CORPORATE CITIZENSHIP:
EMPLOYEE ATTITUDES
AND their RELATIONSHIP
TO AN EMPLOYER BRAND

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CORPORATE CITIZENSHIP:
EMPLOYEE ATTITUDES
AND THEIR RELATIONSHIP
TO AN EMPLOYER BRAND

A comparative case study
in the German FMCG industry

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ABSTRACT

Corporate citizenship: Employee attitudes and their relationship to an employer brand

A comparative case study in the German FMCG industry

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Keywords: Corporate Citizenship, Corporate Social Responsibility, Sustainability, Employer Brand, Employee Satisfaction, Employee Retention, FMCG Industry

This thesis investigates employee attitudes to corporate citizenship (CC) and the impact on employer brands. It addresses the practice of CC in the German FMCG industry, considers employee understanding of CC, and examines which CC initiatives influence perceptions of employer brands.

The research is driven by the dual challenges of sustainable development and the ‘war for talent’ in attracting, motivating and retaining employees. It is underpinned by the extant literature on CC dimensions, stakeholder theory and employer brands.

The research approach is based on two case studies, comprising three phases: analysis of corporate documentation followed by two phases of semi-structured interviews exploring employees’ perceptions of CC and the link to employer brands.

Key findings: An understanding of the positioning of CC in the corporate sustainability strategy and differing foci of CC, including environment, sustainable supply chain and people/culture. The study highlights employee understanding of eight CC dimensions, revealing economic responsibility toward employees as a new dimension. With respect to employer brands, CC initiatives focused on discretionary responsibility towards the natural environment and economic responsibility towards customers are seen as essential; legal, ethical and discretionary responsibility towards community are limited; and discretionary and economic responsibilities towards employees have a strong relationship. A focus on economic responsibilities towards owners has a strong but negative relationship.

The theoretical contribution is a conceptual framework of all identified CC dimensions in practice and their relationship to employer brands.

Contributions to practice include the importance of benefit packages, work-life balance support, employee development and work environment.
ACKNOWLEDGEMENTS

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Lastly, I would like to thank my two supervisors, Prof. Gillian Wright and Dr. David Spicer, for their fruitful feedback and ideas in making this piece of academic work what it is now.
# TABLE OF CONTENTS

| ABSTRACT | ................................................................. | i |
| ACKNOWLEDGEMENTS | ................................................................. | ii |
| TABLE OF CONTENTS | ................................................................. | iii |
| LIST OF TABLES | ................................................................. | vi |
| LIST OF FIGURES | ................................................................. | vii |
| LIST OF ABBREVIATIONS | ................................................................. | viii |

## 1 Chapter 1: Introduction to the study ................................................................. 1

1.1 Corporate citizenship as an organisational challenge ................................................................. 1
1.2 CC versus CSR in business strategy ....................................................................................... 2
1.3 Attractive employer brands: a business need ........................................................................... 4
1.4 Research aim and objectives ................................................................................................. 5
1.5 Introduction of thesis method ............................................................................................... 5
1.6 Introduction of research scope .............................................................................................. 6
1.7 Domains of contributions ....................................................................................................... 7
1.8 Thesis structure ..................................................................................................................... 8
1.9 Chapter summary ................................................................................................................... 10

## 2 Chapter 2: Review of literature .................................................................................... 12

2.1 Introduction ............................................................................................................................ 12
2.2 Corporate citizenship ............................................................................................................. 13
   2.2.1 Overview and dimensions of CC ..................................................................................... 14
   2.2.2 Contemporary research on corporate citizenship with a focus on employees as stakeholders .................................................................................................................. 17
   2.2.3 Corporate citizenship in Germany ................................................................................... 21
   2.2.4 Section summary ............................................................................................................ 24
2.3 Stakeholder theory .................................................................................................................. 25
   2.3.1 Conceptualising stakeholder theory ................................................................................ 25
   2.3.2 Employees as stakeholders ............................................................................................ 26
   2.3.3 Shift in employee values .................................................................................................. 27
   2.3.4 Stakeholder dialog: ‘Talk the talk’ or ‘Walk the talk’ .................................................... 29
   2.3.5 Section summary ........................................................................................................... 30
2.4 Conceptualising an employer brand ...................................................................................... 31
   2.4.1 Labour market in Germany ............................................................................................ 32
   2.4.2 Employer brand ............................................................................................................. 33
   2.4.3 Organisation identification ............................................................................................. 35
   2.4.4 Successful employer brands: motivate and retain .......................................................... 36
   2.4.5 Employer brand characteristics ..................................................................................... 41
   2.4.6 Section summary ........................................................................................................... 45
2.5 Initial framework .................................................................................................................... 46
2.6 Scope of the research ............................................................................................................. 48
2.7 Chapter summary ................................................................................................................... 49

## 3 Chapter 3: Methodology ............................................................................................. 52

3.1 Introduction ............................................................................................................................ 52
3.2 Research philosophy ................................................................. 52
3.3 Case study research ................................................................. 55
3.4 Theory building from case study research ................................. 57
3.5 Research design ...................................................................... 60
  3.5.1 Research question .............................................................. 61
  3.5.2 Researcher’s role selecting research topic ............................. 62
  3.5.3 Case selection ................................................................... 63
  3.5.4 Research process ............................................................... 66
  3.5.5 Data collection and analysis ................................................ 67
  3.5.6 Case study report structure ................................................ 77
  3.5.7 Specification of information needs ........................................ 79
3.6 Chapter summary .................................................................... 79
4  Chapter 4: Findings .................................................................. 82
  4.1 Introduction ............................................................................ 82
  4.2 Case A: Tobacco plc ............................................................... 83
    4.2.1 Summary of case database ............................................... 84
    4.2.2 Corporate citizenship in practice ....................................... 84
    4.2.3 Corporate citizenship from the employees’ perspective ....... 101
    4.2.4 Employees’ perceived corporate citizenship dimensions and their impact on an employer brand ............................. 107
    4.2.5 Summary of Tobacco plc .................................................. 118
  4.3 Case B: Home and Beauty plc ................................................ 120
    4.3.1 Summary of case database ............................................... 121
    4.3.2 Corporate citizenship in practice ....................................... 122
    4.3.3 Corporate citizenship from the employees’ perspective ....... 136
    4.3.4 Employees’ perceived corporate citizenship dimensions and their impact on an employer brand ............................. 143
    4.3.5 Summary of Home and Beauty plc .................................... 151
  4.4 Chapter summary .................................................................. 153
5  Chapter 5: Discussion ................................................................. 154
  5.1 Introduction ............................................................................ 154
  5.2 Corporate citizenship in practice ............................................ 155
    5.2.1 Strategic position of corporate citizenship ......................... 155
    5.2.2 Corporate citizenship reporting tools ................................. 156
    5.2.3 Corporate citizenship initiative focus ................................. 157
    5.2.4 Section summary .............................................................. 161
  5.3 Employee attitudes towards corporate citizenship .................... 161
    5.3.1 Understanding of corporate citizenship ............................. 161
    5.3.2 Awareness and opinions of corporate citizenship ............... 164
    5.3.3 Summary ......................................................................... 167
  5.4 Employees’ perceived corporate citizenship dimensions and their impact on an employer brand ........................................ 168
    5.4.1 Employer brand characteristics ......................................... 168
6 Chapter 6: Conclusion and contributions ............................................. 179
6.1 Introduction ..................................................................................... 179
6.2 Contribution to theory ..................................................................... 179
6.3 Contribution to practice ................................................................. 182
  6.3.1 Problem formulation ................................................................. 182
  6.3.2 Research design ......................................................................... 183
  6.3.3 Theory building .......................................................................... 184
  6.3.4 Problem solving .......................................................................... 184
  6.3.5 Practical recommendations ....................................................... 184
  6.3.6 Section summary ....................................................................... 188
6.4 Research limitations ....................................................................... 190
6.5 Future research ............................................................................. 190
6.6 Personal reflection ......................................................................... 191
References .......................................................................................... 194
Appendices .......................................................................................... 212
  Appendix I: List of analysed documents ........................................... 212
  Appendix II: Sustainability Reporting Assessment Checklist ........... 213
  Appendix III: Interview guide phase II .............................................. 214
  Appendix IV: Interview guide phase III ............................................ 216
  Appendix V: Example of coding process ......................................... 218
LIST OF TABLES

Table 1: Summary of indicators for an attractive employer brand .....................44
Table 2: Strength and weaknesses of case study research ..............................56
Table 3: Summary of all interviewee facts .....................................................75
Table 4: Specification of information needs ....................................................79
Table 5: Summary of semi-structured interviews: Tobacco plc .........................84
Table 6: Summary CC initiatives of Tobacco plc ........................................98-99
Table 7: Summary of semi-structured interviews: Home and Beauty plc ..........121
Table 8: Summary CC initiatives of Home and Beauty plc .............................134-135
Table 9: Comparison of CC’s strategic positioning ........................................155
Table 10: Comparison of corporate social reporting ......................................156
Table 11: CC dimensions in practice .............................................................158
Table 12: Comparison of CC understandings ...............................................162
Table 13: Comparison of CC awareness and opinions ....................................164
Table 14: Comparison of key employer brand characteristics .......................168
Table 15: Employees’ CC dimensions and their perceived impact .................172
LIST OF FIGURES

Figure 1: Visualisation of research thesis structure ........................................... 10

Figure 2: Lever categories for attractive employer brand characteristics .......... 42

Figure 3: Initial framework ................................................................................. 46

Figure 4: Theory building process within case study research ......................... 57

Figure 5: Overview of the research process ..................................................... 66

Figure 6: Conceptual framework of CC dimensions and their relationship to employer brands ................................................................. 180
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC</td>
<td>Corporate citizenship</td>
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<td>CCM</td>
<td>Corporate citizenship mix</td>
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<td>CS</td>
<td>Corporate sustainability</td>
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<td>CSI</td>
<td>Corporate social investment</td>
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<tr>
<td>CSR</td>
<td>Corporate social responsibility</td>
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<tr>
<td>DBA</td>
<td>Doctor of business administration</td>
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<tr>
<td>DJSI</td>
<td>Dow Jones Sustainability Index</td>
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<tr>
<td>DKMS</td>
<td>Deutsche Knochenmarkspenderdatei</td>
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<tr>
<td>EE</td>
<td>Employee equity</td>
</tr>
<tr>
<td>FMCG</td>
<td>Fast moving consumer goods</td>
</tr>
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<td>GRI</td>
<td>Global reporting initiative</td>
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<td>HR</td>
<td>Human resources</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organisation for Standardisation</td>
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<tr>
<td>LOHAS</td>
<td>Lifestyle of health and sustainability</td>
</tr>
<tr>
<td>MIT</td>
<td>Make an impact on tomorrow</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organisation</td>
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<tr>
<td>OI</td>
<td>Organisation identity</td>
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<td>OIN</td>
<td>Organisation identification</td>
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<tr>
<td>SME</td>
<td>Small and medium-size enterprise</td>
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<tr>
<td>USP</td>
<td>Unique selling point</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNCED</td>
<td>United Nations International Conference on the Human Environment</td>
</tr>
<tr>
<td>WBCSD</td>
<td>World Business Council for Sustainable Development</td>
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1 Chapter 1: Introduction to the study

1.1 Corporate citizenship as an organisational challenge

The need for businesses to position themselves as corporate citizens within society has existed since the 20th century, when the World Commission on Environment and Development (1987) introduced the concept of sustainable development (Brundtland, 1987). Since then, a large variety of terms and business strategies (e.g. corporate citizenship (CC), corporate social responsibility (CSR), sustainable development and corporate social performance) have been employed to express corporate accountability to society. The scope of this accountability is broad. Businesses worldwide are being held responsible for contemporary problems, such as reducing their use of scarce resources, environmental concerns, ensuring sustainable supply chain management, or proactively managing business processes to guard the natural environment (Crittenden et al., 2011). The responsibilities include ecological as well as social obligations. Businesses should not only focus on profit maximisation, but security of jobs, supporting the local economy and serving as business partners within their community.

As an example, German fast moving consumer goods (FMCG) companies are expected to be socially responsible in order to appeal more favourably to their stakeholders, and to serve the trend of sustainability when selling branded goods. Looking at company profiles of German multinational companies, it is clear that sustainability, CSR and CC are themes played to enhance company branding for all corporate stakeholders. For example, Beiersdorf AG claims that:

‘We manage our business sustainably and are committed to our ecological and social responsibility. Our actions are determined not only by our Company’s economic success, but also by our active approach to environmental protection and occupational safety, and by our commitment to society’ (BDF, 2012).

Statements from the websites of other FMCG companies further this notion in the following examples:
‘We strive to be a sustainable company, one that recognises its responsibilities towards the environment, our employees and the people who make our products’ (Adidas, 2012).

‘As one of the biggest German consumer goods and retail companies operating internationally, Tchibo recognises its responsibility towards people and the environment. Sustainability has been an integral element of our corporate strategy since 2006.’ (Tchibo, 2013).

German FMCG companies aim to position themselves as responsible citizens within society by generating a positive impact upon the environment, positively affecting their employees and all other stakeholders. It is evident that there are many different strategic directions with regard to how to be a good corporate citizen in society, and different stakeholder groups have different foci when looking at social responsibilities of a company. High expectations can make it difficult to find the right scope and focus for social initiatives.

This study focuses on the employee stakeholder group and what they think about their employer’s positioning as a corporate citizen. This question is of high interest when looking at the current labour market in Germany.

1.2 CC versus CSR in business strategy

Different opinions exist about the strategic character of CC within the business environment. Heuberger et al. (2004) talk about a more or less strategic orientated social investment in the local environment of the company. Backhaus-Maul (2005) supports the view of CC having a clear role in current business strategy. Here, the perceived social responsibility is interlinked with business interests. Companies use their own expertise to enhance social progress and contribute to an interactive dependence of companies and social environments (Habisch, 2003). This research looks into the strategic role of CC to reveal a possible use of CC as a strategic tool to enhance a positive employer brand from an internal perspective.

The transfer of the term ‘citizen’ onto the business arena reveals the difficult relation between politics, economy, private business and the public (Kneip, 2013). Rose (1999) for example states: ‘Citizenship is no longer primarily
realized in a relation with the state, or in a single public sphere, but in a variety of private, corporate and quasi-public practices from working to shopping” (Rose, 1999, p.166). Reich (2008) criticises that ‘the exhibition of corporate virtue prohibits sustainable solutions to solve relevant issues of current democracy’ (p.252). On the other hand, Messner (Messner, 1998) states that to sharpen globalization, private actors, economies, trade unions and NGOs have to take up their roles as ‘citizens’.

Different definitions of CC focus on the responsibility of businesses to take account of their impact on both society and the environment, and refer to their commitment to deliver on social and environmental goods (Palacios, 2004). Like a ‘good citizen’, a company getting involved in the local community shall act socially, culturally and ecologically responsibly (Westebbe & Logan, 1995). Next to its role as a legal body, with its duty to obey the law, a corporate citizen obtains an active role in its social environment: to actively prevent negative impacts and to proactively drive for the generation of positive impacts (Wieland, 2003). The background to this concept is the conviction that companies as economic drivers of globalisation obtain political influence which includes not only sociopolitical creative leeway, but also corresponding responsibility (Matten et al., 2003).

Researching the dimension of CC, it seems reasonable to differentiate CC from CSR. A few authors use both terms synonymously (see Banerjee, 2008; Whitehouse, 2005), while others differentiate depending on the dimension. They understand CC as a voluntary social engagement, which goes beyond actual business practices, whereas CSR comprises all business-related areas and possible social and ecological consequences (Westebbe & Logan, 1995; Backhaus-Maul & Schubert, 2005). But, the boundaries between interior and exterior worlds are blurred. Certain social issues addressed by CC can by all means also serve an operational business interest. The role of a good corporate citizen can hardly be separated from a business operation. Thus, it seems reasonable to integrate CSR in CC (Birch, 2001, Thompson, 2005). In this view, CSR is the duty of a socially responsible company, whereas CC is a supplement.
A more detailed discussion about CC and its dimension is presented in Section 2.2.

