socially responsible companies avoids the damaging consequences of crises by adhering to their moral obligations, which in turn safeguards stakeholders interests (Simkos and Shrivastava, 1993). Furthermore, the authors suggest that an integrated stakeholder approach enables stakeholder information and facilitation of this information (Boin and Lagadec, 2000, Tombs and Smith, 1995), which in turn is likely to increase an organization's preparedness. Successful preparation and prevention is affected by the nature of an organization's established relationship with its stakeholders, and the accuracy of an organization's understanding of how its stakeholders might behave in the context of crises (Alpaslan et al., 2009b). The authors recognize CSR as a tool which may equip organizations effective routines directed at preparing and preventing the potential escalation of crises (Ulmer, 2001a). Thus the authors propose that a greater emphasis on CSR may help firms prevent crises.

H$_{3/4}$: CSR has a positive effect on organizations ability to contain and recover from crises.

The results confirmed that CSR has a positive and significant effect on organizations containment and recovery. This may be due to the fact that socially responsible organizations that focus on maintaining positive reciprocal relationships with stakeholders, are better

equipped for creating long standing trust and loyalty (Klein and Dawar, 2004, Bhattacharya and Sen, 2004, Coombs and Holladay, 2010b, Elsubbaugh et al., 2004, Mitroff et al., 1989). The real values and strengths are revealed during times of crises, and therefore a track record of strong stakeholder relationships proves to be valuable for crisis containment (Ulmer, 2001a). This in turn will generate sentiments to obtain a social licence to operate (Coombs and Holladay, 2010b). Thus, CSR may render the stakeholders to give a company the benefit of the doubt within a crisis, due to prior positive attitudes towards the organization. The authors suspect that this reciprocal stakeholder management acts as a reservoir of goodwill, helping an organization to contain and recover from crises (Gjølberg, 2009).

H5: CSR has a positive effect on organizations ability to learn from crises.

The results demonstrate that CSR has a positive and significant effect on learning. Academia argues that learning from past occurrences greatly influences all stages of future SCM incidents (Hale et al., 2006, Coombs, 2007a). This may be due to engagement in double-loop learning, which the authors speculate represents a preventative strategy in respect to reducing the risk of experiencing similar crises in the future. Thus learning enables organizations to enhance their level of preparedness for future threats (Kovoor-Misra, 1995, Pearson et al., 1997b). When organizations have emphasis on stakeholder management and engage in double-loop learning, more attention may be paid to improve organizational performance which in turn is likely to increase the ability to learn from crises.

H6: CSR has a positive effect on organizations SCM.

The results confirmed the authors underlying assumption that CSR has a significant and positive effect on organizations SCM. Aslop (Simola, 2005) states that *"organizations build up 'reputational capital' to tide them over in turbulent times.* The findings support Heath and Ni's (2004:17) research that CSR may be viewed as a "stockpile" of goodwill", that can aid an organization in achieving successful SCM. Waddock and Smith (2000) conducted a responsibility audit of eight companies, and found that adoption of proactive, stakeholder inclusive, morally responsible practices, lowered costs, legal exposure, and risks to company reputation (2008). Mitroff and Alpaslan (Waddock and Smith, 2000) reported a positive correlation between successful SCM outcomes and proactive SCM practices of a Sample of Fortune 1,000 companies. Sheaffer and Mano-Negrin (2003) compared 82 Israeli business firms and not-for-profit organizations, and found that firms that focused strictly on profit maximization were more prone to crises. Their results suggested that a stakeholder appraoch is at least associated with fewer frequencies of crises. This in accordance with the authors

results. Thus the authors propose that developing trusting and cooperative relationships with stakeholders enables the organization and its stakeholders to prepare and respond to crises more efficiently.

The primary study has shown that both disciplines may contain valuable contemporary information in the present complex and dynamic global business environment, where CSR concerns represent a high priority because mismanagement of such may potentially destroy an organizations reputation (2003). Fomburn and Van Riel (Boin and Lagadec, 2000) argues that at present, angry stakeholders are increasingly likely to generate crises (2004), and highlights the increasing importance of integrating the stakeholder approach with an organization's SCM (Coombs, 2007a). The study's results corroborate these statements and indicate that CSR should become a priority for today's business leaders, due to stakeholders base their evaluations of companies on their CSR-activities (Smith et al., 1996). In a globalized world where stakeholders' create news events themselves (e.g. blogs, Face book, forums, personal websites etc.), the authors' believe that by employing an integrated stakeholder approach organizations' may decrease the chance to become targets of e.g. boycotts.

Many organizations' may still advocate Friedman's (1970) view that organizations' primary objective is to maximize shareholders' value. However, the future of existence of a company is highly dependent on input from its complex network of external stakeholders, and a common denominator of all crises is that they may harm organizational stakeholders (Porter and Kramer, 2006). As a results of globalization crises are on the rise (Mitroff et al., 1996) and will occur more frequently (Boin and Lagadec, 2000, Alpaslan et al., 2009b). Inevitably, crises focus attention on corporate public, social, economic, legal and ethical responsibilities (Coleman, 2006). Crises often raise question about corporations' and managers' legal and ethical responsibilities towards stakeholders' (Carroll, 1979, Alpaslan et al., 2009b), therefore the authors' argue that an integrated stakeholder approach in SCM is crucial in order to successfully handle crises.

From the commercial findings it was revealed that Norwegian organizations can be characterized as more reactive than proactive in regards to their SCM. The authors' believe that an integrated stakeholder approach will redress this imbalance as a stakeholder approach enables proactive SCM (Kolk and Pinkse, 2006, Mitroff, 1994, Tombs and Smith, 1995, Vaaland et al., 2008, Alpaslan et al., 2009a). Ulmer (Alpaslan et al., 2009a) also claims that organizations that focus on maintaining a positive reciprocal relationship with stakeholders

are better equipped for creating long standing trust and loyalty. The authors believe that increased trust and loyalty may prove to be valuable for the SCM process. Effective SCM is essentially about saving image and reputation, while mitigating further possible issues as consequence of the existing situation (Khodarahmi, 2009a). If companies prove its social responsibility and concern with stakeholder welfare pre, - during and post crisis, the study suggests it can improve organizations SCM which in turn protects the reputation. Adopting the principals of an integrated stakeholder approach may lead organizations to engage more frequently in proactive and/or accommodating SCM (2001a). In addition, we propose that stakeholder management aids organizations' in more successful SCM, especially in the critical phase of prevention and recovery (Alpaslan et al., 2009a).

The results from the study advocate the important link between CSR and SCM, as CSR integrated in SCM may represents a positive capital account during crises. As the interdependency between CSR and SCM increases, so too will the impact of crises on stakeholders'. In a world were crises occur more frequent, the need to integrate the concepts of CSR and SCM will be of increasing importance. The authors' argue that if organizations' take a step towards developing an integrated stakeholder approach in the SCM process it may enable a proactive and timely SCM in a business context where: "t*he safest assumption is that a crisis looms on the horizon"* (Fink, 1986: 813*).*

6.2   Secondary Study

The secondary research question was *"does CSR impact stakeholders assignment of blame in a product-harm crisis?"* The frequency of occurrence and the serious consequences of PHC demand for more insights concerning the underlying process through which PHC influence stakeholders' assignment of blame. The importance of investigating this issue stems from that CSR may function as an insurance policy against reputational harm in PHC's.

H7: Effective SCM reduces assignment of blame.

The results of the study provide significant support for the premise that SCM reduces blame. This suggests that a CSR reputation enhances stakeholder level of trust in PHC's. A-Meieriet crisis communication demonstrated empathy and assured the salient stakeholders (customers) that their concern was the number one priority within the PHC, thus is in alignment with Coombs (Alpaslan et al., 2009a) SCCT (2007c). Effective SCM is eventually about saving image and reputation, while mitigating the further possible issues as consequence of an existing situation (Coombs, 2007a, Harrion, 2000, Black, 1993, Argeti, 2007). By leaving no

room for speculation and possible manipulation by the media A-Meieriet SCM may have been perceived as a "hero" in the "Role Wheel", as the company acted overcoming of challenges, and the prioritization of "people first" increased the company's legitimacy (Khodarahmi, 2009b). This may have caused the respondents to view A-Meieriet's SCM as effective. Research has suggested that CSR is becoming a societal norm instead of reflecting the general expectations (Geelmuyden, 2010). This suggests that the response may have reflected the basic societal expectations of the stakeholders. The best prepared organizations are guided by corporate values rooted in the business culture when confronting a crisis (KPMG, 2008). The responsibility towards stakeholders and the alignment of values reflected in action, may have contributed to a decreased assignment of blame to A-Meieriet. This is consisted with Klein and Dawar's (2004), Simkos and Kurzbard's (1994), Laufer and Coombs' (2006) and Sen and Bhattacharya's (2004) research.

H₈: A positive CSR moderates the relationship between SCM and assignment of blame.

The findings confirm that a positive CSR reputation moderates the relationship between SCM and blame in a PHC, which also support those of Klein and Dawar (2004). The authors underpin that a prior positive CSR reputation may be crucial when handling a PHC. Moreover, how actions in alignment with organizational values may positively have influenced the respondents. The study indicate that social responsible behaviour and positive CSR reputation can be an effective tool for controlling and minimizing the danger of losing reputation among stakeholders. The authors' believe that A-Meieriets immediate product recall before serious harm occurred may have enhanced the company's reputation for social responsibility, which underlines that CSR and SCM goes "hand-in-hand" in a crisis.