1.3 Attractive employer brands: a business need

German FMCGs currently have to fight a ‘war for talent’. This term, first coined by Steven Hankin of McKinsey and Company in 1997, refers to the increasingly competitive setting for recruiting, motivating and retaining suitable employees. Several factors explain this employment market development in Germany. One factor is globalisation; it not only leads to higher competition for FMCG products, but also competition when positioning FMCG companies as employers of choice (Brühl, 2010). Highly qualified employees search not only for their ideal job in Germany, but also globally. If they are not satisfied with the conditions, they will move to another company with better alternatives (Martin, 2005). High flexibility and international mindsets are supporting this trend.

Another reason for the ‘war for talent’ is the demographic change which is taking place in Germany at the moment. The baby boom age group started to retire from 2011 onwards and has left a large gap in the labour market (Estoppey, 2008). A shift to a knowledge-based society is another factor to consider when looking at employees; alone, knowledge is no longer a sufficient quality, instead it is necessary to have the ability to quickly generate and maintain new knowledge, i.e. adaptability (Brühlart, 2001). Furthermore, there has been a change in employee values. Today, employees do not seek lifetime job security, but demand a fulfilling work experience (Kryger Aggerholm et al., 2011). Given this background, it is imperative that companies find the right strategy to build a positive employer brand.

The current empirical research intends to gather insights about the internal perspective of CC in German FMCG companies and its relationship to an employer brand.
1.4 Research aim and objectives

This thesis seeks to align the organisational challenge of CC with the current business issue of ‘war for talent’ in the German labour market. Therefore, its overall aim is:

- To understand employees’ attitudes to CC and their relationship to an employer brand

To achieve this overall aim, the research objectives seek to:

- Understand CC in practice and what it offers to stakeholders
- Comprehend employees’ understanding and opinion of CC
- Understand the relative impacts that CC initiatives have on internal employer brands

1.5 Introduction of thesis method

This study uses a comparative case study approach. It focuses on German FMCG businesses and analyses two cases from differing FMCG industries.

The first case operates within a laundry and home care company producing cosmetics/toiletries and adhesive technologies. This company was selected because it is one of the biggest FMCG companies within Germany. Furthermore, being a multinational player it offers a range of social engagement with its employees.

The second case operates within the tobacco industry which currently serves within a very controversial area in society. This industry was chosen with the aim to enrich the research by comparing two contrasting cases: it also provides a wide range of social support. Intensive business connections to both case companies allowed an ideal entrance for conducting the research.

The fieldwork comprises three phases: analysis of corporate documentation to understand in practice, followed by two phases of semi-structured interviews
exploring employees’ perceptions of CC and its potential link to employer brands.

1.6 Introduction of research scope

This thesis has four key boundaries: the theoretical, geographical, industrial and stakeholder scope.

Theoretical scope
This research explores CC through the lens of an employer brand. Thus, it focuses on finding a theoretical link between these two concepts. It is beyond the scope of this research to identify links between related concepts.

Geographical scope
Due to demographical and cultural differences between countries, this research only focuses on Germany. Germany has the lowest birth rate in Europe and a large baby boom generation, which has led to an increasing discrepancy between the German labour market and the urge to be an attractive employer. Furthermore, CC is a relatively new strategy within corporate management in German FMCGs compared to other countries. This study concentrates on revealing employees’ attitudes towards CC and finding a possible link to an employer brand in Germany without looking at other countries.

Industrial scope
This thesis focuses on the FMCG industry due to its affinity to marketing, due to personal interest and also data accessibility.

Stakeholder scope
Companies have different stakeholders to consider when developing their CC strategies. This study aims to give insights from an employee perspective. It investigates what employees of German FMCGs see with regard to CC initiatives and evaluates their impact. It is beyond the scope of this study to include the perspectives of all stakeholder groups.
1.7 Domains of contributions

This research aligns two important organisational challenges that FMCG companies face in today’s competitive environment: the difficulty in finding the right position as a responsible business partner in society and the urge to be recognised as an 'employer of choice', in a difficult labour market.

Considering the trend of sustainable development and the perceived stakeholder pressure to be a responsible corporate citizen in society, this thesis explores the potential of CC as one influencing factor through which to build a positive employer brand image and to fight the 'war for talent'. The originality of this thesis is in the initial endeavour to explore the organisational difficulties in positioning a company as a corporate citizen through the theoretical lens of an employer brand. This thesis makes a contribution to both practice and theory.

Contribution to practice

Given that CC is one core business strategy for multinationals, this study gives German FMCG companies insights into what CC means to employees in Germany and which CC initiatives might have an impact on the employer brand perception for their individual employees.

The results of this research project give a ‘voice’ to the internal perspective on CC activities and raises awareness as to what kinds of CC initiatives are relevant to employees in German FMCG companies. This study enriches the application of CC in the talent management context.

Contribution to theory

This study attempts to explore the relation between CC and an employer brand. In academia, there are currently limited studies relating to that field which demonstrate empirical evidence (Brammer, Millington, & Rayton, 2007; Maignan & Ferrell, 2001; Peterson, 2004; Simmons, 2009; Valentine & Fleischman, 2008). This thesis contributes to the existing literature on CC by generating empirical evidence of a link between CC and an employer brand in Germany. Since the objective of this research is to establish a theoretical link
between CC and an internal employer brand, the results shed light on current theories of these two concepts.

1.8 Thesis structure

This section describes and provides a visualisation (see Figure 1) of the structure of the thesis.

Chapter 1 introduces the content of this research study. It provides a snapshot of CC in business strategy. It introduces the key issues that German FMCG companies face in the current labour market. It challenges CC as a possible tool to enrich an employer brand. It outlines the aim and objectives of this research and summarises the method and scope. Finally, it outlines the contribution this research will make to the academic and professional world and gives an overview of the thesis structure.

Chapter 2 presents the literature review of this study. It conceptualises all concepts relevant to this research. First, CC is developed, defined and critically discussed. An overview of CC and its dimension is given. Contemporary research on CC from an internal employee perspective is commentated. The political and social setting of CC in Germany is presented and discussed. The second part introduces stakeholder theory with a focus on employees as stakeholders. A shift in employer values is portrayed on the basis of different generations currently working in the German labour market followed by a critical discussion of existing stakeholder dialogue. The third part deals with the employer brand concept. It presents conceptual literature and expands upon the urge to build an attractive employer brand in the German FMCG industry. It introduces current definitions of an employer brand. Components, processes and levers of an attractive employer brand are outlined. This review of literature builds a foundation for the initial framework of this research study which is also introduced in Chapter 2. This chapter ends with an explanation of the research scope and its limitations.

The objectives of Chapter 3 are to give a detailed introduction to and justification for the methodology used in this research. Firstly, it introduces
critical realism, the research philosophy this research is based upon. Then, case study research is portrayed and argued for this research. In the next step, theory building from case study research is outlined and linked to this research study. The research design is presented and justified. Here, the research questions are stated and the research process is described. Secondly, data collection and data analysis techniques are explained and argued. This part is divided into three phases. The first phase comprises thematic analysis of documents of both cases to understand CC in practice, and investigate what both cases offer in terms of CC initiatives to their stakeholders. The second and third phases comprise qualitative research which focuses upon what is seen as CC from an employee perspective, and which CC initiatives do have an effect on an internal employer brand. All phases are outlined in detail before explaining the case study report structure. This chapter concludes with a graphic representation of the specification of information needs and a chapter summary.

Chapter 4 presents the results by displaying two case write-ups. In the findings, the focus lies on addressing each individual research objective. It plays into the overall aim of this thesis to generate a better understanding of employee attitudes to CC and its relationship to an employer brand.

This leads to Chapter 5 where the findings of both cases are compared and analysed. The results are critically discussed in the light of the literature review presented in Chapter 2.

Chapter 6 displays the interpretation of the cross-case analysis. It presents the contribution to academia by utilising a conceptual framework which displays the new theoretical link between CC and an employer brand. It applies theory concerning the transfer of academic knowledge into practice to generate valid recommendations for German FMCG professionals. This chapter also refers to research limitations and provides an outlook for future research. This final chapter concludes with a personal reflection on this research project.
### Figure 1: Visualisation of research thesis structure

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<tr>
<th>Thesis Structure</th>
<th>Overview</th>
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<tr>
<td>Chapter 1 Introduction</td>
<td>Summary of method and research scope</td>
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<td>Domains of contributions</td>
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<td>Corporate Citizenship</td>
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<td>RQ3: Effect on employer brand</td>
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<td>Contributions to theory</td>
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<td>Contributions to practise</td>
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<td>Research limitations</td>
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<td>Personal reflection</td>
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1.9 Chapter summary

This chapter presented a holistic overview of this research project. It started by presenting the two organisational challenges which led to this research. On one hand the challenge to be recognised as a responsible business partner and on
the other hand, the highly skilled labour shortage in Germany, which enhances
the need to be positioned as an employer of choice. These two organisational
challenges built the foundation of this research and led to the overall aim and
three objectives this study investigates.

This research aims to understand employee attitudes to CC and their
relationship to an employer brand. To achieve this the study looks into CC in
practice and examines what it offers to stakeholders, it investigates employee
understanding and opinions of CC in Germany and the relative impacts that CC
initiatives have on an internal employer brand. This chapter provided an
introduction to the comparative case study approach used to conduct this
research project. It introduced the theoretical, geographical, industrial and
stakeholder scopes and justified the focus on employees in German FMCG
companies.

It presented the areas to which the study will contribute. Contribution to practice
involves generating an awareness of what CC means to employees and
discovering which CC initiatives have an effect on the employer brand.
Contributions to theory involve constructing a framework which links CC in
Germany with the employer brand and offering empirical evidence of that
relation.

Finally, the thesis structure provided an overview of the written research study.
It set the basis for the ensuing literature review, which captures key concepts
relevant to the scope of this research.
Chapter 2: Review of literature

2.1 Introduction

This study examines the potential link between CC and an employer brand in the German FMCG industry. This chapter reviews all concepts relevant to this research. CC research is the core focus of the research contributions. This literature provides the underpinning definitions that are the foundation of this DBA research. Furthermore, it provides the substantive body of extant knowledge which is conveyed so as to understand the research issues addressed in this thesis. The most important role of this body of knowledge is to develop a basis for the analysis of the activities of the two case studies through the development of a structured construct within which to analyse CC.

Stakeholder theory is the wider theoretical domain and this is important in this research which is focused on the specific stakeholder group of employees. This literature provides the basis for a narrative on the development of stakeholder relationships between employer and employee. The employer brand literature is addressed as it locates the research in the war for talent context that is an important initial driver of the DBA research. This literature provides the basis for discussion about the value of CC to both employers and employees in a rigorous conceptual manner that can be translated to HR strategy. The literature review is structured in five parts.

Section 2.2 reviews CC as concept. Using state of the art literature, CC is developed, defined and critically commented upon. Three dimensions of CC are introduced. This sets a foundation to answer RQ1 ‘How do German companies position themselves as corporate citizens?’ It examines contemporary research on CC with a focus on employees as stakeholders to show the gap in current research. Furthermore, the social and political environment of CC in Germany is portrayed and discussed. This gives an understanding of the German research context and is considered when analysing the findings.

Section 2.3 deals with stakeholder theory focusing on employees as stakeholders. A change in employer values is presented on the basis of diverse
generations currently working in the German labour market followed by a critical discussion of existing stakeholder dialogue. This is relevant, when researching RQ2: ‘What is the employee understanding and opinion of CC in Germany?’ as it generates insights of the general mindset of employees.

Section 2.4 tackles the employer brand concept. It reviews conceptual literature and considers the urge to build an attractive employer brand in the German FMCG industry. It introduces organisational identification as an important concept when investigating the attractiveness of an employer brand and its relationship to CC. This section discusses retention and motivation as two out of three aims of a successful employer brand, which is important to demonstrate the focus of the fieldwork. Furthermore, it presents attractive employer brand characteristics identified in current literature. This section sets the foundation to answer RQ3 ‘How do CC initiatives impact internal employer brands in Germany?’ as it presents and discusses the employer brand concept.

This review of literature builds a foundation for the initial framework of this research study which is introduced and commentated in Section 2.5.

This chapter is concludes by clarifying the research scope and its limitations.

The literature review was conducted using several steps. First, academic databases were searched, such as Hamburg State and University Library Carl von Ossietzky, the University of Bradford Library as well as online libraries accessed via the University of Bradford Athens account. As a second step, internet sources were searched, including Harvard Business Review website/publications, FMCG companies’ websites/CSR reporting and publications as well as Google books and Google scholar.

2.2 Corporate citizenship

This section introduces the concept of CC. It provides an overview of the development of the term CC in academia and presents the different dimensions. It portrays and discusses contemporary research on CC with a focus on employees as stakeholders to show the gap in current research. Lastly, it discusses the social and political environment in Germany with respect to CC.
This section gives a framework to answer RQ1: ‘How do German companies position themselves as corporate citizens?’

2.2.1 Overview and dimensions of CC

The trend to be socially engaged has not only influenced the business environment (Waddock & McIntosh, 2009), but resulted in an increased momentum of CC in the management literature (Matten & Crane, 2005). By the 1980s, the term ‘corporate citizenship’ was used more frequently by American businessmen, who preferred it over the more traditional term CSR. Whereas CSR was observed to be highly morally orientated, CC was felt to be more pragmatic (Logsdon & Wood, 2002). Traditionally, CC was understood as the operational element of CSR (Fifka, 2013), or – as in Carroll’s widely cited ‘Pyramid of CSR’ – the altruistic element in it (Carroll, 1999). Over the last decade the concept of CC has been expanded and has resulted in different understandings of CC. Matten and Crane (2005) analysed the conventional use of CC in academic and practitioner management literature and distinguished between a ‘limited’, an ‘equivalent’, and an ‘extended’ view of CC.

2.2.1.1 The limited view

The ‘limited view’ equates CC with philanthropic responsibility, i.e. the fourth level of Carroll’s CSR approach (Carroll, 1998). It includes all parts of the CC mix (Dresewski, 2004): corporate giving, social sponsoring and corporate foundation as traditional corporate citizenship activities (which have a long history within German businesses) and cause-related marketing, corporate volunteering, social commissioning, public private partnership, social lobbying and venture philanthropy, which are new innovative instruments (Zerres & Zerres, 2006).

**Corporate giving** is the generic term for ethically motivated, selfless donations of money, as well as free donations of corporate services, products and logistics. This CC activity comprises a voluntary donation, where a service is not expected in return (Habisch & Wegner, 2004). **Social sponsoring** entails transferring the general marketing tool of sponsorship towards the social
sphere, which opens up new communication channels for the company and new ways of financing a non-profit organisation. Other than corporate giving this form asks for visualisation in return (Fabisch, 2008). Cause-related marketing (CRM) is defined as the process of formulating and implementing marketing activities that are characterised by contribution of a specific amount to a designated non-profit effort that, in turn, causes customers to engage in revenue-providing exchanges (Mullen, 1997). According to Adkins (2005), CRM can support and enhance the values of a company and demonstrate the social orientation. A corporate foundation is a type of private foundation which obtains funds primarily from the donations of profit-making businesses that established the foundation. The company-sponsored foundation is an independent legal organisation and is subject to the same rules and regulations as other private foundations. Most corporations keep in close contact with the donator company (Gaist, 2009). Corporate volunteering is defined as any formal organisational support for employees and retirees who wish to volunteer their time and skills in service to the community (McBain & Jones, 2005). Social commissioning is the label for a concrete business partnership with designated charity organisations. For example, organisations that employ disabled and socially disadvantaged people. The aim of this partnership is to strengthen the charity organisation as a competent and competitive business partner (Jonker et al., 2010). Community joint ventures or public private partnerships are described as joint ventures between non-profit organisations and profit organisations, in which both partners invest know-how and other resources and which would not be feasible without such cooperation (Steven, 2010). When using social lobbying as a CC initiative, companies use business contacts and corporate influence to leverage projects of non-profit organisations or social initiatives in the community (Kleinfeld et al., 2007). Venture philanthropy is a term used to express entrepreneurial risk capital investment, which devotes, for a limited time and for a specific project, both money and expertise to non-profit organisations. Other than investors in the classical sense, venture capital market philanthropists aim for sustainability rather than profit maximisation (Hoelscher, 2010).
2.2.1.2 The equivalent view

The ‘equivalent’ view of CC is more general in scope and is essentially a conflation of CC with existing concepts of CSR (Matten and Crane, 2005, p.168). They present Carroll’s (1998) perspective as a good explanation to this view as CC is defined in the same way as he initially (1979) defined CSR – as embracing economic, legal, ethical and discretionary/philanthropic responsibilities. Several academics have taken up this approach. Using a slightly different phrasing (Maignan & Ferrell, 2000; Maignan & Ferrell, 2001; Maignan et al., 1999), CC has been defined as ‘the extent to which businesses meet the economic, legal, ethical, and discretionary responsibilities placed on them by their various stakeholders’ (Maignan et al., 1999, p. 457). Economic responsibility is to be profitable by supplying good products or services at a fair price. Legal responsibility should operate within the line of the law. Working as an ethical corporate citizen means that companies are expected to avoid social harm and respect peoples’ moral rights. Philanthropic responsibility aims to position the company as a better citizen, which goes beyond the general standard set by economic, legal and ethical responsibilities.