H₉: A positive CSR reputation reduces assignment of blame

The results of this study provided support for the premise that CSR reduces stakeholders' assignment of blame in a PHC. This is consistent with Webb's research (Pearson et al., 1997b) that 8 of 10 American stakeholders have an increased consumer trust towards companies that have a positive CSR reputation. In addition, it confirms Fink's (2008) argument that CSR create a reservoir of goodwill, functioning as an insurance policy against the negative effects of a PHC. The authors' believes that well CSR-reputed companies often have fewer difficulties regaining the confidence of their stakeholders. This assumption is supported by Bhattacharya and Sen's (1986a) and is consistent with Klein and Dawar's (2004), and Laufer and Coombs (2004) research, that positive CSR causes a reduction in negative stakeholder evaluations of the company's legitimacy. The authors' results revealed

that positive CSR priming caused similar attributions among the control group. This may be due to when individuals learn about the behaviour of a company whom they have little prior information about, they often take the behaviour at face value and attribute it dispositional (2004). Another reason may be that stakeholders are willing to give a company the benefit of the doubt when they hold limited prior information about the company. The results imply that no CSR priming may provide as much protection in a PHC as positive CSR priming. However, negative CSR priming represents a liability when faced with a PHC, which is similar to Klein and Dawar's (2004), Dawar and Pillutla (2000) and Sen and Bhattacharya's (2001) research.

H_{10a}: A positive CSR reputation will cause the locus to be perceived as external rather than internal.

H_{10b}: A positive CSR reputation will cause the crisis event to be perceived as temporary rather than stable

H_{10c}: A positive CSR reputation will cause the crisis event to be perceived as controllable rather than uncontrollable

The results of the study provided support for the premise that CSR affect stakeholders' attribution of blame in a PHC. However, only two of the three causal dimensions of attribution were significant. Locus and controllability significantly affected stakeholders' perception of CSR, thus stakeholders' attribution of blame was found to be a function of stakeholder CSR associations. The study indicated that prior CSR information influences stakeholders' judgements in PHC. This is consistent with Dawar and Pillutla's (Yoon et al., 2006) research which demonstrated that consumers interpretation of a firms response to PHC was subjected to their prior expectations about the firm. The authors believe that the positive CSR reputation may function as a halo which may have had a spill-over effect on attributions blame.

H_{11a}: Locus mediates the relationship between CSR and assignment of blame

H_{11b}: Stability mediates the relationship between CSR and assignment of blame

H_{11c}: Controllability mediates the relationship between CSR and assignment of blame

The bootstrap results confirmed that only $locus_1$ (partially) mediated the relationship between CSR and blame. A positive CSR reputation shaped stakeholders' attributions of responsibility which in turn determined the assignment of blame (2000). Thus CSR represented a reservoir of goodwill in terms of attribution of responsibility in the PHC. The bootstrap analysis revealed that $locus_{2\&3}$, controllability and stability did not represent a significant mediator

between CSR and blame, but represented an indirect effect. Thus, the mediating hypotheses were rejected. The CSR initiative did not act by mitigating stakeholders' reactions to a PHC, which is contradictory to the findings of Klein and Dawar (2004) and Simkos and Shrivastava (1993). The implications of these results underpin how important an integrated stakeholder approach can be, as CSR priming has an indirect impact on stakeholders' attribution, which in turn influences assignment of blame.

In general, based on the results the authors speculate that one of the differentiating factors on blame attribution relates to the different level of risk aversion that leaders have towards the uncertainties (2004). Another suggestion is that stakeholders (the control group) are willing to give the benefit of the doubt to firms that they know little about and consequently they cannot draw any safe conclusions. This suggestion is in line with that of Ellen et al. (2006) is proposing, - that stakeholders perceive and evaluate CSR initiatives differently based on the motives believed to lie behind the initiatives. Recently, a survey in Greece has demonstrated that Greek consumers don't trust the companies' CSR initiatives as they doubt their social intentions (Laufer and Coombs, 2006). Furthermore, it may be assumed that popular companies are criticized more severely because the public expectation increases regarding these companies CSR actions.

Although researchers as well as the authors conclude that a positive relationship exists between a positive CSR reputation and stakeholders attitudes towards a company (Assiouras and Lymberogianni, 2009), stakeholders were found to be more sensitive to negative CSR. This negativity bias exists when consumers react more strongly towards corporate irresponsibility than towards corporate responsibility (Sen and Bhattacharya, 2001b, Du et al., 2007, Wigley, 2008). Therefore, it may be more likely that consumers want to punish socially irresponsible companies by refraining from repurchasing behaviour (Bhattacharya and Sen, 2004). Series of recent CSR scandals (e.g. BP, Enron, Worldcom, Vivendi, Parmalat) proves that many organizations have neglected to consider various stakeholder interests, and that some of them actually failed to accommodate salient stakeholder demands (Creyer and Ross, 1997, Sen and Bhattacharya, 2001b, Mohr and Webb, 2005). In relation to A-Meieriet, business who disregards their moral duties to account for stakeholder interests, is assigned more blame than socially responsible companies.

6.2.1 Primary Study: General Commercial Findings CSR

Several researchers' support that promotion of CSR activities helps minimize harm to an organization's reputation following a crisis (Kolk and Pinkse, 2006). The authors' found that approximately 73 percent (Q12) believed that their organization has a positive corporate reputation and 79 percent (Q9) assumes that CSR positively influences corporate reputation. The results corroborate to Webb's (Bhattacharya and Sen, 2004, Klein and Dawar, 2004, Wigley and Pfau, 2010), findings where 8 of 10 American stakeholders have an increased trust towards companies with a positive CSR reputation. Thus, the study suggest that CSR may aid in creating a competitive advantage, which is in accordance with Porter and Kramer's study (2006). This is in accordance with Porter and Kramer's (2006) research. Approximately 57 percent (Q10) believes that CSR represented a competitive advantage. This finding corresponds with the study conducted by Argument (2006) who reports that 83 percent of Norway's 300 largest companies share this opinion. Despite the confidence that CSR represents a competitive advantage, only 63 percent of the respondents believe that it is important to invest in CSR (Q13). The overrepresentation of small companies (1-9 employees) may be the reason for this low number. Furthermore, 61(Q11) percent acknowledges that CSR has a positive effect on an organization's SCM. This is contradictive given that only 1/3 of the respondents believe that it is important to invest in CSR.

The most frequently implemented CSR standard is the ISO (36.4 percent) (Q42). The percentage is relatively small and very few organizations (2 percent) have committed to the highly recognized CSR standard, UN Global Compact. The results indicate that most companies follow the mainstream as for which standards to implement, and thus the CSR initiatives may be driven by what is the norm and expectations of the business context to which the organization operates within. Further, CSR issues are most frequently handled by the company's general manager (74 percent), however 10 percent of the respondents claim that no member of the organization handles CSR issues (Q43). Knowing that the multinational enterprises are in the forefront of developing CSR activities, the result are not surprising due to an overrepresentation of small businesses in the sample.

6.2.2 Primary Study: General Commercial Findings SCM

The study indicated that 28 percent of the organizations had experienced a crisis within the past five years (Q49). Unsgaard and Silkoset (2003) studied the experience of a crisis within the past two years, and their findings were similar indicating 25 percent. Furthermore, 51 percent of Norwegian organizations do not believe that their organization may become

involved in a crisis within the next five years (Q50), contra 31 percent in Unsgaard and Silkoset's (2006) study. Approximately 41 percent of the business leaders acknowledge that SCM is not prioritized among the executive management (Q52). A logical deduction form these findings are that many corporations are inefficiently prepared to mange crises (2006), and that the issue of SCM is not important enough for the corporate management. Mitroff (1988), Pauchant and Mitroff (2001), Unsgaard and Silkoset (Pearson and Clair, 1998) and Augustine (1995) have debated the underlying overconfidence among organizations own confidence in abilities to manage occurring crisis situations successfully. The study corroborates these previous findings. Whereas in Unsgaard and Silkoset (2006) study 93 percent believed they would handle a crisis satisfactory, 76 percent believed they would do the same in the authors study (Q51).

When evaluating the organizations SCM effectiveness, 47 percent consider their procedures to be effective whereas 36 percent are uncertain (Q46). This is congruent with the findings of Pearson and Clair (2006) who argues that corporations are inefficiently prepared to manage crises. Many scholars argue that being crisis prepared entails the establishment of CMT's and a CMP (1998). The findings unveiled that only 43 percent of the organizations had an orchestrated CMT (Q47). Comparing the results to those of Unsgaars and Silkoset (Mitroff, 1998, Pearson et al., 1997b, Lerbinger, 1997a, Fern-Banks, 2002, Fink, 1995, Coombs and Holladay, 2010a), only 34 percent acknowledge that the organization has a CMT. Although the organizations that operate with a CMT seem to have increased during the past five years, the number is still modest in relation to the ability to perform effective SCM. Furthermore, 50 percent had not developed a CMP (Q48) which is similar to the 51 percent found in Unsgaard and Silkoset (2006) study. According to Guth (2006) only 84 percent of organization that had experienced a crisis recently had developed a CMP. Although the number of organizations that operates with a CMP post crisis seems to be higher in Guth's study, there still exist a potential to achieve greater benefits by developing a CMP for organization to more effectively manage crises. According to Augustine (1995), barely 50 percent of organizations were prepared in reference to a CMT and CMP. The Burston-Marsteller's study in 2002 showed that among the 90 percent of Norwegian corporations that had developed a CMP and CMT, only one third underwent crisis scenario tests.

The findings uncovered that organizations are poorly prepared to manage crises, due to the absence of a comprehensive CMP's and CMT's in approximately 50 percent of the respondents organizations. Thus, Norwegian companies may be considered to be crisis

reactive rather than crisis proactive. This is not surprising in view of Mitroff and Alpaslan (1995b) findings who unveiled that only 5-25 percent of the organizations operates proactively. Another indicator of the company's reactive SCM is that 36 percent do not know whether their SCM is effective or not (Q46). Thus, the findings have indicated that the respondents' organizational culture de-prioritizes SCM, especially crisis prevention/preparation which according to Pearson et al (1997) and Mitroff (1989) is a crucial factor in order to be effective.

The findings revealed that Norwegian organizations greatest fear within a crisis is the loss of human lives, while environmental damage is faired the least (Q45). This is coherent with Geelmuyden (2003) argument that in order to be perceived as legitimate during a crisis, the organization must prioritize people first. A study performed by AON.com in 2007 showed that a company's greatest fear in a crisis is reputational loss (2010). Thus, the authors' findings are not completely congruent with these, as reputational loss was prioritized secondly.

6.2.3   Secondary Study: General Commercial Findings Gender assignment of Blame

The study found one significant result, stability, at the 5 percent level, indicating that females perceive the crisis to be more stable than men in the negative priming condition, and more temporary than men in the positive priming condition. This indicates that females punish/reward socially (ir)responsible companies more than men do. It suggests that negative CSR priming has a larger impact on attributions than positive CSR priming among genders. As proposed, the results revealed that females generated more blame due to increased perceptions of severity through defensive attributions than men, which is similar to that of Laufer and Gillespie (Evensen et al., 2007). Thus, the findings unveiled that genders may be a consumer trait that shape perceptions in a PHC through the role of perceived severity. These findings support studies in psychology, which found that women view threatening events as more severe than men, due to biological and socialization factors (2004, Laufer and Coombs, 2006). This may stem from the difference in the crisis type, in the ambiguity of responsibility, as well as gender differences between the respondents. The findings corroborate those of Klein and Dawar (Harris and Miller, 2000), Dawar and Pillutla (2004) on PHC, as well as those of Sen and Bhattacharya (2001) on CSR, that a neutral image might provide as much protection in a PHC as a positive CSR image.

6.3 Concluding Remarks

Many real-life examples underpin that society judge business from a moral perspective, and a great number of business practices have experienced the detrimental consequences of disregarding their social responsibilities. The study has supported the premise that there is an inherent, symbiotic relationship between CSR and SCM. Moreover, that an integrated stakeholder approach may improve an organization's SCM; the ability to detect, prevent/prepare, contain/recover and learn from crises. Hence, leading a corporation through crises requires rational decision-making guided by an ethical approach (2000) to obtain a license to operate. According to Berman et al., (Snyder et al., 2006) stakeholders should be included in a firm's decision-making process because the firm has moral commitments to their stakeholders (1999). Stakeholders may reward socially responsible organizations with a social licence to operate though reciprocal stakeholder-organizational relationships. The authors believe that adopting the stakeholder approach enhances knowledge transfer, and cooperating with a broad set of stakeholders in crises increases the availability of critical stakeholder resources and information. Establishing strong and sincere relationships with stakeholders before a crisis makes crisis prevention and recovery faster and easier, because such efforts make stakeholders less likely to withhold resources and information before and after crises (Quinn and Jones, 1995). A stakeholder approach may coalesce into global collective efficiencies, because managers' and stakeholders' mutual and sincere treatment of each other, may solve inherent problems of coordinated action in the context of crises (Alpaslan et al., 2009b, Frooman, 1997, Ulmer, 2001a, Frooman, 2005). Lastly, the stakeholder approach may allow managers to prepare for a wide variety of crises, enjoy access to the resources of a broad set of stakeholders, and facilitate the flow of critical resources or information among stakeholders.

CSR initiatives have been considered to build up a bank of stakeholder goodwill that companies can utilize within in a crisis. This is due to the fact that positive CSR activities may impact the resilience to negative information during a crisis' (Ulmer, 2001a, Jones, 1995, Nathan and Mitroff, 1991, Alpaslan et al., 2009a, Clair, 1993, Pearson and Clair, 1998), Thus, an organization's prior positive CSR reputation may function as a halo-effect that acts as a shield, protecting the company against reputational harm from a crisis (Coombs and Holladay, 2006, Klein and Dawar (2004)).

Even though a neutral reputation may provide as much protection as a positive CSR reputation, acting irresponsible (negative CSR) may represent a liability (Klein and Dawar, 2004). Unless stakeholders trust the company's pro-social position, they may not be willing to reward the company for its CSR activity. Positive priming demonstrates that congruence between the organizational action and values increases the credibility of a company. Thus, ethical considerations should be a part of any SCM strategy, because a strictly ''economic'' or rational approach may produce greater resentment and reputation damage (Hosmer, 1996; Snyder et al., 2006)

The study has highlighted the importance of integrating the concepts of CSR and SCM. Thus socially responsible crisis management (SRCM) is proposed as a new theoretical concept contributed by the authors, which revises Mitroff's SCM model by including CSR. This concept embraces the highly integrative nature of the disciplines, where an integrated stakeholder approach is intertwined with crisis management. The authors view this to be an important contribution in a globalized world where economic, technical, social and environmental interdependencies are expanding and crises are on the rise.
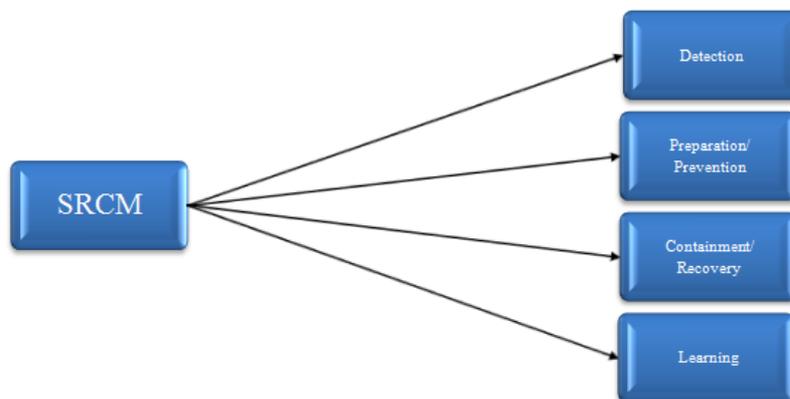

Figure 22 SRCM - Research Contribution Model (Andvik & Vodahl, 2011)

7   Implications

7.1   Theoretical Implications

The relationship between CSR and SCM has been largely overlooked (Wigley and Pfau, 2010, Bhattacharya and Sen, 2004, Coombs and Holladay, 2010b, Hess et al., 2002). In a globalized world where crises are on the rise (Coombs and Holladay, 2010b, Tombs and Smith, 1995, Alpaslan et al., 2009a, Mitroff, 2011), of are a result of companies disregarding their social responsibilities. This study provides scientific empirical evidence for the link between the concepts of CSR and SCM, that operating with a CSR profile has a positive effect on SCM. Moreover, it proves the need to view the concepts combined as one element, contra two separate fields. As a theoretical contribution to reduce the research gap that exists between the communalities, SRCM is introduced. The concept integrates the two disciplines, and emphasizes the importance of employing a stakeholder approach in SCM. The concept may represent several implications if it is found valid in future research.

The findings from the primary study present empirical and theoretical evidence which indicates that the containment and recovery stage should be merged. Thus, the original framework presented by Mitroff (1988) should be re-evaluated, and proves the need for further theoretical evidence within this area of academia. Coombs (Fink, 1986b, Alpaslan et al., 2009a) on the other hand have proposed that SCM consists of three stages. Thus, the different results prove the need for future studies, in order to find a common theoretical based agreement of the stages of SCM.

Previous studies have researched the role of SCM on stakeholders' assignment of blame (2007a). Their research has found support for the premise that SCM affects blame, which was also supported by the authors' findings. The authors' findings also supported those of Klein and Dwar (2004) that CSR moderated the relationship between SCM and blame. A neutral CSR reputation may provide as much protection in a PHC as a positive, while a negative CSR reputation may be represent a liability. Thus, it corroborates the findings of Dawar and Pillutla (Simkos and Kurzbard, 1994, Laufer and Coombs, 2006, Klein and Dawar, 2004, Bhattacharya and Sen, 2004), Sen and Bhattacharya (2000) Klein and Dawar (2004). However, opposite to the results of Klein and Dawar (2004), attribution (locus, stability and controllability) was not proven to represent mediators between CSR and assignment of blame. This implies the need for future research within the area.

7.2   Managerial Implications

There are several findings in the study that may hold great value for business managers. One of the findings implicate that managers should see the disciplines of CSR and SCM in relation to each other, instead of treating the fields distinctively. The findings may provide insight which can aid managers when developing corporate strategies involving the concepts. Consequently, the results from the study will hopefully stem as useful decisional support for managers. Though operating with a CSR profile is costly, the authors believe that the financial benefit from having a positive CSR profile may prove valuable for the organization on the long-term perspective in terms of more proactive SCM.

The study indicated that Norwegian managers are overconfident in their own SCM abilities, which should be taken into consideration by corporate executives. Managerial implications relate to the importance of continuous stakeholder mapping and stakeholder dialogue, both prior and throughout ones SCM. Managers should think about the stakeholders' attribution of blame, and in this regard either have a positive CSR profile or none. Irresponsible organizations may be punished, which could have detrimental consequences. An effective SCM aligned with a strong CSR reputation may in a larger degree prevent threatening the stakeholder-organizational relationship, and should therefore be used as a strategic tool by the management. The rationale for any consideration concerning CSR alongside SCM concludes that managers may need to recognize the impacts their decisions have on stakeholders. Given that the values and assumptions of managers are intrinsically linked to the decisions that they take, it may be argued that there may be a strong link between a company's ethical position and its stage of SCM effectiveness. The predominance of reactive SCM can result in the incubation of crises, unless managers take into consideration the ethical dynamics that their decisions have on its stakeholders.

Gender is an important segmentation variable used by companies, a fact evidenced by brands in many product categories that are sold separately to men and women (2001b). As a result, determining whether males and females differ in their reactions to PHC is an important issue for these companies to examine. The study suggests that companies may need to react differently in a PHC depending on whether the product is used primarily by men or women.

8 Limitations

As with all research, this study contains several limitations that need to be taken into consideration. They study contains self-reported data, which are commonly identified as a potential source of common method bias. The results obtained from the survey reflect subjective attitudes of the respondents and may not portray the correct situation. However, the common method biases are seldom strong enough to invalidate research findings (Laufer and Coombs, 2006).

The use of a cross-sectional design does not allow one to draw conclusions about causality, as it merely represents a snap-shot of reality. The majority of the small and medium sized businesses, as well as an overrepresentation of the service sector represent a bias (figure 14 and 15). In addition, a limited number of female participants lower the validity of the research findings in regards to differences between genders in terms of attribution of organizational blame (figure 16).