In 2011, Rego et al. suggested that this four factor model needs refinement, arguing that employees distinguish three dimensions of discretionary responsibility (towards employees, community and the natural environment) and two economic responsibilities (towards customers and towards owners). In this ‘equivalent’ view of CC, Matten and Crane (2005) see little reflection on the term ‘citizenship’ and an expanded view of it. Also other authors critically reflect upon the ‘equivalent’ view. Whitehouse (2005), for example, sees CC as a buzzword, which will soon be replaced by another term to describe corporate social initiatives. Van Marrewijk (2003) places CC as a synonym for corporate sustainability (CS) and CSR. Waddock and McIntosh (2009) see CC as a replacement for the ‘outdated’ CSR model. Thompson (2005) suggests calling all initiatives which go beyond the normal responsibility of a company ‘CSR-plus’ (p.148/149). Birch and Littlewood (2004) see it as an innovation to the CSR concept in which CC suggests that a business sees itself as part of the public culture, whereas CSR is more concerned with social responsibility as an
external affair. Keijzers (2004) indicates that CC or CSR and CS show different paths. In his view, CS relates to the environment only and CC and CSR refer to social aspects. Recently, both terminologies have converged and are seen as synonymous.

2.2.1.3 The extended view

The extended view of CC (Matten & Crane 2005) pays tribute to the term ‘citizenship’ and the new role of businesses in their social and political environment (Fifka, 2013). In this view, companies are positioned as a quasi-governmental actor. In certain circumstances in which states are not able to administrate or ensure civil, social and political rights for individuals, corporations may fill this gap. Aßländer and Curbach (2014) enrich this idea by examining this new role of CC in society. Using political and sociological theories, they suggest that such engagement is better explained by a change in self-conception of CC from corporate bourgeois to corporate citoyen. As a bourgeois, the corporation concentrates on the business case by focusing on the technical aspects of corporate responsibility. As a citoyen, the corporation takes on subsidiary co-responsibility and engages as a full corporate citizen in society beyond economic considerations (p. 542). Kneip (2013) takes up the idea of citizenship applying it not only to companies but also to consumers. She investigates recent notions of consumer and corporate citizenship using historical and philosophical theories with the aim of discovering constraints, potentials and reciprocal effects of both.

This research aims to enrich the empirical investigations of which dimension and responsibilities of CC are relevant to German employees and have a positive effect on an employer brand.

2.2.2 Contemporary research on corporate citizenship with a focus on employees as stakeholders

The concept of linking CC to employees has been discussed in several forms and sub-themes in the academic world (Davies, 2008; Martin et al., 2005). One relevant study, as already briefly mentioned, is Maignan and Ferrell (2001) who
undertook a literature review from a marketing perspective. They aimed to provide guidance for future research, investigating the value of CC as an external and internal marketing instrument. They introduced this topic by discussing the lack of evidence on the potential business benefits of corporate citizenship. The authors proposed a concept that combines the stakeholder management framework and social performance model and defines CC as the extent to which businesses assume their economic, legal, ethical and discretionary responsibilities. They claimed that there is potential to use CC as an internal marketing tool and supported this claim with related research studies and research of their own. Within this framework, they suggested that the evaluation of a companies’ CC by their employees is influenced by the individual character of an employee. They proposed that socio-demographic variables, personal values and the employee’s stage of cognitive moral development are likely to influence the extent to which employees actively engage with their evaluation and the outcome of it. Maignan and Ferrell also suggested that the evaluation of a company’s CC by employees depends upon the communication of CC. With regard to communication, they proposed intensity, accuracy and value congruence as key influencing communication factors.

This study builds on the concept of Maignan and Ferrell investigating CC as a tool to enhance a positive employer brand. Another relevant research for this study is the briefly mentioned article by Rego (2011). In ‘Rethinking the employees’ perception of corporate citizenship dimensionalisation’, Rego et al. (2011) argued that the classical CC model with its four responsibilities (economic, legal, ethical and discretionary) does not represent all relevant dimensions of employees. Rego et al. (2010) empirically discovered in research in Portugal that employees distinguish between discretionary responsibilities towards employees from discretionary responsibilities towards the community. Based on this empirical study the authors introduced a seven-factor model including a differentiation between economic responsibilities towards owner and customer, as well as a division of discretionary responsibility towards employees, community and the natural environment. This research aims to understand employees’ attitudes towards CC and examines employees’
understanding of CC dimensions in Germany. Empirical evidence is used to determine which CC dimensions are relevant for a positive employer brand.

When looking at empirical studies that investigate the influence of corporate social engagement on employees’ attitudes, several studies can be identified. Gond et al. (2010) provide a good overview of studies that investigate the influence of corporate social engagement on employees. They split those with internal and external focus and identify the fact that the majority of studies focus on potential employees, while only a limited number of studies take the perspectives of existing employees into account. However, some studies (Maignan, 2001; Maignan et al., 1999; Riordan et al., 1997) identify that CC directed towards employees can be perceived positively by prospective and existing employees. Maignan et al. (1999) identified in their survey of members of the American Marketing Association a positive influence of CC on employees’ commitment. Riordan et al. (1997) discovered that the perceived corporate image positively influences job satisfaction. Maignan (2001) recognised a positive influence of the discretionary component of CC on employee commitment. The results from a survey of business professionals by Peterson (2004) verified a relationship between perceptions of CC and organisational commitment. Furthermore, the findings showed that the relationship between CC and organisational commitment was stronger among employees who believed highly in the relevance of CC. Other than the findings of Maignan (2001), the results displayed that the ethical measure of CC was a stronger predictor of organisation commitment than the economic, legal, and discretionary measures. Finally, the results revealed that the discretionary measure was more strongly associated with organisational commitment among female employees.

Brammer et al. (2007) undertook a qualitative survey amongst employees from a large retail banking services firm in the United Kingdom. They identified the positive influence of external forms of corporate social engagement on organisational commitment with regard to important gender variations. In 2010, Kim et al. undertook quantitative research in Korea to investigate how CSR association and CSR participation relates to employees' identification with their
Findings revealed that a firm’s CSR associations increase employee–company identification and that this then impacts employees’ commitment to their employer. Interestingly, CSR associations do not have a direct impact on employees’ identification with a company. According to the findings, the perceived external prestige gained through CSR has a positive influence on their identification. CSR participation has a direct influence on employees’ identification with their company. Lin (2010) conducted an empirical study in northern Taiwan and identified a direct influence of work engagement by four dimensions of perceived CC, plus an indirect influence through the mediation of organisational trust. In a study in central Taiwan, Lin et al. (2010) investigated the influence of corporate citizenship on organisational citizenship behaviours (OCB). Here, the findings revealed OCBs are positively influenced by perceived legal citizenship and perceived ethical citizenship, while negatively influenced by perceived discretionary citizenship. The negative influence of perceived discretionary citizenship on two dimensions of OCBs (i.e., altruism and courtesy) proposes that in certain situations CC could have unintended negative consequences on the employees’ citizenship behaviour. ‘Companies could be in great danger when they adopt a high-effort discretionary citizenship profile that scales down the existing interest of employees or other stakeholder groups (e.g., investors)’ (p.367).

Previous research has examined the business implications and nature of corporate citizenship in contexts of the United States (Glavas & Kelley, 2014; Maignan & Ferrell, 2000; Michailides & Lipsett, 2013) and Asia (China and Taiwan) (Chun-Chen et al., 2014; Lin et al., 2010; Liu et al., 2010; Zhang et al., 2014). Given the nature of globalisation, more and more organisations need to gain insights into the attributes of CC in different countries (Maignan & Ferrell, 2000). (Fifka, 2013) was one of the first authors to provide insights into CC in Germany by conducting research that compared CC activities in German businesses to CC initiatives in the United States. For that reason, this research provides further empirical findings and insight into CC in the German business environment.
2.2.3 Corporate citizenship in Germany

This section deals with the political and cultural environment that German FMCG companies face when positioning as a corporate citizen. This has to be considered when researching employee attitudes towards CC in this study.

2.2.3.1 History of leadership in environmental concerns

Germany has an important role regarding environmental concerns (Jänicke & Jacob, 2004; Lacourbe & Stamer, 2009; Robinson & Stubberud, 2013). One example is their distinctive recycling system. By the 1970s, Germany had already started to recycle paper and glass. In the 1990s, Germany’s political environment changed. Chancellor Kohl, who had governed the country for more than a decade was replaced by a coalition between social democrats and the green party. This new political union started a wide range of reforms that focused on sustainable environmental policies (Lacourbe & Stamer, 2009). One of the key objectives was to minimise material and energy waste. So, in 1997, Germany introduced a law of mandatory collateral on aluminium cans and plastic bottles of all beverages, except juices and spirits. The end consumers have to pay the collateral of €0.25 per unit. When they return bottles and cans, the retailer refunds the collateral and returns the empty bottles and cans to the producer. Another example to demonstrate Germany’s leadership regarding environmental concerns is their leading role in terms of green innovations. In Europe, regulations in favour of catalytic converters were adopted in 1985, with Germany playing a key role due to its export-oriented automobile industry (Driessen & Hillebrand, 2002). In 1992, CFC-free refrigerator technology was founded by the German company dkk Scharfenschein. Jänicke and Jacob (2004) argue that successful lead markets have high environmental pressure (objective and subjective induced by high education and income) and high capacity to react (including the institutional basis, administrative competence, economic and social resources, knowledge and the strength of NGOs). In 2010, mass protests took place against the project ‘Stuttgart 21’ (construction of a through station, which caused cutting down trees in the castle garden of Stuttgart) and against the term extension for nuclear power stations as part of the CDU-FDP energy policy (Westermayer, 2011). At the same time, the green
party achieved record values in electoral surveys. So, it seems that living and working in Germany triggers an awareness of environmental issues. This is interesting to consider when analysing employee attitudes towards environment-related CC initiatives.

2.2.3.2 Shift in German health care system

Other than, for example the United Kingdom or the Nordic countries with integrated health systems, the German healthcare system is based on a so-called Bismarckian system with statutory social health insurance (SHI) (Gericke et al., 2009). It includes nearly 90 percent of the German population and was founded 1883, when the German Parliament introduced a mandatory health insurance for employees nationwide (Hengjin, 2009). For a long time this system was based on the principle of joint funding (meaning equal funding between employers and employees) and self-management (so that each fund was allowed to set its own contribution rates). Employees earning above a certain level can choose to switch into a private insurance with actuarial tariffs (Turquet, 2012). With rapid technology development and an increasing demand for healthcare, cost-containment has become an important issue in public-funded health systems (Bärenhause & Sauerborn, 2002) and German health reforms have been part of political debates ever since. They all aim to contain costs, find new forms of financing and to reorganise the health insurance system (Altenstetter & Busse, 2005). The reforms have included, for example, the introduction of regulated pricing for pharmaceutical products, restrictions on expensive equipment or limitations for non-hospital medical practitioners (Busse, 2000). In 2003, the findings of the Rüper Commission gave a new impetus and placed the focus on methods of finance. The Commission argued that health insurance revenues would cause a competitive disadvantage on the labour market. Since the 1990s, health expenditure in Germany, financed by contributions, has frequently been indicted of reducing the competitiveness of German companies. The effects of unemployment, demographic ageing and a policy of wage restriction have limited the growth of total salary mass and thus the total contributions. In 2007, the debate about different methods of funding came to an end and a health fund was created and a flat-rate contribution
introduced for all funds. Since 2009, all members of public funds have paid the same contributions and the state redistributes financial resources to these funds based on risk-adjusted capitation. In 2011, due to a forecasted deficit of €9 billion, the standard rate was increased from 14.9 per cent to 15.5 per cent (Turquet, 2012). It continues to be pressure on the method of finance, so it is interesting to consider this development when researching CC. Do employees feel that companies with an extended view of CC should take up more responsibility for the healthcare system than they already do?

2.2.3.3 German childcare as a new government engagement

The employment rates of women, especially mothers, have continued to grow over the last decade, as in the rest of the European Union (EU). According to Eurostat the employment rate for women aged 15-64 years in 2013 was 68.8 per cent (Eurostat, 2013). So, the challenges mothers of small children face in combining family life and work, and the support that the state and its institutions could or should provide them with, have come to the forefront of the social and political agenda (Fagnani, 2002). Since re-unification in 1990, Germany has ‘modernised’ its ‘male-breadwinner’ model (Pfau-Effinger, 1998) and established several reforms to support families with their childcare. Germany traditionally had low public involvement in early childcare (Lewis & Ostner, 1994). However, in 1996 they introduced a legal right to childcare (Reform des Kinder und Jungendhilfegesetzes) guaranteeing a part-time place for children aged three years and up. Because public childcare for children under the age of three and afternoon care for school-children was rarely available prior to this, parents with both partners in full-time employment or working flexible hours had to rely on private forms of childcare. In 2004, the German parliament introduced a reform assigning local authorities with the duty to supply sufficient childcare for children under the age of three. The government legislated that each year €1.5 billion, saved annually through labour market reforms, had to be invested in childcare by local authorities (Rüling, 2010). This research investigates what employees understand as CC and it is interesting to consider this new government engagement in social care.
2.2.3.4 German culture

The stereotypical character of Germans is described as logical and very precise. (Ciprian-Beniamin & Adina, 2013) argue that the German language is a good example of that characteristic as it is very detailed. For example, in English one can say that he puts the book on the desk, the bottle on the table, the coat in the wardrobe, or the newspaper in the bag. While in German, there are very different words for each of these cases: er legt das Buch auf den Tisch (horizontal position), er stellt die Flasche auf den Tisch (vertical position), er hängt den Mantel in den Schrank (it is hanged), er steckt die Zeitung in der Tasche (it is inside). As mentioned by (Morgenthau, 1973), the Germans have discipline and thoroughness, national character traits which manifest in all of the individual and collective activities in which they engage. Typical German business leaders in post-war Germany have been portrayed as straightforward, technically skilled and with a formal interpersonal style (Lawrence, 1994). At the end of the last century, interpersonal skills, delegation, inspiration and empowerment became popular concepts for German managers to demonstrate a shift in German attitudes. In 2002, Brodbeck et al., 2002 conducted research on culture and leadership in Germany and identified performance orientation as the most pronounced culture value. Low compassion, low self-protection, low team orientation, high autonomy and high participation have also been identified as typical for German business leaders. It is interesting to investigate the role of CC in this German culture.

2.2.4 Section summary

This section introduced the concept of CC. It presented the different understandings of CC, as relating to the traditional pyramid from Carroll (1999), with its four responsibilities (economic, legal, ethical and discretionary) as well as the three different dimensions introduced by Matten and Crane (2005). They identified a different understanding of CC resulting in a limited, equivalent and extended view of CC. The limited view compromises all charity-related activities from the CC mix by Dresewski (2004) and focuses only on the fourth level of Carroll's pyramid. The equivalent view includes fulfilment of the four responsibilities originally defined by Carroll, as well as the newly defined seven
responsibilities by Rego et al. (2011). The extended view of CC positions companies as quasi-governmental actors, where companies fill a gap in society missed out by local authorities. Furthermore, findings of current empirical research were presented and commented upon. Current research supports a link between CC and impact on employees. However, research has focused on the US and Asia, rather than Europe. Empirical evidence of the impact of CC in the German business context is missing and this research aims to fill this gap.

Lastly, this section dealt with the German context in which this study is placed. It described the historical leadership in environmental concerns, taking recycling of aluminium cans, green innovations such as the catalyser, and the new focus on the green party, as examples. It portrayed the German healthcare system with its joint funding and the difficulties arising through current demographic changes. This section also tackled German childcare in terms of the change from private care to greater governmental engagement. Finally, it briefly described German culture with a focus on the business environment. It identified the typical German character as being logical, precise, formal, disciplined and technically orientated with low emotion. This knowledge will be considered when analysing the findings and answering all three RQs.

2.3 Stakeholder theory

This section deals with the stakeholder theory. It looks into the employee role as a stakeholder, and considers shifts in values and discusses stakeholder dialog. As the study focuses on the internal stakeholder (employees), this section provides insights into this stakeholder group and supports this research in analysing RQ2: What is the employee understanding and opinion of CC in Germany?

2.3.1 Conceptualising stakeholder theory

Corporate citizenship reflects social expectations in a business environment; this requires companies to acknowledge that they need to consider stakeholder interests, which converge, compete and interact (Martin, 2002). Stakeholder theory took shape during the mid-1980s (Freeman, 1984). According to
Freeman (1984) stakeholders are individuals or groups that can directly or indirectly affect or be affected by companies’ activities. There is debate as to who and what counts as a stakeholder for a company. Laine (2010) suggests using the term ‘natural environment’. He does not suggest that the natural environment accounts for a stakeholder itself, but represents the environment which includes all stakeholders (Girerd-Potin et al., 2014). Clarkson (1995) differentiates between primary and secondary stakeholders. With regard to stakeholders, he states, ‘without continuing participation the corporation cannot survive as [a] going concern’ (p.106). He defines five stakeholder groups as being primary stakeholders: investors, consumers, suppliers and employees, as well as any public stakeholder group, such as a government. By undertaking CC activities, several of these primary stakeholder groups can be influenced. For example, in terms of economic responsibilities, when a company reduces its operational costs, investors benefit, but also (in the long run) employees, customers and/or public stakeholders benefit as this assures the survival of the company. Providing customers with full product information is an ethical responsibility which only serves to benefit the customer stakeholder group (Carroll, 1998). According to Stieb (2009), the duty of companies, via their managers, extends from an exclusive focus on stockholders/shareholders to encompass the array of internal and external, direct and indirect stakeholders. Kaler (2009) argues that the ideal viable version of a stakeholder approach to run a business is one in which employees have a co-equal status with shareholders as stakeholders, while customers, suppliers and lenders as additional stakeholders only have a minimal status. This thesis investigates the organisational challenge of CC from the employee perspective and takes it as the most important stakeholder group.

2.3.2 Employees as stakeholders

Mitchell et al. (1997) suggest that power to influence the organisation, legitimacy of the relationship with the organisation and urgency of the stakeholder’s claim on the organisation as being three attributes that stakeholders must possess at least one of. Employees hold all of them. Transferring this to CC of a company, employees can act as agents for social
change within their company, when they trigger socially responsible behaviours (Aguilera et al., 2007). They can take up a supporter role by, for example, participating in CC initiatives (Paço & Nave, 2013). Lastly, employees as stakeholders can perceive, judge and react to a companies’ CC strategy and initiatives (Rupp et al., 2006).

This study focuses on the latter stated role of employees as stakeholders, meaning the evaluator, judge and reactor to CC employer initiatives. It investigates what employees understand as CC: which dimension is most relevant and what is their reaction to it? Looking at today’s employee attitudes towards CC, it is interesting to consider the shift in values that the next section deals with.

2.3.3 Shift in employee values

When researching literature on employees’ moral development, one has to look into the different employee generations currently working in the business environment. It is not the aim of this section to draw a full picture of each generational group, rather to demonstrate the differences and external influences that enhance the shift in employee values.

2.3.3.1 Generational categories

First comes the generation of traditionalists born before 1945. This employee group has nearly disappeared as they have reached retirement age. The second working generation in the business environment is the baby boomer age group, born between 1945 and 1964. This age group is slowly diminishing in the workplace as they start to reach retirement age. Generation X (in Germany also called generation golf) born between 1965 and 1980 is the third and largest employee group on the labour market. Lastly, there is Generation Y (also called the internet generation or the millennials) born after 1980 (Meriac et al., 2010). The literature demonstrates slight variations in the names and start and end periods for each generation, but overall agrees on the co-existence of age diverse workers in a work environment.
2.3.3.2 Traditionalists
Traditionalists are characterised by long-term, loyal, employer-employee relationships that produce work through command and control management (Eisner, 2005). Traditionalists, as children of the Second World War, were educated through scarcity and patriotism. They adopt and prefer top-down management styles that dictate respect for the organisation and superiors. They above all value respect, rewards for hard work and secure employment (Smith & Clurman, 1997).

2.3.3.3 Baby boomers
The baby boomers, as the largest generation in history, grew up expecting the best from life and believed in growth, change and expansion. Due to their high numbers, baby boomers have had to be competitive, diligent workers and show loyalty to their employers (Glass, 2007). They believe that younger generations do not work as hard as they do. Work and personal sacrifices drive financial success. This generation group values status symbols, respect and personal success in the form of financial remuneration (Appelbaum et al., 2010).

2.3.3.4 Generation X
Generation X grew up during a period of mass social change. Unlike previous generations, the divorce rate increased for this generation and children frequently lived with a sole parent. Having a secure and stable private life has become greatly valued for this group and a social life more important (Glass, 2007). This has led to employees seeking a good work-life balance and the freedom to develop their professional careers. Generation X tends to appreciate competent leadership and to the chance to develop their own skills, rather than making the next career move (Eisner, 2005). This generation aims to get their job done smartly, quickly and often with an 80/20 approach, meaning with minimum input and maximum output (Smith & Clurman, 1997). Work-life balance, family and personal development are more important than career moves and financial incentives.

2.3.3.5 Generation Y
Generation Y is the youngest generation in the business environment. This generation was raised during a period of vast economic expansion, yet is now
growing up in a time of economic uncertainty and societal violence. Due to growing up surrounded by twenty-four hour news, this generation has seen more than any other young generation (Smith & Clurman, 1997). Generation Y tends to have a strong moral focus, is sociable and values home and family life. Earning money is less important than contributing to society, parenting and enjoying a good life (Eisner, 2005).

Smola and Sutton (2002) state that work is just one priority in life for Generation Y and not the one and only priority, differing greatly from all previous generations. Martin (2005) points out their flexibility, moving from location to location, department to department, position to position in search of the right environment to improve their skills and gather the experience which will serve them in the future. Generation Y has less respect for rank and more respect for ability, accomplishments and performance of meaningful work. They are a truly global generation, socially conscious and volunteer minded and possibly the most demanding generation yet (Eisner, 2005).

2.3.4 Stakeholder dialog: ‘Talk the talk’ or ‘Walk the talk’

In response to increasing stakeholder interest, most companies have established a more detailed reporting strategy for their social and environmental engagement. However, there is discussion about real social engagement of companies or the usage of CC as a marketing tool to satisfy stakeholders’ demands.

In general, sustainability messages have become ever-present for most multinationals and it is difficult to use social engagement to create meaningful differentiation from competitors and thus benefit from such investments (Peloza et al, 2012). Nevertheless, stakeholders ask multinationals to be socially active citizens in society. Walker and Wan (2012) investigated the effect of substantive actions of environmental issues (green walk) and symbolic actions (green talk) on financial performance of successful businesses in Canada, and revealed that corporate initiatives tackling environmental issues neither harm nor benefit firms financially, but symbolic actions are negatively related to financial performance.
Kolk and Perego (2014) examined multinationals in the Netherlands that had established sustainable bonuses in recent years. Their research discovered that placing a strategic focus on sustainability by introducing such bonus programmes led to a lack of comprehensive implementation of these systems. By investigating the setups and the different elements of bonus programmes used, Kolk and Perego revealed limited transparency of the bonus systems and questioned the extent to which sustainable bonuses, as one part of social reporting, are a credible sign of corporate responsibility, or just a way to satisfy stakeholders.

Thus, more focus is being placed on to how and what companies report and should report in relation to their corporate social engagement. There are concerns about the sincerity of social disclosure and about the usefulness for stakeholders (Danastas & Gadenne, 2006). Banerjee (2008) argues that social engagement is defined by narrow business interests and serves to meet interests of external stakeholders and can be considered to be ‘green washing’. Social reporting is criticised as a tool to generate a positive company image or to influence a specific stakeholder group (Escobar & Vredenburg, 2011). Research on stakeholder dialog has questioned the extent to which stakeholders are and should be engaged in the social reporting process (Agle et al., 2008; Burchell & Cook, 2006), as well as the extent to which social engagement needs to be communicated (Banerjee, 2008).

Van Der Ploeg and Vanclay (2013) introduced a social report checklist (see Appendix II) through which social reports can be reviewed and evaluated. This checklist is used to verify the social reporting of this research and to shed light on the extent to which German FMCG companies take up their role as corporate citizens.

2.3.5 Section summary

This section tackled stakeholder theory and the employee as an important stakeholder group. It was divided into four parts. The first part introduced stakeholder theory portraying different perspectives of stakeholder groups. This research supports the view of Kaler (2009), who promotes a co-equal status of
shareholders and employees leaving all other stakeholders, such as customers, with a subordinated role. The second part of this section looked into the employee role as a stakeholder and identified three roles: the evaluator, judge and reactor. The third part generated an awareness of the different employee generations to be considered in this research. The traditionalists and baby boomers are slowly disappearing from the job market. They are the hard working, very loyal and competitive employees, who have an intact family structure and are used to top-down management styles. The two younger age groups Generation X and Generation Y have experienced new family structures with less stability. Thus, these age groups have a larger focus on their social life. This may correlate with being more socially orientated and supports the interest in investigating current employee perspectives of CC in business practice. In particular, this sub-section is considered when analysing and answering RQ2: What is the employee understanding and opinion of CC in Germany? The last part made reference to the critical discussion about CC as a potential marketing gimmick and green washing instrument. It introduced the social reporting checklist by Van Der Ploeg and Vanclay (2013) as a supporting tool for investigating CC in practice.

2.4 Conceptualising an employer brand

This section develops and critically discusses the concept of an employer brand in particular support of the investigation into RQ3: How do CC initiatives impact internal employer brands in Germany? It is divided into five parts. It introduces current business issues which make this study relevant to the professional world. Section 2.4.1 outlines the need to develop a successful employer brand in the German FMCG environment.

Section 2.4.2 defines and discusses the understanding of an employer brand in the existing literature. It sets the scope through which CC is investigated.

Organisational identification is a concept relevant for discussion when investigating the attractiveness of an employer brand and a relationship to CC. This concept is introduced in Section 2.4.3.
Section 2.4.4 discusses retention and motivation as being two out of three aims of a successful employer brand, which is important to demonstrate the focus of the fieldwork.

Sections 2.4.5 looks at attractive employer brand characteristics identified in the current literature. This is important as an initial basis for this research.

2.4.1 Labour market in Germany

Working environments are changing for employees and employers. The employer market is comparable to the consumer market and acts according to the law of supply and demand (Weinstein, 2002). Over the last decade, demands have shifted.

Companies search for well-qualified employees. Most German FMCGs are highly specialised in their fields and look for candidates capable of performing in their business field. The latest economic downturn increased the pressure to cut costs and increase productivity, which in turn made it even more crucial to get the right people in the right jobs (Riblozi, 2002).

Rapidly developing businesses need to adapt quickly to new scenarios and acquire the necessary skills to be successful within that new setting. Employees no longer demand secure employment, they want an interesting work environment to improve their skills and to gather experience which will serve them well in the future (Martin, 2005). Employee values have shifted in the last decade to a less employer-loyal-employee generation, which has made it important for companies to position themselves as employers of choice.

There are three other factors also influencing the difficult labour market situation in Germany. Firstly, there is globalisation. FMCG companies operate in an international setting, so products are sold globally and their supply chain usually includes several countries. It not only leads to higher competition for FMCG products, but also greater competition when promoting FMCG companies as preferred employers. Highly qualified employees tend to search for ideal job opportunities not only in Germany, but globally too. If they are not satisfied with
the conditions, they move to another company with better alternatives. Great flexibility and an international mind-set supports this trend (Erlinghagen, 2006).

Secondly, there is a difficult demographic development occurring in Germany (Fuchs, 2011). The baby boomer age group, encompassing those born between 1946 and 1964, started to retire in 2011 leaving a gap in the employment market, this has placed stress on the German labour market where there is a ‘war for talent’ (Estoppey, 2008). Furthermore, when looking at future generations entering the labour market, the same challenge will occur in the years to come. Over the past decade, Germany had one of the lowest birth rates in Europe (Eurostat, 2009). The trend commenced due to well-educated academics preferring to focus on their career rather than upon parenthood. The launch of extra parental leave in 2008\(^1\), as an employee benefit, has unfortunately not improved the situation (Sadigh, 2012).

Lastly, the development and growth of the World Wide Web, the continuous improvement of mobile technology, the rise of e-businesses, social media and omnipresent computing have increased rapidly over the last two decades and have had a dramatic effect upon the whole knowledge cycle (Gul & Shah, 2011). The shift to a knowledge-based society has also had an effect on employees. Knowledge in itself is no longer sufficient, employees now need to have the ability to quickly generate and maintain new knowledge (Kryger Aggerholm et al., 2011). All of these factors have increased employer competition on the German labour market and the pressure to integrate an employer brand strategy within corporate strategy.

**2.4.2 Employer brand**

More and more companies are dedicating funds to what is called an employer brand (Davies, 2008). An attractive employer brand facilitates the recruitment of high potentials employees (Collins & Stevens, 2002) and forms their

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\(^1\) Paid parental leave: 12/14 months (65% of previous net income, but not more than €1,800 month) (14 months only for single mothers/fathers, or if both mothers and fathers take parental leave, so called ‘partner months’).
expectations about their future employer (Martin et al., 2011). Ambler and Barrow (1996) were amongst the first academics to investigate the usefulness of an employer brand in linking human resources and brand marketing. The authors define an employer brand as ‘the package of functional, economic and psychological benefits provided by employment and identified with the employing company’ (p.187). They focus on the benefits that characterise a company and differentiate it from other competitor companies. Ewing et al. (2002) explain the employer brand as ‘an image in the minds of the potential labour market that the company above all others, is a great place to work for’ (p.12). They focus on the unique ‘employment experience’ and introduce the concept of employment brand equity, arguing that the general concept of brand equity can be expanded to encompass how a company brand adds to the value provided by the companies’ employees.

The concept of an employer brand aims to attract, retain, and motivate employees, who add value to the business (Moroko & Uncles, 2009). In order to achieve this, an employer brand should meet three criteria: it should be consistent with the realities of the organisation, different from those of competing employers, and attractive to members of the target audience (Backhaus and Tikoo, 2004; Ambler and Barrow, 1996). Since the first two criteria occur as a matter of course, academics have concentrated their attention on understanding what makes an employer brand attractive. There have been several academic studies of employer brand attractiveness from the external stakeholder perspective (Berthon et al., 2005; Ewerlin, 2013; Roy 2008; Rosengren and Bondesson, 2014). However, limited studies have focused on existing employees. Lievens (2007) conducted empirical research on employer attractiveness using a model developed by Dutton and Dukerich (1991). This framework suggests that an organisation’s identity can be viewed from an internal perspective (employees) external perspective (outsiders) and construed external perspective (employees’ perceptions of the perceptions of outsiders). Lievens et al. (2007) chose to examine the relative importance of employer brand beliefs across different groups of individuals: potential applicants, actual applicants, and military employees. The study revealed that there are significant differences between the three perspectives. The results
showed that employees tend to identify more strongly with their organisation when its external image is positively interpreted. Furthermore, the findings provide evidence that both groups tend to value different attributes. So, findings on employer brand research conducted with potential employees should not be generalised to existing employees.