The lack of research on the synergies between CS and SCM represents a limitation. According to Blowfield and Murray (Doty and Glick, 1998, Kark et al., 2003) there is no single commonly agreed upon definition of CSR which embraces all the aspects and related concepts of CSR such as business ethics, stakeholder management, corporate citizenship and community relations. *"The concept of CSR is constantly changing as society itself evolves, affecting our expectations of business and the ways in which its relationship with society is handled"* (2008). This may affect the study, and should thus be taken into consideration. CSR as a concept has gained far more attraction in Europe than in other parts of the world such as the US. This is due to the US interprets CSR mainly in philanthropic terms while the Europeans focus more on operating the core business in a socially responsible way (Blowfield and Murray, 2008:18). Thus, the results presented in the study are less applicable in certain business cultures such as the US.

In reality stakeholders tend to evaluate a company's CSR initiatives over time and will employ this information when evaluation the companies' assignment of blame when and if a crisis takes place. Thus, the priming and forced response in the study may bias the results. The moderating effect of the study was investigated from the aspect of social science, and has demonstrated that individuals tend to interpret events related information and make attributions that are consistent with their prior beliefs.

Due to a normal and less severe crisis represented the PHC of A-Meieriet, this may have caused a less significant results than a severe crisis would have. It has been suggested that weak effects in previous research of the determinants of attributions were due to the use of unrealistic stimuli dampened the effects of the intended manipulation (Rowe, 2006).

A strength of the study is the use of a probability sampling technique. However, as a weakness it is important to note that the Likert-scale is on an ordinal scale level, and to utilize these data in the data analysis will imply measurement errors. The rationale behind this argument is that the data analysis requires the data to be on an interval scale level. To "pressure" ordinal data to be on the interval level is common within social science, though one must be aware of the measurement errors this implies. It should also be noted that under several categories only two items were included which may reduce the validity of the findings. Several issues may lower the validity and reliability of the research findings. This is addressed in section 4.4. Lastly, the thesis has been written by master students, not researchers, and the results must be interpreted accordingly.

9 Recommendations for Further Research

There are several opportunities for future research following this study. Longitudinal studies can be utilized to investigate whether the findings are significant on a long-term perspective. Further research is also needed in order to reach a more common agreement of what CSR entails. An area for future research could be an examination of boundary conditions to differences between genders in consumer attribution of blame during a crisis. Perhaps when product failure is of a minor nature, both male and female stakeholders equally feel that they are not personally at risk of harm. In addition, the authors assume that there is a possibility that females attribute more blame to organizations with a negative CSR reputation when faced with a crisis, because they tend to punish the company in a larger degree than men. This is therefore recommended to be studied in future research. Furthermore, the authors postulate that individuals who have children tend to pay more attention to health related aspects than those that have no children. The authors lacked this information, and thus the research outcome may have been different if the sample synthesis was more balanced in relation to an even gender distribution and individuals who are parents. Consequently, future research is required to examine the degree that consumer segments influence blame attribution in case of PHC's. Future research should also evaluate the potential for the organizational culture to be a mediator of the relationship between CSR and SCM.

A less ambiguous crisis and more severe would possibly generate clearer results, and should therefore be investigated. In addition, the new proposed concept, SRCM, needs to be investigated and validated in future studies. Lastly, the authors also suggest the summery model should be tested in terms of the mod-med effects in LISREL.

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Appendices

A Survey (Questionnaire)

Survey (Questionnaire)

1. Please tick the box that best describes you business category;
Production
Finance/Insurance
Detail
Construction
Consulting services/Travelling
Oil & Energy Sector
Transport
Other

2. Please tick the box describes the number of employees your business contain
1-10
10-50
50-100
100-500
500-1000

3. Please tick the box that describes your gender
Female
Male

Case 1: iChocolate

Positive CSR Priming

iChocolate received an award for their engagement in corporate social activities in 2010. The company is renowned for their ethical guidelines, and their vision is to contribute to a "cleaner and more righteous world". Their ecological Fair Trade products contribute to a sustainable development while ensuring the minimal right of the cocoa plant framers.

Today's news reveals that iChocolate is exploiting slaves on their cocoa farms in West Africa. The CEO of iChocolate states that: *"the responsibility lies on the supplier whom has acted in an unethical manner – it is difficult to maintain control of the entire supply chain's operations. If we were not to operate on this region, we would have been replaced in a heartbeat by some other company who may have a lower ethical standard than we operate with"*.

Negative CSR Priming

iChocolate has received substantial critique and negative publicity regarding their lack of engagement within the area of CSR. The company is careless in regards to the criticism as they believe that CSR is "bullshit". The company only complies with ethical guidelines required by law.

Today's news reveals that iChocolate is exploiting slaves on their cocoa farms in West Africa. The CEO of iChocolate states that: *"the responsibility lies on the supplier whom has acted in an unethical manner – it is difficult to maintain control of the entire supply chain's operations. If we were not to operate on this region, we would have been replaced in a heartbeat by some other company who may have a lower ethical standard than we operate with"*.

Control Group

Today's news reveals that iChocolate is exploiting slaves on their cocoa farms in West Africa. The CEO of iChocolate states that: *"the responsibility lies on the supplier whom has acted in an unethical manner – it is difficult to maintain control of the entire supply chain's operations. If we were not to operate on this region, we would have been replaced in a heartbeat by some other company who may have a lower ethical standard than we operate with"*.

	Strongly disagree				Strongly agree	Do not know
	1	2	3	4	5	

4. To which degree is iChocolate responsible for the crisis? (to a total sum of 0-100 % between iChocolate and supplier)

5. To which degree is the supplier responsible for the crisis? (0-100%)

6. Assign the degree of control iChocolate has in relation to preventing similar types of crises in the future.

7. iChocolate's SCM is in accordance with my personal expectations to the company's profile.

8. The crisis has not changed my trust in the company.

Corporate Social Responsibility (CSR)

CSR in general
9. CSR has a positive effect on corporate reputation
10. CSR represents an important competitive advantage for my organization
11. In my opinion, CSR will have a positive effect on strategic crisis management
12. My organizations has a positive corporate reputation
13. I believe it is important that my organization invests in CSR

Community Support
14. My organization actively makes an effort to engage in dialogue with important stakeholders
15. My organization invests in community charity, sports or/and cultural events

Diversity
16. Our employees reflect the society diversity in general (gender distribution, minorities, handicap)
17. My organization have clear codes of conducts (to prevent gender-, sexual discrimination)

Employees
18. My organization have developed clear ethical guidelines, organization values (codes of conduct)
19. Our guidelines on CSR is incorporated into the organizational culture
20. We utilize organization recourses to ensure that employee rights, HMS and welfare arrangements
 are protected above and beyond legal obligations

Environment
21. We cooperate actively with our stakeholders (owners, employees, NGO's, the media etc.)
in order to increase our knowledge regarding how to operate more environmentally friendly
22. My organization is transparent in all areas of information reporting regarding
the consequences our business actions affecting the environment and our stakeholders

Non-US Operations/International Operations
23. We control that our international suppliers prioritizes HMS and acts ethically appropriate
(e.g. is not involved in child labor, social dumping, human rights violations, etc.)
24. Every employee is familiar with the laws and the organizations guidelines to prevent corruption

Product
25. We allocate resources to ensure our products/services do not cause harm to our customers
26. Our routines for product withdrawal are effective

Corporate Governance
27. CSR is integrated in our business strategy
28. Our executive management focus on CSR

Strategic Crisis Management (SCM)
Stage 1: Detection
29. We allocate a great amount of resources to identify potential crisis in our organization
30. We allocate a great amount of resources to identify potential crisis in the external environment

Stage 2: Prevention/Preparation
31. We actively prevent crisis by building strong relationships with our key stakeholders
32. Our organization has developed procedures to gain access to and process important information
from our key stakeholders

Stage 3: Containment
33. Our organization will be able to handle a crisis which imperils the organizations reputation in a good manner
34. We will be able to reduce the duration of a crisis better than our key competitor
35. We will have good control and general overview during a crisis

Stage 4: Recovery
36. Our ethical profile will reduce the amount of blame put on the organization from our stakeholders
37. When recovering from a crisis, we expect to rebuild our reputation more effective than our key competitor
38. When recovering from a crisis, we expect to rebuild trust more effective than our key competitor
39. When recovering from a crisis, we expect to return to "business as usual" more rapid than our key competitor

Stage 5: Learning
40. Our organization would be concerned with learning from own success and failures in the aftermath of a crisis
41. Knowledge from past crisis would be highly valuable for the organizations future crisis management

General questions in regards to CSR
42. Our organization comply to the following standards
ISO
CERES
UN Global Compact
OECD
Kyoto
UN Global Index
IFA 2600
Miljøfyrtårnet
Other

43. Who is responsible of managing CSR issues within you organization on a scale from 1-5 (1 is the most important, 5 is the least important)
CSR-Department
Head of CSR
Communication Representative
Manager
Other

44. Range the following factors on a 1-5 scale according to which stakeholders your organization primarily prioritizes
Environment
Employees
Owner
Local Community
Customers/Clients

45. Range the following crises according to the which crises your organization fear the most
Reputational loss
Loss of resources
Loss of lives
Environmental damage
Corruption (ethical crisis)

General questions in regards to SCM
Please respond YES or NO to the following questions   YES   NO

46. Our crisis management procedures are quite effective
47. My organization has established a crisis management team
48. My organization operates with a crisis management plan
49. My organization has experienced a crisis during the past five years
50. I believe that my organization may face a crisis within the next five years
51. I believe that my organization will management a crisis successfully
52. The executive management of my organization focuses on strategic crisis management

Case2: A-Meieriet

Positive Priming Group

A-Meieriet (AM) is proud to be ranked 1st among 100 companies in the category "*most socially responsible"* companies in the International CSR survey "*Fortune's CSR index"* 10 years on row. AM is known for its environmental efforts, and 5 percent of the profits are donated to cancer research and treatments.