Dögl and Holtbrügge (2013) have been some of the first researchers to conduct a study with existing employees in China, Germany, India and the US by investigating corporate environmental responsibility and its influence on employer brand attractiveness and, in turn, employee commitment. Findings revealed that in all countries the green strategy of companies had a positive effect on the environmental reputation of a company as an employer. To enrich the understanding of the unique perspective of current employees, it is relevant to outline the way in which the employment relationship may change an employees’ perception of an employer brand.

2.4.3 Organisation identification

Organisation identification is based on the social identity theory. This theory describes the psychological basis of intergroup behaviour and out-group discrimination (Tajfel, 1978; Tajfel & Turner, 1986). Social identity has been defined as ‘that part of an individual’s self-concept which derives from his knowledge of his membership in a social group together with the value and emotional significance attached to that membership’ (Tajfel, 1978, p.63). Social identification is the perception of corresponding to a certain group. Social identity theory suggests that people form social identities based on social categories such as nationality, race and class, which then impact their attitudes and behaviours. Furthermore, the theory proposes that the self-concept consists of a personal and a social identity. The personal identity includes idiosyncratic characteristics such as personal interests and abilities (Tajfel & Turner, 1986). Ashforth and Mael (1989) and Albert and Whetten (1985) were amongst the first to propose that social identity theory (Tajfel and Turner 1978) can be applied to the study of organisations. According to Albert and Whetten (1985) organisation identity (OI) is the cognitive image held by organisation
members about the organisation, a concept which is closely linked to an employer brand. They defined OI as employee perceptions about their organisations’ central, distinctive and enduring qualities (Albert and Whetten, 1985). Dutton et al. (1994) established a new dimension of OI by suggesting two types of perceived OI: on the one hand, employees’ perceived OI and on the other hand their constructed external identities. Fundamental to this idea is that employees’ own perceptions of OI are also influenced by external views about their employer. Identification directs persons to perceive themselves on the one hand in terms of characteristics that are different from other individuals, and on the other hand, of characteristics they share with other group members. Organisational identification (OIN) is a certain form of social identification. There is a debate in academic literature as to how to define OIN. Several academics, such as Ashforth and Mael (1989), Rousseau (1990) and Dutton et al. (1994), all conceptualise OIN to some extent in a different way. Ashforth and Mael (1989) suggest OIN to be the personal experiences of the organisation’s successes and failures and connection of them with one’s own successes or failures. Rousseau (1990) defines OIN as the psychological state where an employee perceives him/herself to be part of a larger whole. It is described by Dutton et al. (1994) as the level to which an employee defines him/herself by the identical attributes that the employee believes the company to have. In general it can be defined as ‘the members’ identification with the organisation’. Organisational members find an organisation’s identity to be especially attractive when it matches their self-identity, or rather, their perceived sense of who they are (Tajfel & Turner, 1985). Therefore, OIN can lead to a positive employer brand association (Maxwell & Knox, 2009). Theories of social identity and organisational identification have shown that strong identification with an organisation strengthens people’s desire to actively contact and support the organisation (Bhattacharya & Sen, 2004).

2.4.4 Successful employer brands: motivate and retain

This section discusses the two distinctive features a successful employer brand aims to achieve for current employees, i.e. motivation and retention. Several research studies have covered the external perspective of an employer brand
(Rego et al., 2010). This thesis focuses on a research gap by investigating the impact of CC initiatives on an employer brand from an existing employee perspective. The aim of this section is to create an understanding of the different employer brand spheres of action.

2.4.4.1 Motivation

To motivate employees is one key goal of an employer brand. Authors such as Frey and Oberholzer-Gee (1997) or Osterloh and Frey (2000) have applied psychological theories of motivation within economic theory. One attempt is based upon categorisation within the concept of motivation, namely extrinsic and intrinsic motivation (Calder & Staw, 1975).

Extrinsic motivation

Extrinsic motivation is motivation gained via externally influenced satisfaction, such as monetary benefits (Frey & Oberholzer-Gee, 1997). Employees are extrinsically motivated if they are able to satisfy their needs indirectly, predominantly through financial compensation. Money itself does not provide direct satisfaction, but it enables the employee to buy products/services which then satisfy their needs. Generating money becomes the key target, independent from the actual job task itself (Calder & Staw, 1975). The preferred incentive system is entitled performance-related pay. Therefore aligning employee incentive systems with company goals can serve extrinsic motivation.

Intrinsic motivation

Motivation is intrinsic if a certain task is done to obtain direct satisfaction. Intrinsic motivation counts on its own merits and appears to be self-sustained (Calder & Staw, 1975). It underlines the fact that intrinsically motivated employees are prepared to perform tasks without monetary payments. Intrinsic motivation has several forms. It can be directed to:

- the task itself, for example reading a novel (Csikszentmihalyi, 1975)
- a personal goal such as climbing a mountain (Loewenstein, 1999)
- the obligation of personal and social identity (Fehr & Gächter, 2000).
For intrinsic motivation, the perfect incentive system is in the work itself which must be satisfactory and fulfilling for the employee.

*Job satisfaction*

Whereas Locke (1976) defines job satisfaction as a positive emotional state resulting from the appraisal of an employee’s work, Agho et al. (1993) see job satisfaction as the extent to which employees like their work.

In general, however, the concept of job satisfaction refers to an employee’s overall sense of well-being at work. A review of the literature on job satisfaction reveals three groups:

- literature on the determinants of job satisfaction: usually includes job tasks, compensation, future career perspectives, leadership, work environment and colleague relationships (Arnold & Feldman, 1982)
- literature on the measurement of job satisfaction: including quantitative and qualitative methods, such as questionnaires (e.g. Minnesota Satisfaction Questionnaire, which was developed by Weiss et al (1967) to measure employees’ satisfaction with their jobs)
- literature on the examination of outcome variables of job satisfaction: such as performance (Shaozhuang & Trigo, 2008)

Job satisfaction is used in this research paper as an indicator for employee motivation as one aim of an attractive employer brand, as perceived by individual employees.

**2.4.4.2 Retention**

The second goal of an employer brand relevant to this research is retention. To retain valuable employees is, especially in a competitive labour market, crucial for a good market performance in the FMCG industry. When these workers are not retained, a company can be negatively affected in operational and strategic business fields (Cardy & Lengnick-Hall, 2011).

Employers invest a large amount of their HR budget in attracting, recruiting and developing employees’ skills. Thus, it is important to identify why employees stay with an employer.
Many academic research studies have tackled the question as to why employees leave a company, considering the issue of retention from a staff turnover perspective (Holtom & Inderrieden, 2006). Yet, employee turnover and employee retention are not the same (Lee et al., 2004). Criteria that might lead an employee to leave the company may be different criteria to those that encourage an employee to retain his/her job.

Hausknecht et al. (2009) identified in their empirical research several reasons for employee retention. The most frequent reasons are job satisfaction, extrinsic rewards, constituent attachments, organisational commitment and organisational prestige. As employer retention forms but one part of an employer brand, this research aims to see whether CC can improve those reasons for retention mentioned above.

In this research, a customer-based approach to employee retention is used as a basis for the initial framework. The model underlying this approach is the employee equity (EE) model (Cardy et al., 2007). It is based on the customer equity framework by Rust et al. (2000). Like Maignan and Ferrell (2001), Cardy et al. (2007) compares employees as internal consumers. Rather than being solely profit orientated, customer equity focuses on the long-term value of consumers. Correspondingly, employee lifetime value includes the valued contribution to the company, as well as the length of the relationship between employee and employer. Consequently, employees with a high value contribution and short time of employment might have a lower employee lifetime value than employees with less value contribution but a longer time of employment. The EE model suggests that companies should see their employees as customers and should aim to maximise the value that long-term relationships with them can provide. It predicts that investment in socialisation and development activities, enhancing stronger identification with a company will improve employer loyalty and retention (Cardy & Lengnick-Hall, 2011). EE includes three aspects: value equity, brand equity and retention equity.

**Value equity**

Value equity supposes that employees view the work they contribute to the company as being in exchange for the benefits they receive working in a
company. Similar to consumers evaluating their perceptions of what they receive from purchasing a product verses what they give up. The EE model suggests that employees recognise the value offered by their employer. The operationalisation of value equity does not need to be tangible. Flexible working arrangements or a positive working environment can be alternative criteria that create value for employees, which in turn enhances employee retention (Cardy & Lengnick-Hall, 2011).

**Brand equity**

Brand equity in consumer marketing is a concept that relates to the intangible experience for consumers when purchasing a product or service. It provides incremental preferences for a certain product or service that go beyond the product or service characteristics. An employer brand could also provide incremental preferences for a certain employer that go beyond job and organisational attributes (Allen et al., 2007).

As defined in this study brand equity aims to create identifiable benefits (tangible and intangible) for a unique employment experience. Brand equity involves developing an emotional connection that results in a positive feeling, which decreases the possibility of resigning from a position.

**Retention equity**

Retention equity involves the relationship between an employee and the company. It is based on the activities that employers and their employees undertake to build and develop their relationship. It expresses the affinity of employees to feel engaged and to remain with a company. It is created upon the contribution of value and brand equity and at the same time a company improves retention via employee investments, e.g. pensions and other financial tools, and also generates retention equity from investments in skill development and training (Cardy & Lengnick-Hall, 2011).

The drivers of value equity, brand equity and retention equity may vary among individual employees. This fact has to be considered for this research.
2.4.4.3 Section summary

This section discussed the goals of an employer brand, as set out for current employees. The goal of ‘attraction’ is not being considered, as this research focuses only on the internal perspective of employees. This section introduced the concept of motivation with extrinsic motivation and intrinsic motivation, as well as job satisfaction, as possible measurement indicators for employee motivation. Furthermore, this section discussed the concept of retention as part of an employer brand intention. It identified value equity, brand equity and retention equity as drivers for employees to remain within their company. This section generated an understanding of motivation and retention as key employer brand goals. This is important to have when researching the impact of CC on internal employer brands in Germany (RQ3).

2.4.5 Employer brand characteristics

As mentioned in Section 2.4.2 it is difficult to generalise positive employer brand characteristics without considering the research sample. Previous research on potential employees identified that, for example, graduates are attracted by positive work relationships, being able to learn on the job, and a workplace that is passionate about work (Sedighi & Loosemore, 2012). Wilden et al. (2010) conducted research among job seekers and revealed that the attractiveness of employers is based on previous direct work experiences with the employer or the sector: the clarity, credibility and consistency of the potential employers’ brand signals; perceptions of the employers’ brand investments; and perceptions of the employers’ product or service brand portfolio. (Turban & Greening, 1997) investigated the relation between corporate social performance (CSP) and employer attractiveness. Their findings indicated that CSP may provide a competitive advantage in attracting applicants. This study looks into the perception of current employees. As attractive employer brand characteristics vary depending on the internal and external group, this section provides an overview of lever categories in considering what makes an attractive employer brand, as discussed by Nagel (2011) and shown in Figure 2. This study investigates in which lever category CC is present and actually impacts an attractive employer brand image.
Figure 2: Lever categories for attractive employer brand characteristics

It is important to point out that this is only one way of categorising the important areas for an attractive employer brand. It demonstrates the large variety of indicators required when building an attractive employer brand, without claiming completeness (Nagel, 2011).

**Job characteristic**

The first lever, job characteristic, includes fact-driven indicators, such as salary (Posner, 1981) and other incentives such as health insurances (Bhattacharya & Vogt, 2014). These indicators can form an attractive compensation package which enhances a positive association with the company as an employer. Work environment and location (Nagel, 2011) are relevant indicators that can be played as an employer benefit. A modern building in an easily accessible part of a city can positively influence employee engagement with their employer (Nagel, 2011). Other indicators such as job criteria (Lieven et al., 2005), working hours or a positive work-life balance (Highhouse et al., 1999) are also stated as relevant in this lever group.

**People and culture**

This lever group contains indicators which are mainly subjective and highly depend upon personal values and experiences (Kärreman & Rylander, 2008).
Corporate culture, with its non-written rights and responsibilities, is one key indicator within this group (Baum & Kabst, 2012). The incentive system is another indicator (Lieven et al., 2005). The key question is often: How does an employer value performance? Even the nationality of the company’s headquarters can be relevant, as it gives an indicator of management styles. A German based multinational FMCG often has a different management style in comparison to a United Kingdom (UK) based FMCG (Nagel, 2011). The relationship with colleagues also forms a relevant indicator for a positive employer brand (Karl et al., 2007). This lever group seems to be interesting when looking at the impact of CC on an employer brand as it focuses on subjective, personal values.

Reputation and image
This seems to be a highly relevant lever group when researching the impact of CC on employer brands in the German FMCG industry, from an employee perspective. Successful employer brands are characterised as being ‘known’ and ‘noticeable’ by employees (Moroko & Uncles, 2008). How is the corporate brand communicated? What is the strategic focus of the management board? Is the strategy long-term or short-term orientated? The form of the company’s communication with its stakeholders is relevant in supporting an attractive employer brand (Blasco-López et al., 2014). Products and services are also seen as indicators through which to construct a positive brand image (Fombrun, 1998). How is the production of the products undertaken? How are companies’ product brands perceived in the market? All these indicators need to be considered when looking at the two case studies of this research.

Career development
This category incorporates levers of the future. The perceived personal development (Lieven et al., 2005), skill development for the future (Posner, 1981) and future career perspectives (Cable & Graham, 2000) can have a positive impact on the employer brand from an employee perspective. From an initial evaluation, this lever seems to be less relevant when researching CC, but will be investigated within this study.
Credibility and trust

Credibility and trust seems to be highly relevant as a lever group for this research. Karl et al. (2007) states that an employee’s personal experiences with daily business form a key indicator in building an employer brand. In addition, external experiences with the company (Cable & Graham, 2000) and the opinion of friends, family, opinion leaders and social networks (Highhouse et al., 1999; Nagel, 2011) are indicators that influence an employer brand.

<table>
<thead>
<tr>
<th>Job characteristics</th>
<th>People and culture</th>
<th>Reputation and image</th>
<th>Career development</th>
<th>Credibility and trust</th>
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<tbody>
<tr>
<td>Other incentives e.g. health insurance (Bhattacharya &amp; Vogt, 2014)</td>
<td>Incentive system (Lieven et al., 2005)</td>
<td>Market success (Moroko &amp; Uncles, 2008)</td>
<td>International career opportunities (Nagel, 2011)</td>
<td>Recruiting process and follow-up (Nagel, 2011)</td>
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<td>Secure employment (Nagel, 2011)</td>
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<td>Working hours (Highhouse et al., 1999)</td>
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<td>Flexibility (Posner, 1981)</td>
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Table 1: Summary of indicators for an attractive employer brand


2.4.6 Section summary

This section introduced the concept of an employer brand. It began by presenting arguments relating to the urge to be recognised as an employer of choice and the difficulties that talent management currently face in the German FMCG industry. Thus, it argued the business relevance for conducting this study. A new business environment with globalisation, demographical changes and a knowledge-based society was then introduced. This setting increases employer demands for more specialised employees that can quickly adapt to a fast business environment. On the other hand, employees with great flexibility and an international mind-set have new employer values which enhance the need to be an attractive employer.

Section 2.4.2 portrayed the current knowledge of the employer brand concept in the academic arena, pointing out a research gap when it comes to linking CC to the employer brand concept.

Section 2.4.3 introduced organisational identification as a relevant concept to understand how the employment relationship may change an employee’s perception of an employer brand. As organisational members find an organisation’s identity to be especially attractive when it matches their self-identity, it can lead to a positive employer brand association.

Aims of an attractive employer brand are attraction, retention and motivation. Section 2.4.4 introduced and discussed motivation and retention only, as this research focuses on existing employees. Extrinsic motivation, intrinsic motivation and job satisfaction were defined as indicators for employee motivation. This contributed to this research study by giving insights about different forms of motivation. This will help in analysing the impact of CC initiatives on employee motivation. Furthermore, this section discussed the concept of retention as part of a successful employer brand. It identified value equity, brand equity and retention equity as drivers for employees to stay within their company.
Job characteristics, people and culture, reputation and image, career development, credibility and trust were then presented in Section 2.4.5, as employer brand characteristics that can support an attractive employer brand image and are important when researching CC initiatives through the lens of an employer brand.