Today's news report reveals several serious health-threatening incidents related to the lethal Listeria bacteria. At least 4 patients are hospitalized and are receiving medical treatment for the bacteria, which have been traced back to the "camembert" cheese produced by one of Norway's largest dairy manufacturer, AM. AM's spokesman claims that *"Our main priority is the consumers' health and safety! The "camembert" cheese will be withdrawn immediately! We are currently cooperating with the health authorities and are conducting an investigation"*. The public health authorities inform that refrigerated food must be stored below 4° Celsius in order to prevent bacteria growth. Deficient routines on this area in addition to unsanitary conditions at the detailers or consumers, may cause break-outs of the Listeria bacteria.

Negative Priming Group

A-Meieriet (AM) is indifferent to be ranged at the bottom of 100 companies in the category "*most socially responsible companies*" in the International CSR survey "*Fortune CSR Index*" 10 years on row. AM is known for serious environmental scandals such as polluting the "Nydal" river, which caused the extinction of an entire fish population due to the company's illegal chemical dumping.

Today's news report reveals several serious health-threatening incidents related to the lethal Listeria bacteria. At least 4 patients are hospitalized and are receiving medical treatment for the bacteria, which have been traced back to the "camembert" cheese produced by one of Norway's largest dairy manufacturer, AM. AM's spokesman claims that *"Our main priority is the consumers' health and safety! The "camembert" cheese will be withdrawn immediately! We are currently cooperating with the health authorities and are conducting an investigation"*. The public health authorities inform that refrigerated food must be stored below 4° Celsius in order to prevent bacteria growth. Deficient routines on this area in addition to unsanitary conditions at the detailers or consumers, may cause break-outs of the Listeria bacteria.

Control Group

Today's news report reveals several serious health-threatening incidents related to the lethal Listeria bacteria. At least 4 patients are hospitalized and are receiving medical treatment for the bacteria, which have been traced back to the "camembert" cheese produced by one of Norway's largest dairy manufacturer, AM. AM's spokesman claims that *"Our main priority is the consumers' health and safety! The "camembert" cheese will be withdrawn immediately! We are currently cooperating with the health authorities and are conducting an investigation"*. The public health authorities inform that refrigerated food must be stored below 4° Celsius in order to prevent bacteria growth. Deficient routines on this area in addition to unsanitary conditions at the detailers or consumers, may cause break-outs of the Listeria bacteria.

53. To what degree is A-Meieriet responsible for the crisis?
54. To what degree is the supplier responsible for the crisis?
55. To which degree is Customer responsible for the crisis?
56. How likely is it that a similar crisis will occur in the future?
57. Assign the degree of control AM have in relation to preventing similar types of crises in the future.
58. The crisis management is in alignment with my expectations to the company's profile
59. Assume that you personally like Camembert cheese. I have not lost trust in the company and will continue to purchase the product despite of the crisis
60. I have not lost trust in the company

B Primary Study: Descriptive Statistics

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
CSR_Community_1	Male	154	3.97	1.123	.090	3.79	4.15	1	5
	Female	41	3.93	1.127	.176	3.57	4.28	1	5
	Total	195	3.96	1.121	.080	3.80	4.12	1	5
CSR_Community_2	Male	154	3.14	1.384	.111	2.92	3.36	1	5
	Female	40	2.93	1.457	.230	2.46	3.39	1	5
	Total	194	3.10	1.398	.100	2.90	3.30	1	5
CSR_Diversity_1	Male	150	2.95	1.328	.108	2.74	3.17	1	5
	Female	40	3.15	1.145	.181	2.78	3.52	1	5
	Total	190	2.99	1.291	.094	2.81	3.18	1	5
CSR_Diversity_2	Male	153	3.88	1.277	.103	3.68	4.09	1	5
	Female	40	4.15	1.189	.188	3.77	4.53	1	5
	Total	193	3.94	1.261	.091	3.76	4.12	1	5
CSR_Employees_1	Male	153	3.68	1.316	.106	3.47	3.89	1	5
	Female	40	3.88	1.305	.206	3.46	4.29	1	5
	Total	193	3.72	1.313	.094	3.53	3.91	1	5
CSR_Employees_2	Male	151	3.72	1.206	.098	3.53	3.92	1	5
	Female	38	3.89	1.203	.195	3.50	4.29	1	5
	Total	189	3.76	1.205	.088	3.58	3.93	1	5
CSR_Employees_3	Male	152	3.86	1.174	.095	3.67	4.05	1	5
	Female	41	3.98	1.172	.183	3.61	4.35	1	5
	Total	193	3.89	1.171	.084	3.72	4.05	1	5
CSR_Environment_1	Male	155	3.48	1.266	.102	3.28	3.68	1	5
	Female	41	3.98	1.193	.186	3.60	4.35	1	5
	Total	196	3.59	1.264	.090	3.41	3.76	1	5
CSR_Environment_2	Male	154	3.59	1.384	.112	3.37	3.81	1	5
	Female	40	3.85	1.252	.198	3.45	4.25	1	5
	Total	194	3.64	1.359	.098	3.45	3.84	1	5
CSR_NonUSOperations_1	Male	127	3.34	1.497	.133	3.08	3.60	1	5
	Female	33	3.61	1.298	.226	3.15	4.07	1	5
	Total	160	3.39	1.458	.115	3.17	3.62	1	5
CSR_NonUsOperations_2	Male	142	3.78	1.294	.109	3.57	4.00	1	5
	Female	37	4.03	1.118	.184	3.65	4.40	1	5
	Total	179	3.83	1.261	.094	3.65	4.02	1	5
CSR_Product_1	Male	144	4.05	1.190	.099	3.85	4.24	1	5
	Female	38	4.50	.762	.124	4.25	4.75	3	5
	Total	182	4.14	1.128	.084	3.98	4.31	1	5
CSR_Product_2	Male	129	3.76	1.158	.102	3.56	3.96	1	5
	Female	32	4.34	.787	.139	4.06	4.63	3	5
	Total	161	3.88	1.117	.088	3.70	4.05	1	5
CSR_Corporate Goverernance_1	Male	145	3.61	1.401	.116	3.38	3.84	1	5
	Female	38	3.95	1.138	.185	3.57	4.32	1	5
	Total	183	3.68	1.355	.100	3.48	3.88	1	5
CSR_Corporate Goverenance_2	Male	151	3.78	1.290	.105	3.57	3.99	1	5
	Female	41	4.15	.963	.150	3.84	4.45	1	5
	Total	192	3.86	1.235	.089	3.68	4.04	1	5

SCM_Detection_1	Male	148	2.96	1.217	.100	2.76	3.16	1	5
	Female	41	3.24	1.300	.203	2.83	3.65	1	5
	Total	189	3.02	1.238	.090	2.84	3.20	1	5
SCM_Detection_2	Male	149	2.83	1.245	.102	2.62	3.03	1	5
	Female	41	3.10	1.200	.187	2.72	3.48	1	5
	Total	190	2.88	1.238	.090	2.71	3.06	1	5
SCM_Prevention_1	Male	152	3.63	1.143	.093	3.45	3.81	1	5
	Female	41	3.88	1.053	.165	3.55	4.21	1	5
	Total	193	3.68	1.127	.081	3.52	3.84	1	5
SCM_Prevention_2	Male	153	3.52	1.101	.089	3.34	3.69	1	5
	Female	41	3.73	1.096	.171	3.39	4.08	1	5
	Total	194	3.56	1.101	.079	3.41	3.72	1	5
SCM_Containment_1	Male	149	3.79	1.011	.083	3.62	3.95	1	5
	Female	39	3.95	.944	.151	3.64	4.25	2	5
	Total	188	3.82	.997	.073	3.68	3.96	1	5
SCM_Containment_2	Male	125	3.55	1.004	.090	3.37	3.73	1	5
	Female	30	3.67	1.061	.194	3.27	4.06	2	5
	Total	155	3.57	1.013	.081	3.41	3.73	1	5
SCM_Containment_3	Male	148	3.80	1.041	.086	3.63	3.97	1	5
	Female	38	4.26	.760	.123	4.01	4.51	2	5
	Total	186	3.90	1.006	.074	3.75	4.04	1	5
SCM_Recovery_1	Male	131	3.43	1.053	.092	3.25	3.61	1	5
	Female	28	3.61	1.066	.201	3.19	4.02	1	5
	Total	159	3.46	1.054	.084	3.29	3.62	1	5
SCM_Recovery_2	Male	129	3.43	1.014	.089	3.25	3.60	1	5
	Female	29	3.48	1.184	.220	3.03	3.93	1	5
	Total	158	3.44	1.043	.083	3.27	3.60	1	5
SCM_Recovery_3	Male	126	3.46	1.056	.094	3.27	3.65	1	5
	Female	28	3.89	.916	.173	3.54	4.25	2	5
	Total	154	3.54	1.042	.084	3.37	3.70	1	5
SCM_Recovery_4	Male	128	3.53	1.072	.095	3.34	3.72	1	5
	Female	26	3.96	.916	.180	3.59	4.33	2	5
	Total	154	3.60	1.057	.085	3.44	3.77	1	5
SCM_Recovery_5	Male	130	3.63	1.065	.093	3.45	3.82	1	5
	Female	28	3.93	.940	.178	3.56	4.29	2	5
	Total	158	3.68	1.047	.083	3.52	3.85	1	5
SCM_Learning_1	Male	151	4.13	1.011	.082	3.97	4.30	1	5
	Female	39	4.44	.788	.126	4.18	4.69	3	5
	Total	190	4.19	.975	.071	4.06	4.33	1	5
SCM_Learning_2	Male	150	4.12	1.093	.089	3.94	4.30	1	5
	Female	35	4.49	.742	.126	4.23	4.74	3	5
	Total	185	4.19	1.044	.077	4.04	4.34	1	5

C Primary Study: Theoretical Data Reduction SCM

Table 34 Theoretical Data Reduction SCM

Pattern Matrix[a]

	Factor	
	1	2
SCM_DET1	.822	
SCM_PP1	.789	
SCM_LEA2	.725	
SCM_DET2	.711	
SCM_PP2	.687	
SCM_LEA1	.608	
SCM_CON1	.534	-.401
SCM_CON3	.492	-.408
SCM_REC1	.443	-.400
SCM_REC4		-.999
SCM_REC3		-.920
SCM_REC5		-.908
SCM_CON2		-.695
SCM_REC2	.414	-.456

Extraction Method: Principal Axis Factoring. Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 10 iterations.

D Primary Study: Outliers Theoretical

1. Detection:

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.8914	4.1415	3.0556	.80283	126
Residual	-2.54565	1.79607	.00000	.81263	126
Std. Predicted Value	-2.696	1.353	.000	1.000	126
Std. Residual	-3.120	2.201	.000	.996	126

a. Dependent Variable: SUM_SCM_SignalDetection
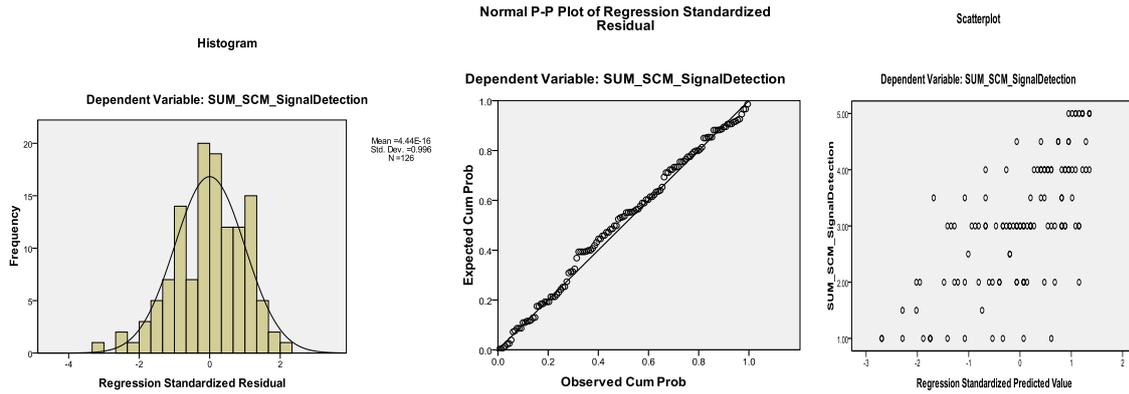
Histogram
Dependent Variable: SUM_SCM_SignalDetection

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: SUM_SCM_SignalDetection

Scatterplot
Dependent Variable: SUM_SCM_SignalDetection

2. Prevention/Preparation:

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.4503	4.6835	3.6032	.79866	126
Residual	-1.64461	2.36423	.00000	.68659	126
Std. Predicted Value	-2.696	1.353	.000	1.000	126
Std. Residual	-2.386	3.430	.000	.996	126

a. Dependent Variable: SUM_SCM_Preperation_Prevention

Histogram
Dependent Variable: SUM_SCM_Preperation_Prevention

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: SUM_SCM_Preperation_Prevention

Scatterplot
Dependent Variable: SUM_SCM_Preperation_Prevention
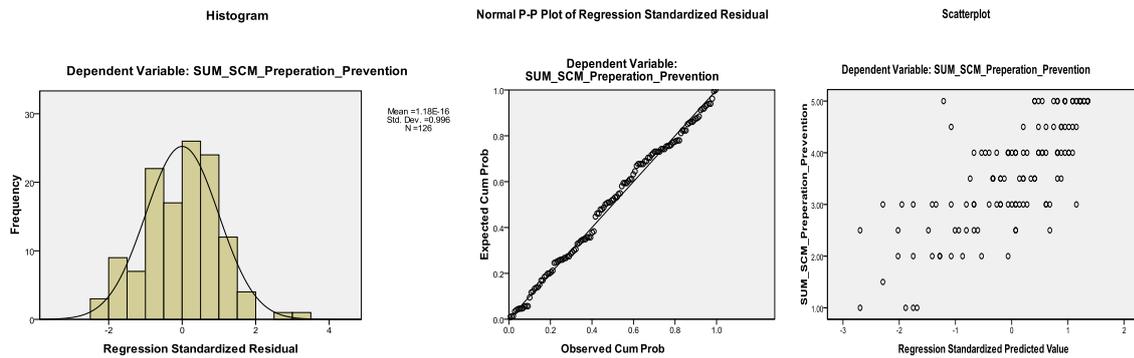
3. Containment:

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.9328	4.5817	3.6697	.62391	111
Residual	-1.65456	2.09596	.00000	.68137	111
Std. Predicted Value	-2.784	1.462	.000	1.000	111
Std. Residual	-2.417	3.062	.000	.995	111

a. Dependent Variable: SUM_SCM_Containment
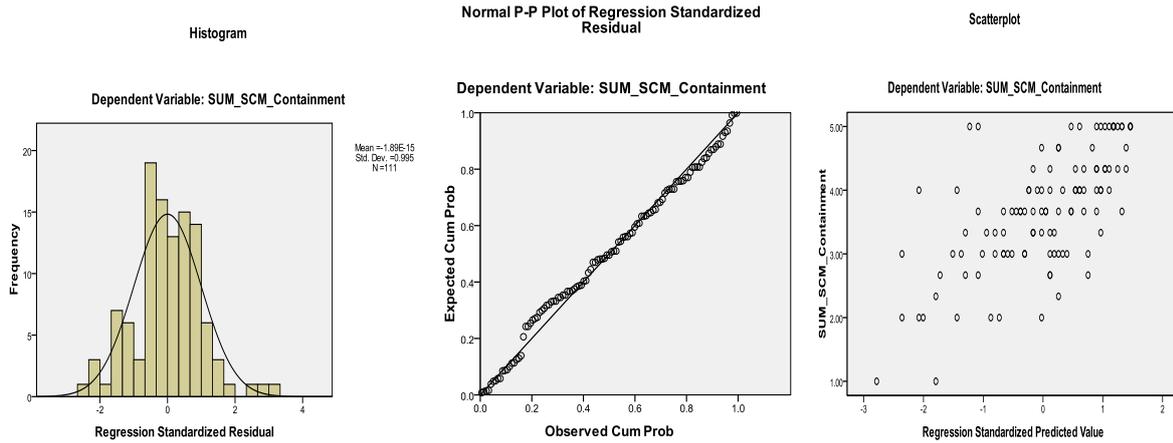
4. Recovery:

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.4913	4.4522	3.4198	.73147	101
Residual	-2.00546	1.92433	.00000	.66133	101
Std. Predicted Value	-2.636	1.411	.000	1.000	101
Std. Residual	-3.017	2.895	.000	.995	101

a. Dependent Variable: SUM_SCM_Recovery
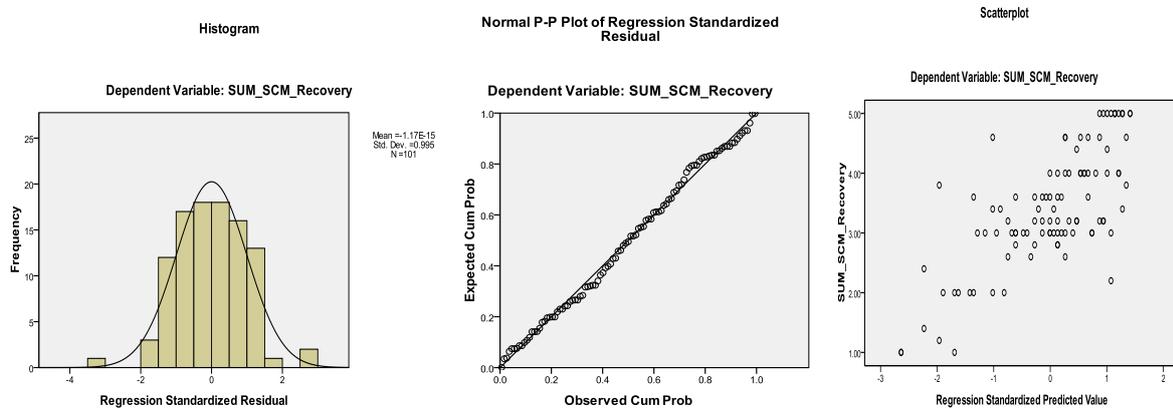
5. Learning:

Residuals Statisticsa

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.4518	4.9627	4.1107	.62345	122
Residual	-2.08390	2.04599	.00000	.77526	122
Std. Predicted Value	-2.661	1.367	.000	1.000	122
Std. Residual	-2.677	2.628	.000	.996	122

a. Dependent Variable: SUM_SCM_Learning
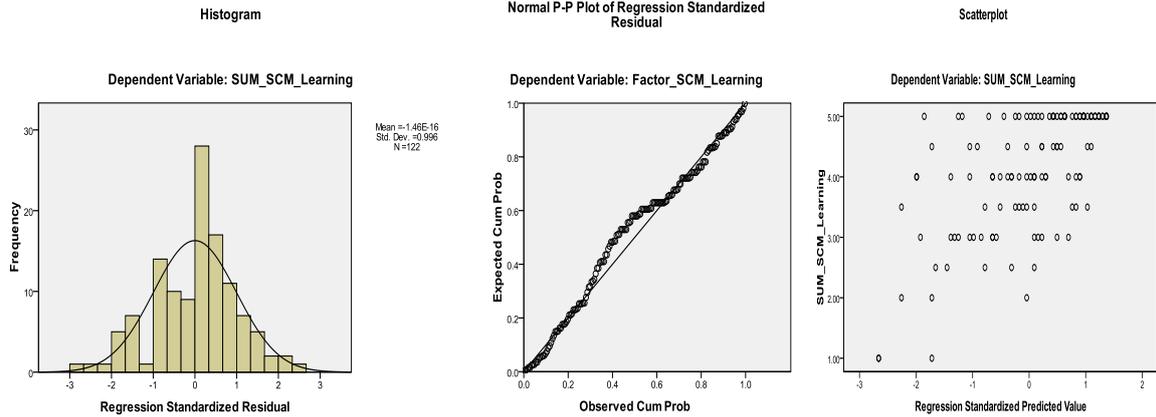
E Primary Study: Outliers Empirical:

1. Detection

Residuals Statisticsa

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.9722	4.0000	2.9699	.73735	166
Residual	-2.51831	1.70201	.00000	.87435	166
Std. Predicted Value	-2.709	1.397	.000	1.000	166
Std. Residual	-2.871	1.941	.000	.997	166

a.   Dependent Variable: Factor_SCM_Detection
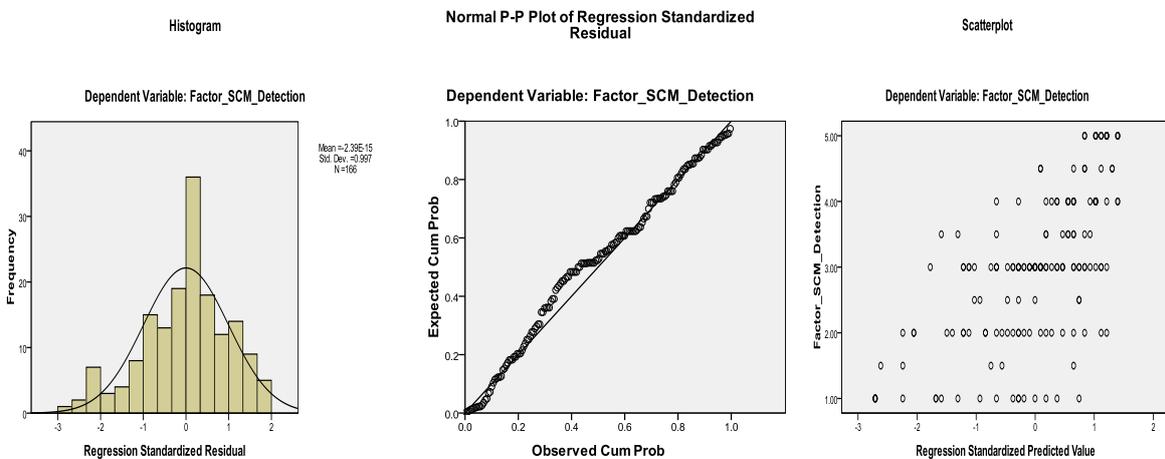
Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.9722	4.0000	2.9699	.73735	166
Residual	-2.51831	1.70201	.00000	.87435	166
Std. Predicted Value	-2.709	1.397	.000	1.000	166
Std. Residual	-2.871	1.941	.000	.997	166

2. Prevention/Preparation

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.6846	4.6563	3.6497	.72380	167
Residual	-1.98093	2.23478	.00000	.73137	167
Std. Predicted Value	-2.715	1.391	.000	1.000	167
Std. Residual	-2.700	3.046	.000	.997	167

a.   Dependent Variable: Factor_SCM_PreventionPreparation
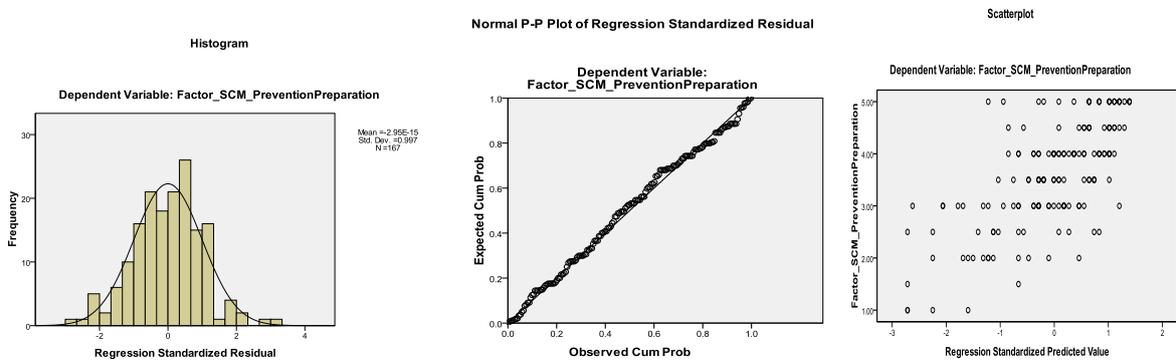
3. Containment/Recovery

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.1901	4.3683	3.6050	.52617	131
Residual	-1.77426	2.56237	.00000	.79664	131
Std. Predicted Value	-2.689	1.451	.000	1.000	131
Std. Residual	-2.219	3.204	.000	.996	131

a.   Dependent Variable: Factor_SCM_ContainmentRecovery
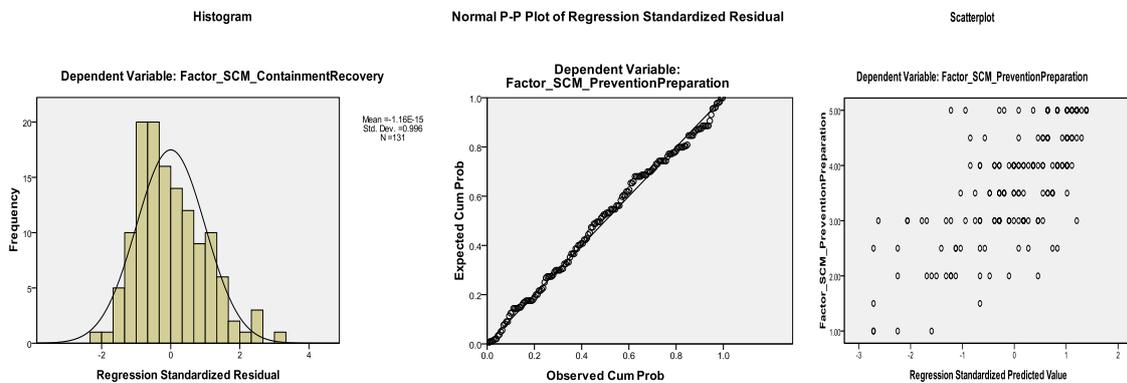
4. Learning

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.7093	4.9415	4.1792	.55004	159
Residual	-2.12979	2.29075	.00000	.79093	159
Std. Predicted Value	-2.673	1.386	.000	1.000	159
Std. Residual	-2.684	2.887	.000	.997	159

a. Dependent Variable: Factor_SCM_Learning
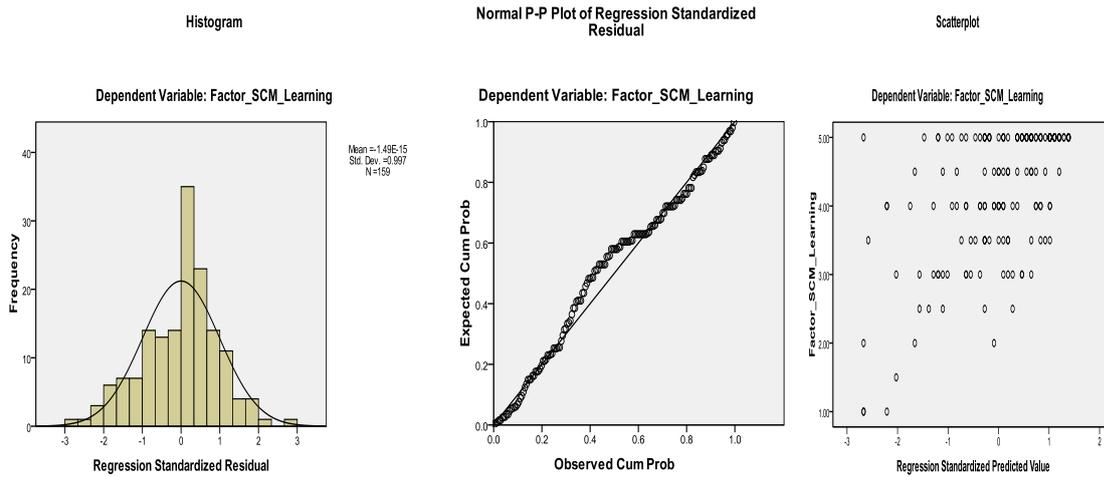
F Comparing Theoretical and Empirical Hypotheses Results

Components	ΔR^2	t	B	SE B	β
Detection	.49	11.0	.81	.07	.70 ***
Prevention/Preparation	Excluded				
Containment/Recovery	.40	8.35	.65	.08	.64 ***
Learning	Excluded				
SCM&CSR	.54	11.13	.72	.06	.74***
Empirical					
Components	ΔR^2	t	B	SE B	β
Detection	.49	11.00	.81	.07	.70 ***
Prevention/Preparation	.57	13.0	.81	.06	.76 ***
Containment/Recovery	.40	8.35	.65	.08	.64 ***
Learning	.39	8.81	.63	.07	.63 ***
SCM&CSR	.61	12.72	.73	.06	.79 ***

Note: ΔR^2: Adjusted R square, t: T-value, of the T-test in the Regression, Unstandardized Coefficient B, SE B: Unstadardized Coeficcient Standard Error B:, β: Standardized Coefficient Beta, *** p<.001, ", p<.01, *p<.05.

G Secondary Study: Scheffe Post Hoc Analysis

Q 53Multiple Comparisons

Scheffe

(I) sett	(J) sett	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Control Group	Negative priming	-12.13*	4.037	.012	-22.08	-2.17
	Positive priming	.11	4.037	1.000	-9.84	10.07
Negative priming	Control Group	12.13*	4.037	.012	2.17	22.08
	Positive priming	12.24*	4.109	.013	2.11	22.37
Positive priming	Control Group	-.11	4.037	1.000	-10.07	9.84
	Negative priming	-12.24*	4.109	.013	-22.37	-2.11

Based on observed means. The error term is Mean Square(Error) = 565,564.

Q54 Multiple Comparisons

Scheffe

(I) sett	(J) sett	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Control Group	Negative priming	8.53*	2.994	.019	1.14	15.91
	Positive priming	.81	2.994	.964	-6.57	8.20
Negative priming	Control Group	-8.53*	2.994	.019	-15.91	-1.14
	Positive priming	-7.72*	3.037	.042	-15.21	-.23
Positive priming	Control Group	-.81	2.994	.964	-8.20	6.57
	Negative priming	7.72*	3.037	.042	.23	15.21

Based on observed means. The error term is Mean Square(Error) = 309,081.