2.5 Initial framework

This section visualises an initial framework. It presents a distillation of the previous discussed literature and functions as a foundation and starting point from which to understand attitudes to CC and its relationship to an employer brand.

![Figure 3: Initial framework](image)

This initial framework graphically displays the linkage of constructs relevant for this research. The box on the left represents the initial base for CC in this research. It includes CC activities out of the CCM by Dresewski, (2004), which have been previously identified. These activities are in line with what Matten and Crane (2005) labelled a ‘limited view’. The researcher considered integrating the four responsibilities suggested by Maignan et al. (1999) as an initial basis of CC. There they defined CC as ‘the extent to which businesses meet the economic, legal, ethical, and discretionary responsibilities placed on
them by their various stakeholders’ (p. 457). This presents the equivalent view of CC (Matten and Crane, 2005) as it includes the same responsibilities that Carroll (1979) originally defined CSR with. Furthermore, the researcher considered Rego et al.’s (2011) seven dimensions of CC and dividing economic responsibilities into economic responsibilities towards customers and towards owners and philanthropic responsibilities into philanthropic responsibilities towards employees, community and environment, but for an initial framework both seemed to be too detailed.

The box includes all elements relevant to the concept of an employer brand and visualised the relationship between a real, unique and attractive employer brand, with organisational identification as tool to generate the targeted employees’ behaviour: retention and motivation. It is related to a model by Maxwell and Knox (2009). ‘Real, unique and attractive’ represents the criteria an employer brand should meet: give a real picture of a company, have a certain point of differences to stand out from competing employers and be attractive to potential and existing employees (Backhaus and Tikoo, 2004; Ambler and Barrow, 1996). Organisational identification may be taken as a variable between the employer brand and the behaviour of its employees (Maxwell & Knox, 2009). ‘Employees as stakeholder’ present the unit of analysis. Like Kaler (2009), this study sees employees as co-equal stakeholders and due to the limited empirical research on employees’ perspectives regarding CC, this study focuses on this internal stakeholder group. The ‘distinctive behaviours’ are motivation and retention. Intrinsic motivation, extrinsic motivation and job satisfaction can be seen as indicators for employee motivation. Value equity, brand equity and retention equities are identified as measures for employees’ retention. This research is based in Germany, so this research considers the political, social and business context. This framework has been used as an initial theoretical basis from which to start researching employee attitudes and their relationship to an employer brand. The focus of this research lies on the arrow in the middle of the framework. It aims to understand employee attitudes towards CC and thus the relationship to an employer brand in the context of Germany. This research adds to existing knowledge and empirical evidence on the impact of CC in the German FMCG
business environment. For that reason, this study needs to answer the following:

- How do German companies position themselves as corporate citizens?
- What is the employee understanding and opinion of CC in Germany?
- How do CC initiatives impact internal employer brands in Germany?

2.6 Scope of the research

This research focuses upon the impact of CC initiatives on an employer brand in the German FMCG industry from an employee perspective. This section describes and argues the scope of this study.

**Theoretical scope**

This research explores CC through the lens of an employer brand. Thus, it focuses on the theoretical link between these two concepts. It is beyond the scope of this study to identify links between related concepts.

**Geographical scope**

There are two reasons for choosing Germany as the location for the fieldwork. Firstly, there are demographical differences between countries. Due to Germany having the lowest birth rate in Europe and a very large baby boom generation (who have now started to retire), the urge to win the ‘talent war’ seems to be more important in Germany than in other countries. Secondly, there are cultural differences when looking at CC incentives. CC is still relatively new to strategic management in Germany in comparison to the United Kingdom, where corporate volunteering as one CC initiative is highly present in companies (Mathou, 2010).

**Industry scope**

The justification for focusing upon the FMCG industry is the marketing presence in this industry. FMCG companies are consumer orientated and it appears that these companies are particularly marketing driven. These companies have a large expertise in the field of marketing and many have already introduced an employer brand within their corporate strategies. Furthermore, personal interest and accessibility are reasons for choosing this industry scope.
Stakeholder scope
This research focuses on the perspective of existing employees. The rationale for this is the existing gap in the literature. It seems, when looking at empirical studies related to this research, that academics have predominantly focused on students (or future employees) for their samples. Here, an assumption is made that for academic researchers, access to the academic environment is without any obstacle, whereas research in a business environment might lead to more access difficulties. The aim of this research is to contribute to the closure of this gap.

2.7 Chapter summary
This literature review aimed to present and discuss all concepts relevant to this research. It was structured in five parts. Section 2.2 reviewed CC as concept. It portrayed and discussed different understandings of CC: the traditional pyramid of Carroll (1999) with its four responsibilities as well as the three dimensions introduced by Matten and Crane (2005). Both authors identified a different understanding of CC: a limited, equivalent and extended view of CC. This contributes as a framework when analysing and answering RQ1: How do German companies position themselves as corporate citizens?

Findings of existing empirical research were presented and discussed. Current research supports a link with CC and an impact on employees, but focuses on the US and Asia, rather than Europe. This study aims to provide empirical evidence of the impact of CC in the German business context in order to fill this gap in current literature. Lastly, Section 2.2 discussed the CC environment in a German context. It described the historical leadership in environmental concerns and portrayed the German healthcare system. This section also introduced German childcare and German culture with a focus on the business environment. It identified the typical German character to be logical, precise, formal, disciplined and technically orientated with a low emotionalism. This knowledge will be considered when analysing the findings and to answer all three RQs.
Section 2.3 introduced stakeholder theory while focusing on employees as stakeholders. The first part looked into stakeholder theory portraying different perspectives of stakeholder groups. The second part of this section looked into the employee roles as a stakeholder and identified evaluation, judging and reacting as three roles important to CC. The third part of Section 2.3 created an awareness of the employee generations currently working in the German labour market. It is considered when answering RQ2: What is the employee understanding and opinion of CC in Germany? The last part of Section 2.3 made reference to the critical debate about CC as a marketing gimmick and green washing instrument. It introduced the social reporting checklist by Van Der Ploeg and Vanclay (2013) as a supporting tool to investigate CC in business practice.

Section 2.4 established the concept of an employer brand. It portrayed the need to be recognised as an employer of choice and the challenge that talent management currently face in the German FMCG industry. Thus, it justified the business relevance for conducting this research. A new business setting with globalisation, demographical changes and a knowledge-based society was then introduced. The second part of Section 2.4 portrayed the current knowledge of the employer brand concept in the academic arena, pointing out a research gap when it comes to linking CC to the employer brand concept. Section 2.4.3 introduced organisational identification as a relevant concept to understand how the employment relationship may change an employees’ perception of an employer brand. As organisational members find an organisation’s identity to be especially attractive when it matches their self-identity, it can lead to a positive employer brand association. Aims of an attractive employer brand are attraction, retention and motivation. Section 2.4.4 presented and discussed motivation and retention only, as this study focuses on existing employees. Extrinsic motivation, intrinsic motivation and job satisfaction were defined as indicators for employee motivation. This contributed to this research study by providing insights into different forms of motivation and will help in analysing the impact of CC initiatives on employee motivation (RQ3). Furthermore, this section discussed the concept of retention as part of an attractive employer brand. It identified value equity, brand equity and retention equity as drivers for
employees to stay within their company. Job characteristics, people and culture, reputation and image, career development, credibility and trust were then presented in Section 2.4.5 as employer brand characteristics that can support a positive employer brand image and are relevant when investigating CC initiatives through the lens of an employer brand.

All presented and discussed concepts were bundled into an initial framework, as presented in Section 2.5, and which functions as a research foundation. This study will enrich existing knowledge by empirically investigating:

1. How do German companies position themselves as corporate citizens?
2. What is the employee understanding and opinion of CC in Germany?
3. How do CC initiatives impact internal employer brands in Germany?

The final section of this chapter summarised the theoretical, geographical, industry and stakeholder scopes of this study.
Chapter 3: Methodology

3.1 Introduction

This chapter describes the case study approach in detail. Replication, reliability and validity are three important criteria for evaluating social research (Bryman, 2008). To ensure replication of this research project, this chapter gives a detailed introduction into the methodology used. It is structured in the following sections.

Section 3.2 discusses and gives reasons for the philosophical perspective of this thesis by comparing it to other existing philosophies in social research. Section 3.3 presents, discusses and justifies the selected case study approach. Section 3.4 then explains and justifies how to generate theory from cases.

After looking into the study of methods, Section 3.5 presents and justifies the research design. It recaptures the objective of this research by establishing relevant research questions. It presents the research process, the data collection and analysis, the data report structure as well as the specification of information needs.

This chapter concludes with a short summary in Section 3.6.

3.2 Research philosophy

Research philosophies can be considered through epistemology and ontology. Epistemology is the study of theories of knowledge and as such questions knowledge and its sources. Ontology is defined as the study of theories of ‘being’ and about the claims of what exists (Greener, 2011). The philosophical foundation of this thesis reflects the nature of the research questions, as well as the worldview of the researcher. The upcoming section discusses and justifies the selection of the philosophical perspective of this research by comparing it to other research philosophies. Epistemologically, this research follows a critical realist perspective. There are many different directions of critical realism, but when looking into a definition from a social science perspective it is commonly associated with Roy Bhaskar’s view, which states:
’The perspective which allows us to reclaim reality for itself ... to reclaim it from philosophical ideologies – such as empiricism or idealism – which tacitly or explicitly defined it in terms of some specific human attributes ... I call critical realism.’ (Bhaskar 1989:vii)

The aim of critical realism is to establish a middle way between pure positivism or empiricism – which defines science very narrowly in terms of empirical and measureable events – and a post-modernist interpretivism – which puts into focus the restrictions of our own knowledge regarding the world. It tends to dilute the reality of the world itself (Mingers, 2006).

A critical realist believes that knowledge is always limited by perceptions and experience (Bryman, 2008). This thesis acknowledges that universal laws might not be obtained due to the fact that acquired knowledge is socially dependent. However, it is concerned with explaining, understanding and interpreting some mechanisms regarding CC. Thus, knowledge is derived from employees’ perceptions and the relationship to an employer brand.

Taking the perspective of a critical realist when approaching the overall aim of this research, gives the opportunity to not only generate blind figures, but also actually generate an understanding of CC in practice and its relation to an employer brand. Fleetwood and Ackroyd (2004) outline in their book ‘Critical realist applications in organisation and management studies' that there is a tendency to go beyond a pure positivist research approach in management, but still not dive into a complete interpretivist’s view.

A positivist social scientist would aim to obtain the answers ‘yes or no’. He would look for a description but not for an explanation (Potter & López, 2001). For the chosen philosophical approach, it is not sufficient to answer questions starting with ‘can’, rather investigative research seeks to determine questions about the ‘how’ and ‘why’ of the research topic.

In a positivist research setting, quantitative research methods would be used, for example, in experiments or questionnaires. The research would be undertaken in a closed setting where the objective of the research would be generalisation. With critical realism one uses a multiple research design, where the aim is to understand underlying causation to build theories (Sayer, 1992).
Ontologically, a critical realist believes in the realist view of truth, which has three key components. Firstly, ontology accepts an independent existence of structures and mechanisms, which can be non-physical or non-observable, such as emotions or social structures. Secondly, these mechanisms are perceived as causally generated via the events which occur or do not occur (Sayer, 1992). Only frequencies of these events are actually observed or even empirically observable, thus this stands against both empiricism and interpretivism (Gruber, 2010). Identifying these causal powers can be elementary for a research question, as this is inherently the researcher’s sole objective (Fleetwood & Ackroyd, 2004).

Lastly, critical realism claims that there is a world which exists independently from our knowledge. The counter ontological view is constructivism, which considers social reality to be formed by the interpretation of social objectives (Bryman, 2008).

A critical realist has no preference between using quantitative or qualitative research methodologies, but selects from both research technique methodologies depending upon the research objective (Fleetwood & Ackroyd, 2004). Healy and Perry (2000) argue that critical realism is a relevant paradigm for using qualitative research methods to generate a deeper understanding of a certain phenomenon and to look for generative mechanisms, in order to investigate how these mechanisms work and to outline how causal powers interlink to build a certain social phenomenon.

The focus lies on theory building and the search for a generative mechanism. Until now, there has been no founded theory regarding an employer brand with respect to CC. Case study research in the eyes of a critical realist is the perfect foundation for inductive theory building, especially when existing theories are insufficient (Perry, 1998).

A critical realist aims to generate a holistic understanding of a chosen phenomenon; as this is also the author’s intention, this thesis has been based upon two case studies. Further justification for the selected case study approach is presented in the following section.
3.3 Case study research

A case study is a research approach which focuses on understanding a phenomenon within a certain setting (Eisenhardt, 1989). Undertaking case study research generates the opportunity to understand and explain the underlying cause, which may have important implications. Gerring (2007) outlines that case study research is a suitable method to address the issue of causality, as several research techniques are used to look beyond one interpretation of a certain event. Thus, possible influences on behaviour can be identified and it can be secured that causality is not misread.

According to Adelman et al. (1980) case studies are an attractive research approach due to their 'reality strengths' and 'embeddedness' in social truth. They see case studies as a 'step to action' as they are settled in the real world and contribute to it. Case studies capture unique characteristics that may otherwise be missed in larger scale data (Nisbet & Watt 1984). A weakness of case studies is that the results cannot be generalised (Giddens, 1984). This weakness is softened by Flyvbjerg (2006) in his article 'Five Misunderstandings About Case-Study Research'. He states 'formal generalization is overvalued as a source of scientific development, whereas 'the force of example' is underestimated' (p.228). Table 2 summarises the strength and weaknesses of case study research.
<table>
<thead>
<tr>
<th>Strength</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>Case studies are immediately intelligible; they speak for themselves</td>
<td>Case studies are not generalisable in the conventional sense</td>
</tr>
<tr>
<td>They can catch capture unique features that may otherwise be lost in larger scale studies</td>
<td>They are personal and subjective</td>
</tr>
<tr>
<td>Case studies can support us to understand complex inter-relationships</td>
<td>There is too much data for easy analysis.</td>
</tr>
<tr>
<td>They are grounded in ‘lived reality’</td>
<td>The complexity examined is difficult to represent simply</td>
</tr>
<tr>
<td>Case studies facilitate the exploration of the unexpected and unusual</td>
<td>Case studies are strongest when researcher expertise and intuition are maximised, but this raises doubts about their ‘objectivity’</td>
</tr>
<tr>
<td>Case studies can show the processes involved in causal relationships</td>
<td>They are easy to dismiss, by those who do not like the messages that they contain</td>
</tr>
<tr>
<td>Case studies can facilitate rich conceptual/theoretical development</td>
<td></td>
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Source: (Hodkinson & Hodkinson, 2001; Nisbet & Watt, 1984)

Table 2: Strength and weaknesses of case study research

At the beginning of this study, the researcher considered conducting qualitative research based on the constructs by Maignan and Ferrell (1999). This was soon rejected, as it seemed to limit the research to economic, legal, ethical and discretionary citizenship and its defined measurements. Furthermore, that approach would not have enabled consideration of what stands behind the statistical answers.

This study uses a comparative case study approach. Two case companies are examined using the same research instruments to generate new empirical evidence. The aims of comparative case studies are to seek explanations for similarities and differences, and to gain a greater awareness and deeper understanding of social realities (Hantrais, 1996).

Case studies can be conducted for different types of research intentions, such as exploration, theory building, theory testing and theory extension/refinement (Voss et al. 2002). In this case, the purpose is theory building through identifying linkages between constructs. The general setting in which to investigate the link between CC and an employer brand is versatile. As presented, CC is complex due to its polygonal nature. It includes components such as sponsoring exhibitions, employees doing social work in sabbatical time, or the development of sustainable products. In addition, an employer brand is
multifaceted as it includes internal and external positioning of the company brand as a top employer and different dimensions such as attraction, motivation and retention, which again have different indicators.

The case study approach was chosen, as it would enable the researcher to generate an in-depth understanding and allow the investigation of a certain phenomenon within a designated setting, with a focus on a specific relation (Yin, 2009). According to Creswell (2007), using this approach a researcher investigates a bounded system, through in-depth data collection using different sources of data. Originally, this thesis was planned to be a single case study, but as Yin (2009) suggests, a two-case study can benefit the research findings from direct replication and contrast. The philosophical worldview, the research questions as well as the complexity of both concepts within this research, justify a comparative case study.

3.4 Theory building from case study research

This case study research is guided by the theory building process by Eisenhardt (1989), which can be seen in Figure 4.

![Diagram of the theory building process within case study research](source: based on Eisenhardt (1989), own illustration)

**Figure 4: Theory building process within case study research**

*Preparing the research*

Acquiring a research question is important when building theory from case study research. Without a research focus, it becomes difficult to select relevant case companies and it is very easy to become lost in the large volume of data. Ideally, theory building should start with no theory. However, this comparative case study used priori specification of constructs which helped to shape the original design of the thesis (Eisenhardt, 1989). The CC mix by Dresewski
(2004) was identified as an important paradigm for the CC literature and was explicitly questioned in the qualitative interviews. It was very valuable as an initial framework (see Figure 3) to the research. The research problem was formulated based upon an existing organisational issue without considering a specific relationship to an employer brand, rather an interest in investigating this organisational issue through the conceptual lens of an employer brand.

**Case selection**
The selection of cases is an important element when building theory from case studies (Eisenhardt & Graebner, 2007). In the case of theory building, the sampling of cases should be based on theoretical sampling (Glaser & Strauss, 1967). The case selection for this study is argued and justified in Section 3.5.3.

**Define and prepare data collection and data analysis**
This case study approach is based on three phases. Phase III elaborates upon the findings from phase II giving stronger substantiation of the study results.

**Fieldwork**
An important factor when entering the field, as mentioned by Eisenhardt (1989), is the overlap in data collection and data analysis. Even though this research process was divided into three phases, it was unavoidable – and appreciated – that these different phases interlinked with each other. Glaser and Strauss (1967) also argue for joint collection, coding and analysis of data. It enables and fertilises flexible data collection. For example, after the first interview phase the interview guide for the qualitative interviews was adjusted after observing the unawareness of different CC initiatives in both case studies.

**Data analysis**
According to Eisenhardt (1989), analysing data to build theory from case study research, is the most difficult and most undefined part of the research process. One major step is within-case analysis, which usually involves a detailed summary of each case study. The process and results can be lengthy and descriptive, but generally supports the generation of insights as it eases the handling of the large volume of data. As there is no standard format for such analysis (Eisenhardt & Graebner, 2007), this study uses different data analysis
methods per research phase for both case studies, before undertaking a within-case analysis. The data analysis methods are justified and explained in Section 3.5.5. Chapter 4 displays the case study write-up per case study always linking the findings to the defined research objectives. This approach enables a familiarisation with each case study in respect to the study objectives. It enables the identification of interesting patterns per case study, before examining the generalisation between the two case studies.

Another major step in the research process is the cross-case analysis. There are many different ways of undertaking a cross-case comparison (Eisenhardt, 1989). For this research study, similarities and differences between both case studies are presented in Chapter 5, as the comparison of two polarised cases can lead to a better understanding and can even reveal a new relationship in concepts not previously considered. It improves the plausibility of accurate and reliable theory building (Eisenhardt, 1989).

**Shaping hypotheses**

Hypotheses of this study are shaped from the within-case analysis as well as all cross-case findings. Research themes and concepts (as well as relationships in CC in the context of an employer brand) that emerge throughout the different research phases are constantly scrutinised to establish a theory which closely fits the data. This close fit is essential as it ensures an empirically valid theory (Eisenhardt, 1989). Formulating hypotheses involves multiple phases. One such stage is to sharpen the relevant constructs which consist of:

- Advancing the construct definition
- Building evidence measuring the construct in each case (Eisenhardt, 1989)

In this study, the process of formulating hypotheses involved collating data from multiple sources, namely documents and interviews from different employees. This data generated the foundations for defining and measuring theories pertinent to the research objectives.

The second stage in formulating hypotheses is the verification of emerging theoretical relationships with empirical evidence (per case). It is important to treat each case separately, so that the second case study can reinforce or
weaken the hypotheses from the first case study. If hypotheses are confirmed by empirical evidence from the second case it increases the validity of the theoretical relationships (Yin, 2003).

*Enfolding literature*

An important part of theory building is the comparison of emerging concepts or hypotheses with existing literature. For this study, literature with similar and conflicting concepts was considered. In particular, the contrasting literature gave interesting insights to the whole research project and provided an impulse to consider different perspectives for the research study. Literature with similar findings was important to generate a stronger internal validity. This is particularly important as this case study is based on only two cases.

*Finalise theory building and transfer theory into practice*

Eisenhardt (1989) argues that building theory from case studies ends when two theoretical saturations are reached:

- No new insights into the phenomenon are generated when looking at a new case or the second
- No new learning is accomplished when evaluating theory with data

In this case study, theoretical saturation was also combined with practical implication, for example, time and financial constraints of the researcher. The final result in the theory building process of this case study is a new conceptual framework presented in Section 6.2.

One core aim of this study is to transfer theory into the professional world. As a final step for this case study, the new theory is discussed in a professional context. This final step is presented in Section 6.3.

### 3.5 Research design

Designing research requires the consideration of a suitable research approach, appropriate data collection and data analysis tactics and an overall thesis plan, in order to link generated data to the thesis objectives (Yin, 2009). This section looks into the operationalisation of the study methods. It starts with an
explanation of how the three research questions emerged and how they are informed by the theory. The second part discusses and justifies the case selection. The third part outlines the research process with its three phases. Subsequently, the data collection and data analysis per phase is explained in detail and justified in Section 3.5.5. The case study report structure is commented upon in Section 3.5.5. Finally, an overview of the specification of information needs is portrayed in Section 3.5.7.

3.5.1 Research question

Before the research design is presented and justified, a short reconsideration of the research objectives is presented. As discussed previously, this research seeks to investigate the organisational challenges for companies performing as corporate citizens within society, using the theoretical lens of an employer brand.

The study aims to establish a theoretical link between CC and an employer brand by generating an understanding of employee attitudes to CC and the relationship to an employer brand. To achieve this overall aim, this study’s objectives involve generating an understanding of CC in practice, the employees’ perceptions of CC and its relevance to an attractive employer brand. Therefore, this thesis focuses on the following research questions:

RQ1: How do German companies position themselves as corporate citizens?

This research question sets the basis for this research. To understand employee attitudes to CC, it is essential to examine what kind of CC both case companies practice and how CC is positioned within corporate strategy. The literature review revealed different dimensions of CC (see Section 2.2.1) and this research question answers the scope of CC in the light of different CC dimensions. This study examines official documents including social reports from both companies to identify the strategic position of CC, CC relevance and CC themes in practice.
RQ2: What is the employee understanding and opinion of CC in Germany?

The review of literature revealed a lack of knowledge concerning CC initiatives in Germany with a focus on internal stakeholders (see Section 2.2.2). Furthermore, Section 2.3.3 portrayed a shift in employer values. It shaped RQ2, which investigates the understanding, awareness and opinion of employees in order to analyse employees’ attitudes to CC. To obtain an answer to RQ2, this study includes semi-structured interviews with existing employees from both case companies.

RQ3: How do CC initiatives impact internal employer brands in Germany?

This RQ was derived from Section 2.4.4, which revealed different forms of motivation and retention as components of an employer brand. It is essential to investigate a potential link between CC and an employer brand. To answer RQ3, qualitative interviews from both cases are analysed.

3.5.2 Researcher’s role selecting research topic

This research contributes to the practice of management by addressing two organisational challenges companies face in today’s business environment. These challenges are the increasing pressure to position the business as a responsible partner in society, and the urge to be recognised as an attractive employer to work for. It contributes to the development of management theory by proposing a conceptual framework linking both challenges together. As justification for selecting this research topic, the author’s personal story regarding both fields is summarised in the following:

The trend of CC interested me during my studies. I was curious as to how companies implemented this trend into their corporate strategies. I previously dedicated my Master’s thesis to CC in the tobacco industry, knowing that I would commence work in that area.

The first time I was actively involved in a CC activity was whilst being employed with my current employer. A friend of mine gave birth to a baby girl who, after a month, was sadly diagnosed with leukaemia, requiring intensive medical
intervention, including a bone marrow transplant. My employer had a dedicated department to support employees undertaking voluntary work, thus with their assistance and support from friends and the DKMS (German non-profit organisation, which recruits bone marrow donors for patients with leukaemia), I voluntarily organised a search for bone marrow donors for the baby. In embarking upon this project, I discovered that I had more empathy for and thus engaged more readily with my employer; the consequence being that I wanted to pursue the concept of CC and employee involvement.

The first experience I obtained with an employer brand was while working for a FMCG company. Being involved in a cross-functional project (perspectives from human resources and marketing) analysing the worthiness of the employer as an ‘employer of choice’ for young professionals, was beneficial for me and the company – as the company developed potential brand strategies from a joint perspective. At this time (2004), the concept of an employer brand was still in its infancy in Germany and I was interested in exploring this area in more detail.

I decided to go back to university and start my DBA studies. This research project gave me the chance to explore both fields of interest from a professional and academic perspective.

3.5.3 Case selection

The case selection is crucial in case study research as by definition the sample is small (Gerring, 2007). If the research is exploratory and aims to build theory, the researcher looks for cases that differ on the outcome of theoretical interest, but are comparable on aspects that might contribute to that result (Gerring, 2007). This research has selected two multinational FMCG companies with different CC initiatives and different levels of reputational risk. In this research, the case selection was based on the checklist by Miles and Huberman (1994). In the following list, each point of the checklist is presented and applied.

1. The sampling strategy should be relevant to the initial framework and the research questions addressed by the research.

Both cases are relevant to the initial framework (see Section 2.5) as:
- They are based in Germany and interact in the political, social and business environment in Germany, which is the context of this research study.

- A first sample search revealed that both companies conduct CC initiatives out of Dresewski’s CCM, which presents the limited view of CC as initial base of this research. In a case without any CC initiatives, a link to an employer brand would not be researchable.

- Previous literature reviews revealed that employers in Germany have the urge to be recognised as attractive employers. Furthermore, both companies operate in the fast moving consumer goods industry. Companies in this field tend to be marketing driven and have a particular focus on their employer brand strategy.

2. The sample should be likely to generate rich information on the type of phenomena that need to be studied.

The two companies selected are multinational players. Large firms are often in a political or social spotlight, so it is likely that the pressure to include CC in their strategic positioning is perceived higher than for smaller firms. This could lead to concrete strategic CC positioning. Furthermore, multinational corporations are more likely to have resources dedicated to professional management of CC. A strategic positioning of CC which is formalised and offers strategic CC initiatives is likely to enrich the data collection process.

3. The sample should enhance the generalisability of the findings.

Both case studies represent two contrasting industries. One FMCG company operates within three industries, namely laundry and home care, cosmetics and toiletries, and adhesive technologies. The other company operates in the tobacco industry, which is seen socially as a highly controversial industry. This gives two polar types when investigating attitudes of employees to CC initiatives in an FMCG
environment, and a comparison between the two cases could make a noteworthy contribution to theory generation (Eisenhardt, 1989; Pettigrew, 1990).

4. The sample should produce believable descriptions/explanations.

One aspect of the validity of qualitative research relates to whether it generates a truly convincing story and explanation of what is observed. It also raises issues of reliability for sources of information, in the sense of whether they are complete and whether they are subject to significant biases, which will manipulate the type of explanation that can be based upon them (Curtisa et al. 2000). When selecting the case, the researcher considered whether to take one German case company and one case from a different country to investigate the differences. It was then decided to select two similar cases – alike except for their position as a corporate citizen. Thus, the two companies are multinationals working in the fast moving consumer goods industry in Germany.

5. Is the sample strategy ethical?

This criterion of the checklist was not considered for the case selection, but was relevant in relation to the interviewees (see Section 3.5.5.2.1 for more detail).

6. Is the sampling plan feasible?

The last criterion of the Miles and Huberman (1994) checklist reviews the feasibility of conducting case study research with the selected cases. Here, resources such as money and time, and the practical issues of accessibility are reviewed. Curtisa et al. (2000) also include the researcher’s personal competence (i.e. communication skills) as an aspect to consider. This research project serves two purposes. First, it aims to generate a theoretical link between CC and an employer brand. Secondly, it seeks to transfer the new theoretical knowledge into practice, so a recommendation regarding CC in relation to an employer brand can be derived. Due to practical relevance, personal interest and
accessibility, this thesis is based on two companies with which the researcher has close business relations.

3.5.4 Research process

This section visualises (see Figure 5) and explains the research process.

![Figure 5: Overview of the research process](image)

In the first phase of this research, company websites and documents were reviewed and analysed using thematic analysis. This phase helped the researcher to understand CC in practice and helped to identify what both cases offer in terms of CC initiatives to their stakeholders.

The second phase included qualitative interviews which aimed to examine what is seen as CC from an employee perspective, and discover which CC initiatives have an effect on an internal employer brand. This part intended to build a theoretical link between CC and employer brand.

The third phase again included qualitative interviews, which aimed to elaborate upon employees’ attitudes and their relationship to an employer brand.
3.5.5 Data collection and analysis

This section presents and justifies the data collection and analysis process of this research study. For each phase, the sample, the data collection process, data management and data analysis are outlined and argued.

3.5.5.1 Phase I: Exploration of corporate citizenship in a business environment

In this step of the research official documents deriving from private sources (Bryman, 2008) were collected. This included external communication, such as sustainability reports, annual reports and public relations material in printed form and on the World Wide Web. Internal communications, such as company newsletters or company magazines were also incorporated. Selected documents were analysed using thematic analysis. The first phase objective was to understand CC in practice and investigate what both cases offer in terms of CC initiatives to their stakeholders.

3.5.5.1.1 Sample

After the selection of both case companies (see Section 3.5.3), corporate websites were screened and relevant printed materials were downloaded. Furthermore, access to internal communications and documentation about CC from both businesses was provided. The internal data focused specifically upon single CC activities carried out recently by each of the companies. Due to the wide spectrum of CC and the size of both companies, a large variety of documents (see Appendix I) included information regarding CC activities and strategic positioning for the companies. Atkinson and Coffey (2004) argue that when reviewing documents the context in which they were produced and their implied audience must be considered. Thus, it seemed important to analyse internal and external documents to identify CC activities in each of the companies.

3.5.5.1.2 Data collection

During the screening process many documents were reviewed online and offline. At the beginning of the research, both companies were visited and
communication materials regarding CC initiatives, sustainability reports for 2011 and the annual reports for 2011, were obtained. Throughout the research, publications that were more recent were downloaded and personally collected at both companies.

3.5.5.1.3 Data management

Most official documents of the companies were available online and offline. As websites frequently change, the printed versions were downloaded as pdfs and stored in a separate folder on the author’s computer. All websites and additional documents relevant to this study were also downloaded or a screenshot taken for future reference. All documents were printed for undertaking the analysis. Previous research has proven that it is more convenient for an author to work with hard copies when analysing a document. These documents were stored together with the collected hard copy material in the author’s desk. Both case study companies agreed access on the condition that their identities remain anonymous. A confidential agreement was signed and the cases obtained the fictive case names: Tobacco plc and Home and Beauty plc. Labels for anonymised sources of information were created for the presentation of the findings.

3.5.5.1.4 Data analysis

The literature review reveals different dimensions of CC (see Section 2.2.1). In this research, all documents were analysed according to the scope and the strategic position of CC, meaning the ‘limited’, ‘equivalent’ and ‘extended’ view of CC. Furthermore, the literature review demonstrated CC to be an organisational challenge (see Section 2.2.2), so it was interesting to investigate the current significance of CC in practice. To find out the strategic importance of CC, the reporting tools and format per case was examined. Here, the social reporting checklist (see Appendix II) by Van Der Ploeg and Vanclay (2013) was used as a guide to review and evaluate social reporting. Lastly, the literature review revealed different areas with regard to social engagement (see Section 2.2.3), so all documents were analysed using thematic analysis. Here the analysis was conducted following the steps of thematic analysis by Braun and Clarke (2006). They suggest conducting the analysis in six steps: familiarisation
with data, generating initial codes, searching for themes among codes, reviewing themes, defining and naming themes, and producing the final report. In the first step, all documents were screened, read and re-read in order to become familiar with the data, paying specific attention to patterns that occurred. In the second step, initial codes were generated by documenting where and how patterns occurred. In the third phase, the identified codes were analysed to see how different codes may combine to form an overarching theme. As a next step, the themes were reviewed in order to detect existing themes that may collapse into each other and others that could be reduced into smaller units. In the last step before writing up the report, definitions were made regarding the meaning of each theme, the aspects of data captured and interesting points of note about the themes. This step linked the themes to the research question. The identified themes are presented in each case study write-up.