*. The mean difference is significant at the ,05 level.

Q55 Multiple Comparisons

Scheffe

(I) sett	(J) sett	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Control Group	Negative priming	3.93	2.043	.160	-1.11	8.96
	Positive priming	-.60	2.043	.958	-5.63	4.44
Negative priming	Control Group	-3.93	2.043	.160	-8.96	1.11
	Positive priming	-4.52	2.079	.096	-9.65	.60
Positive priming	Control Group	.60	2.043	.958	-4.44	5.63
	Negative priming	4.52	2.079	.096	-.60	9.65

Based on observed means.
The error term is Mean Square(Error) = 144,808.

Q 56 Multiple Comparisons

Scheffe

(I) sett	(J) sett	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Control Group	Negative priming	-1.35*	.458	.014	-2.48	-.22
	Positive priming	-.67	.460	.344	-1.81	.46
Negative priming	Control Group	1.35*	.458	.014	.22	2.48
	Positive priming	.68	.469	.354	-.48	1.84
Positiv epriming	Control Group	.67	.460	.344	-.46	1.81
	Negative priming	-.68	.469	.354	-1.84	.48

Based on observed means. The error term is Mean Square(Error) = 6,556.

*. The mean

Q 57 Multiple Comparisons

Scheffe

(I) sett	(J) sett	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Control Group	Negative priming	1.23*	.420	.015	.20	2.27
	Positive priming	-.02	.418	.999	-1.05	1.02
Negative priming	Control priming	-1.23*	.420	.015	-2.27	-.20
	Positive priming	-1.25*	.420	.013	-2.28	-.21
Positive priming	Control Group	.02	.418	.999	-1.02	1.05
	Negative priming	1.25*	.420	.013	.21	2.28

Based on observed means. The error term is Mean Square(Error) = 5,502.

*. The mean difference is significant at the ,05 level.

Q 58 Multiple Comparisons

Scheffe

(I) sett	(J) sett	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Control Group	Negative priming	.67*	.177	.001	.23	1.11
	Positive priming	.07	.174	.922	-.36	.50
Negative priming	Control Group	-.67*	.177	.001	-1.11	-.23
	Positive priming	-.60*	.179	.004	-1.04	-.16
Positive priming	Control Group	-.07	.174	.922	-.50	.36
	Negative priming	.60*	.179	.004	.16	1.04

Based on observed means.The error term is Mean Square(Error) = ,995.

*. The mean difference is significant at the ,05 level.

Q 59 Multiple Comparisons

Scheffe

(I) sett	(J) sett	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Control Group	Negative priming	1.14*	.190	.000	.67	1.61
	Positive priming	-.02	.189	.996	-.48	.45
Negative priming	Control Group	-1.14*	.190	.000	-1.61	-.67
	Positive priming	-1.15*	.196	.000	-1.64	-.67
Positive priming	Control Group	.02	.189	.996	-.45	.48
	Negative priming	1.15*	.196	.000	.67	1.64

Based on observed means. The error term is Mean Square(Error) = 1,108.

*. The mean difference is significant at the ,05 level.

Q 60 Multiple Comparisons

Scheffe

(I) sett	(J) sett	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Control Group	Negative priming	1.33*	.182	.000	.88	1.78
	Positive priming	.09	.176	.880	-.35	.52
Negative priming	Control Group	-1.33*	.182	.000	-1.78	-.88
	Positive priming	-1.25*	.186	.000	-1.70	-.79
Positive priming	Control Group	-.09	.176	.880	-.52	.35
	Negative priming	1.25*	.186	.000	.79	1.70

H Secondary Study: Descriptive Statistics Univariate Analysis

Q 53: Tests of Between-Subjects Effects

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	7506.950[a]	5	1501.390	2.634	.025
Intercept	533752.125	1	533752.125	936.314	.000
sett	5368.331	2	2684.166	4.709	.010
sett * kjonn	798.201	3	266.067	.467	.706
Error	114011.308	200	570.057		
Total	950131.000	206			
Corrected Total	121518.257	205			

a. R Squared = ,062 (Adjusted R Squared = ,038)

Q54: Tests of Between-Subjects Effects

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	3267.070[a]	5	653.414	2.091	.068
Intercept	90858.424	1	90858.424	290.810	.000
sett	1974.685	2	987.342	3.160	.045
sett * kjonn	260.384	3	86.795	.278	.841
Error	62173.935	199	312.432		
Total	207843.000	205			
Corrected Total	65441.005	204			

a. R Squared = ,050 (Adjusted R Squared = ,026)

Q 55: Tests of Between-Subjects Effects

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1077.127[a]	5	215.425	1.479	.198
Intercept	14947.730	1	14947.730	102.615	.000
sett	919.675	2	459.838	3.157	.045
sett * kjonn	262.308	3	87.436	.600	.616
Error	29133.727	200	145.669		
Total	52152.000	206			
Corrected Total	30210.854	205			

a.   R Squared = ,036 (Adjusted R Squared = ,012)

Q56: Tests of Between-Subjects Effects

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	128.882[a]	5	25.776	4.116	.001
Intercept	3279.440	1	3279.440	523.604	.000
sett	3.546	2	1.773	.283	.754
sett * kjonn	71.779	3	23.926	3.820	.011
Error	1114.852	178	6.263		
Total	6389.000	184			
Corrected Total	1243.734	183			

a. R Squared = ,104 (Adjusted R Squared = ,078)

Q57: Tests of Between-Subjects Effects

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	71.049[a]	5	14.210	2.559	.029
Intercept	4487.704	1	4487.704	808.152	.000
sett	32.628	2	16.314	2.938	.055
sett * kjonn	7.186	3	2.395	.431	.731
Error	1010.654	182	5.553		
Total	8388.000	188			
Corrected Total	1081.702	187			

a. R Squared = ,066 (Adjusted R Squared = ,040)

Q58: Tests of Between-Subjects Effects

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	23.743[a]	5	4.749	4.880	.000
Intercept	1564.956	1	1564.956	1608.287	.000
sett	15.550	2	7.775	7.990	.000
sett * kjonn	6.996	3	2.332	2.397	.070
Error	180.016	185	.973		
Total	2682.000	191			
Corrected Total	203.759	190			

a. R Squared = ,117 (Adjusted R Squared = ,093)

Q59: Tests of Between-Subjects Effects

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	59.389[a]	5	11.878	10.981	.000
Intercept	1178.759	1	1178.759	1089.753	.000
sett	18.452	2	9.226	8.529	.000
sett * kjonn	8.019	3	2.673	2.471	.063
Error	190.375	176	1.082		
Total	2143.000	182			
Corrected Total	249.764	181			

a. R Squared = ,238 (Adjusted R Squared = ,216)

Q60: Tests of Between-Subjects Effects

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	71.476[a]	5	14.295	13.763	.000
Intercept	1382.009	1	1382.009	1330.567	.000
sett	39.107	2	19.554	18.826	.000
sett * kjonn	4.388	3	1.463	1.408	.242
Error	193.191	186	1.039		
Total	2506.000	192			
Corrected Total	264.667	191			

a. R Squared = ,270 (Adjusted R Squared = ,250)

I Syntax INDIRECT macro (Bootstrap)

INDIRECT Y =case1_6/X = sett_bin/M = case1_1_1/BOOT =5000.

INDIRECT Y =case1_6/X = sett_bin/M = case1_1_2/BOOT =5000.

INDIRECT Y =case1_6/X = sett_bin/M = case1_1_3/BOOT =5000.

INDIRECT Y =case1_6/X = sett_bin/M = case1_2/BOOT =5000.

INDIRECT Y =case1_6/X = sett_bin/M = case1_3/BOOT =5000.

J Comparing Differences between Genders

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
CSR_Environment_1	Between Groups	7.840	1	7.840	5.008	.026
	Within Groups	303.685	194	1.565		
	Total	311.526	195			
CSR_Product_1	Between Groups	6.126	1	6.126	4.919	.028
	Within Groups	224.160	180	1.245		
	Total	230.286	181			
CSR_Product_2	Between Groups	8.746	1	8.746	7.290	.008
	Within Groups	190.769	159	1.200		
	Total	199.516	160			
CSR_Corporate Goverenance_2	Between Groups	4.293	1	4.293	2.843	.093
	Within Groups	286.910	190	1.510		
	Total	291.203	191			
SCM_Containment_3	Between Groups	6.373	1	6.373	6.490	.012
	Within Groups	180.686	184	.982		
	Total	187.059	185			
SCM_Recovery_3	Between Groups	4.286	1	4.286	4.022	.047
	Within Groups	161.980	152	1.066		
	Total	166.266	153			
SCM_Recovery_4	Between Groups	4.001	1	4.001	3.645	.058
	Within Groups	166.837	152	1.098		
	Total	170.838	153			
SCM_Learning_1	Between Groups	2.854	1	2.854	3.032	.083
	Within Groups	176.941	188	.941		
	Total	179.795	189			
SCM_Learning_2	Between Groups	3.796	1	3.796	3.533	.062
	Within Groups	196.583	183	1.074		
	Total	200.378	184			

K Secondary Study: Differences between Priming Groups

ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
General_CSR_1	Between Groups	1.431	1	1.431	2.252	.135
	Within Groups	121.346	191	.635		
	Total	122.777	192			
General_CSR_2	Between Groups	2.037	1	2.037	1.587	.209
	Within Groups	243.880	190	1.284		
	Total	245.917	191			
General_CSR_3	Between Groups	1.733	1	1.733	1.751	.187
	Within Groups	182.100	184	.990		
	Total	183.833	185			
General_CSR_4	Between Groups	.046	1	.046	.075	.785
	Within Groups	113.803	184	.618		
	Total	113.849	185			
General_CSR_5	Between Groups	3.315	1	3.315	2.556	.112
	Within Groups	246.430	190	1.297		
	Total	249.745	191			

K Secondary Study: Differences between Priming Groups