3.5.5.2 Phase II: Corporate citizenship from an employee perspective

After generating an understanding of CC in practice and exploring what both cases had to offer in terms of CC initiatives to their stakeholders, the second stage of the research included interviews with existing employees from each of the case study companies. This stage was informed by the urge to close a gap in current literature and to reveal what German employees understand as CC. As previous literature reveals a shift in employee values and a unique social and political environment in Germany, there is an urge to close this gap. It shaped RQ2, which investigates the understanding and opinion of employees in order to analyse employees’ attitudes to CC.

3.5.5.2.1 Sample

The second phase of this research was conducted in Spring/Summer 2012. The interview participants were recruited on a purposive sample basis which allowed for choosing a case because it illustrated features of interest. This approach demanded that the researcher critically selected the sample in an attempt to establish a good connection between the research question and sample (Kemper et al.; 2003). Previous research identified different values in different employment generations (Eisner, 2005; Martin, 2005; Smola & Sutton, 2002).
Thus, it was important to conduct interviews with employees of different ages. Furthermore, previous research has revealed that there is an internal and external perspective of CC (Maignan, 2001; Maignan et al., 1999; Riordan et al., 1997). Thus, it was decided to consider the length of employment as an additional selection criterion. As this study aims to investigate the impact of CC on an employer brand (with its marketing and human resources roots), it seemed relevant to include employees from different departments and to consider their functional background in the analysis. Lastly, gender was considered in the sample as previous research (Brammer et al., 2007; Maignan, 2001) revealed females to be more socially driven than men. Thus, the interviews were conducted with a diverse group of employees, who met the following criteria:

- Interviewees were of different ages
- All participants had been employed for a different length of time
- Participants worked within different departments
- Participants were of mixed gender

Due to having a close business relation with both companies, the interview sample was constructed by a third person (one current and one former colleague of the researcher), in order to minimise personal influence when selecting/identifying interview participants. These persons obtained background information to the study and created an interview sample of six to eight employees for each company, considering gender, department, position and years of employment. For the phase II interviews, it was actively decided against a sample constructed by the HR department in order to avoid bias. A sample of sixteen interviewees (eight interviews per case study) was planned, taking into account the different demographic and employment backgrounds of the interviewees. Furthermore, eight interviews per company gave an opportunity to detect different patterns from both cases. Due to availability only, thirteen instead of sixteen interviews were conducted in this second phase.

3.5.5.2.2 Data collection

The contact persons approached the selected employees and asked about their general interest in participating in an interview for academic research. They
supplied the researcher with a list of names and contact details, so she was able to contact the pre-selected employees via phone. In this phone call, the author gave a small introduction to the research project and arranged an interview date. The colleagues that constructed the sample list were not informed who participated.

Before the interviews, participants were asked which language they preferred for the interview. Both case studies use German and English as their business languages, so the interviewees could choose which language suited best. Whilst undertaking interviews participants may have felt under-confident talking about their knowledge and opinion of CC. In order to minimise that feeling, all interviews were held face to face, in a location of their choice without any other employees/colleagues present or able to listen. It was made clear to those participating that they were allowed to refuse to answer a question or to stop the interview at any point in time. The interviews followed an interview guide (see Appendix III) which was based on knowledge generated in phase I, as well as the CCM by Dresewski (2004) as an initial theoretical base. The use of an interview guide ensured comparability for both case studies (Bryman, 2008). All interviews were audio taped and field notes were taken directly after each interview as an additional point of reference. Audio taping the interviews enabled a focus on questioning and listening. It recorded any additional questions which may have arisen during a semi-structured interview and enabled this to be easily adapted for the next interview (Lee & Broderick, 2007). Furthermore, it allowed for the use of direct quotes within the case write-ups.

3.5.5.2.3 Data management

English interviews were fully self-transcripted. For the interviews held in German, all quotes that appeared to be relevant at first sight were directly translated into English. Previous research has proven this method to be more effective as it focuses on the content, rather than focusing purely on the translation. Anonymity was assured by changing the names of the participants, the organisations and any people named during the interview in the transcripts. Confidentiality was maintained in terms of storing data securely on a computer and ensuring hard copies of transcripts and field notes were stored in a locked
cupboard. As part of the data analysis process, hard copies of the transcripts were given to a small number of research peers to ensure that the researcher’s analysis had resonance. Hard copies were returned to the researcher and did not remain in the possession of fellow researchers.

3.5.5.2.4 Data analysis

The data analysis is the key part of building theory from case studies and is the most difficult step within the research process (Eisenhardt, 1989). The data analysis of this research is based on the grounded theory approach proposed by Glaser and Strauss (1967). This approach aims to systematically discover theory from data. Here, the discovery of theory aims to provide relevant explanations as to what employees understand of CC and what type of CC is relevant to them as employees. Within this approach, a constant comparison of evolving themes and concepts generates new theory. It involves interchanging between emerging themes, relevant literature and the empirical data (Eisenhardt, 1989).

To code empirical data is one of the main steps in grounded theory (Bryman, 2004). The data coding process for this study follows the constant comparative method suggested by Glaser and Strauss (1967, p. 105). Originally, the use of a computer-assisted data analysis like NVivo was considered, but due to personal obstacles, the analysis was conducted manually.

The analysis followed the steps described below, employing the techniques proposed by Glaser and Strauss (1976), Eisenhardt (1989) and Yin (2003). Four analyses were considered crucial for this research: employer brand characteristics, meaning the kind of criteria relevant for current employees to perceive their employer as an employer of choice; a general understanding of CC from an employee perspective to identify the scope; employee awareness and opinion of CC in their company; and lastly, the CC effect on an employer brand. An example of the coding process is given in Appendix III.

Step 1: Identification of themes

Initial themes were identified by reading thoroughly through all transcripts and field notes. This process is often referred to as ‘open coding’ (Strauss & Corbin,
1990). During the process, relevant conceptual categories were identified and named, so that the social phenomenon under investigation could be grouped together.

**Step 2: Categorising initial themes**
In the second step, the initial themes were grouped together into the categories previously identified: employer brand characteristics, understanding of CC, awareness and opinion of CC, effect of CC on an employer brand. The purpose of this process was to develop a framework matrix which enabled a structured analysis. Quotes that appeared to be similar were grouped into the same category.

**Step 3: Generating patterns using the constant comparison method**
In the next stage of the analysis, these categories were again reviewed to investigate linkages. This process is called ‘axial coding’ (Bryman, 2008). The key purpose of this coding is to generate a deeper understanding of the phenomenon of interest. During axial coding, the researcher builds a conceptual model and determines whether enough data exists to support that interpretation. Here, several comparisons were made within and across the cases to generate additional themes.

**Step 4: Selective coding**
In this step, the data analysis focused on the core categories and filling in relevant categories which needed further refinement (Bryman, 2008).

**Step 5: Within case and cross-case analysis**
For this step, a detailed case study write-up was conducted for each case which included a final within case analysis. The analysis was concluded with a write-up of the cross-case comparison.

**3.5.5.3 Phase III: Elaboration of corporate citizenship from an employee perspective**
During the winter of 2012-2013, additional qualitative interviews were conducted as phase III of this research. The justification for phase III is stated below.
Data saturation
According to Eisenhardt (1989), building theory from case studies ends when theoretical saturation is reached. This occurs when no new insights can be generated from gathering research about the case studies. Phase II originally aimed to conduct sixteen interviews, but due to time and availability only thirteen interviews were conducted. Phase III interviews were conducted until a stage of data saturation was reached and no new insights into the phenomenon were obtained. Due to this, in January 2013 an additional eight interviews were conducted.

Interview guide adaptation
Findings from phase II interviews revealed that the CCM (Dresewski, 2004) is not relevant for employees. Phase III served the purpose of enriching these findings. In grounded theory, the researcher starts with general research questions, generates a theoretical sample and collects relevant data, which are then coded. There is constant movement backwards and forwards between these different steps, so then the early coding suggests the need for new data (Bryman, 2004). Findings from phase II revealed that CC has to benefit the employee in order to have an impact on an employer brand, and that CC has a wide scope for employees. These additional interviews aimed to investigate the scope and to discuss CC as an employer benefit.

3.5.5.3.1 Sample
Following the same process as in phase II, the interviewees were recruited using a purposive sample method and the employee criteria for selection remained the same. The method of generating the sample was also taken from phase II as it proved to be successful. To avoid bias, two different contact persons were selected to construct the interview samples for both case studies. For the phase III interviews, a sample size of ten interviewees (five interviewees per case) was considered and due to data saturation, eight additional interviews were conducted. Table 3 presents an overview of interviewee facts from all interviews.
<table>
<thead>
<tr>
<th>Company</th>
<th>Employee</th>
<th>Sex</th>
<th>Age</th>
<th>Time of employment (years)</th>
<th>Position</th>
<th>Interview duration (min)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Anna</td>
<td>F</td>
<td>43</td>
<td>24</td>
<td>Procurement manager</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Frieda</td>
<td>F</td>
<td>38</td>
<td>8</td>
<td>Trade marketing manager</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Fritz</td>
<td>M</td>
<td>40</td>
<td>2.5</td>
<td>Key account manager</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Carla</td>
<td>F</td>
<td>38</td>
<td>5</td>
<td>Corporate regulation assistant</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Sarah</td>
<td>F</td>
<td>24</td>
<td>0.5</td>
<td>Key account manager</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Christian</td>
<td>M</td>
<td>27</td>
<td>4.5</td>
<td>Brand marketing assistant</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Elke</td>
<td>F</td>
<td>45</td>
<td>9</td>
<td>Corporate regulation manager</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Otto</td>
<td>M</td>
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<td>7</td>
<td>Legal counsel manager</td>
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<tr>
<td></td>
<td>Philipp</td>
<td>M</td>
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<td>Brand marketing manager</td>
<td>17</td>
</tr>
<tr>
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<td>M</td>
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<td>Supply chain manager</td>
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<td>Hans</td>
<td>M</td>
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<td>Brand marketing manager</td>
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<tr>
<td>B</td>
<td>Lea</td>
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<td>Trade marketing manager</td>
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</tr>
<tr>
<td></td>
<td>Flo</td>
<td>M</td>
<td>28</td>
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<tr>
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<td>Mia</td>
<td>F</td>
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<td>4.5</td>
<td>Trade marketing assistant</td>
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<tr>
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<td>Kim</td>
<td>F</td>
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<td>10</td>
<td>Marketing manager</td>
<td>31</td>
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<tr>
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<td>Jule</td>
<td>F</td>
<td>35</td>
<td>5.5</td>
<td>Marketing manager</td>
<td>23</td>
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<td>M</td>
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<td>23</td>
<td>Research &amp; development manager</td>
<td>26</td>
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<tr>
<td></td>
<td>Oskar</td>
<td>M</td>
<td>55</td>
<td>22</td>
<td>Facility manager</td>
<td>30</td>
</tr>
</tbody>
</table>

Table 3: Summary of all interviewee facts

3.5.5.3.2 Data collection

Both contact persons supplied the researcher with an email list of potential interviewees. Again, following the same process as in phase II, the potential
interviewees were approached via email. The email included a small introduction about the research project as well as a consent form in English and German and an invitation to make contact with the researcher to arrange an interview date. This gave the interviewee the opportunity to reflect upon his/her willingness to participate in the study. Again, the colleagues that constructed the sample lists were not informed about participation. Before the interview, the signed consent form was collected in the interview language. The informed consent form aimed to make interviewees more confident with the interview situation. All interviews were conducted in German. The interviews took place in meeting rooms, so that the interviewees could speak freely and without any disturbance. The phase III interviews followed an interview guide (see Appendix IV), which had a slightly different focus compared to the phase II interviews. All interviews were audio taped and field notes were taken directly after each interview as an additional point of reference.

3.5.5.3.3 Data management

All interviews were self-transcripted in the same way as described in phase II. The same processes that were used during phase II apply to the rest of the data management in phase III.

3.5.5.3.4 Data analysis

For the data analysis, all twenty-one interviews (phase II and phase III) were considered and analysed according to the data coding process described in Section 3.5.4.2.4. It was not the aim of the phase III interviews to obtain a comparable set of qualitative data, as it would have been in a longitudinal study. Instead, these additional interviews were seen as a continuation of phase II with additional questions.

3.5.5.4 Section summary

This section presented and justified the data collection and analysis process of this research study. This research entailed three phases. For each phase, the sample, the data collection process, data management and data analysis were outlined and argued. The first phase investigated CC in practice by analysing official documents of both cases. Online and offline communication sources
were searched to gather internal and external documents relevant to CC. All relevant online materials were downloaded or saved by taking screenshots and were stored on the author’s computer. All other material was stored in the author’s desk. They were analysed according to the CC areas identified in the initial literature review using thematic analysis.

The second phase of the research consisted of interviews with current employees from each of the case studies. This phase was conducted in spring/summer 2012. This phase helped to identify CC initiatives from an employee perspective and understand which CC initiatives might have a positive influence on an employee’s perception of their employer brand. Thirteen employees were interviewed using an interview guide. All interviews conducted in English were fully self-transcripted, for all German interviews, only relevant quotes were translated. All documents were stored on the author’s computer. The interviews were analysed using the grounded theory approach. Here, the data coding process involved the identification of initial themes, the categorising of initial themes into predefined categories, the generation of patterns, focus on core themes and within- and cross-case analysis.

The final phase consisted of eight interviews which were conducted in winter 2012-2013. The purpose of this phase was to elaborate upon the findings from phase II. They were handled in a similar manner to the phase II interviews, but with an adapted interview guide, which included questions regarding employer benefits. These interviews were analysed in the same manner as phase II.

3.5.6 Case study report structure

Eisenhardt (1989) sees analysing data in order to build theory (from case study research) as the most challenging part within case study research. One key step is the within-case analysis (see Section 3.4). Yin (2003) offers six different structures for case study write-ups and explains the suitability of each structure for undertaking studies which are exploratory, descriptive or explanatory. This research is of an exploratory nature and aims to generate a theoretical link between CC and an employer brand in order to understand attitudes to CC and its relationship to an employer brand. The two case studies are structured
around the defined objectives: CC in practice and the employees’ perspectives of CC. For a comparative case study approach like this thesis, it is essential to use the same reporting structure to secure uncomplicated comparisons across the cases. Thus, each case is presented with the following structure:

1. Introduction
2. Summary of the case database
3. Findings
   a. CC in practice (answer to RQ1)
      - Strategic positioning of CC
      - Corporate social reporting
      - CC initiatives
   b. CC from the employees’ perspective (answer to RQ2)
      - Employees’ understanding, awareness and opinion
   c. Employees perceived CC dimensions and their impact on the employer brand (answer to RQ3)
      - Employer brand characteristics
      - CC impact on the employer brand
4. Summary

In the introduction, the specific case selection is presented and justified. Furthermore, relevant background information about the case company is outlined to enhance understanding of the research setting. The second part gives a summary about the data used to generate the findings. The findings are divided into the two implemented research phases. Here the focus lies in answering the research questions defined per phase. The first part presents CC in practice. It gives a detailed picture of what both cases offer in terms of CC strategic positioning, reporting and CC initiatives. The second part looks into the employee perspective answering research questions RQ2. The third parts deals with the relationship between CC dimensions and the employer brand.

Both case reports conclude with a summary of the whole case study. This structure helps to ensure a consistent theoretical lens for understanding and analysing each case. Both case study write-ups suspend possible conclusions
until the cross-case analysis which brings together all relevant cross-case themes. The cross-case comparison and analysis is presented in Chapter 5.

### 3.5.7 Specification of information needs

In this section, the overall specification of information needs are visualised. It helps to obtain a detailed overview of this research study. Coming from the organisational issue and professional setting, it states the research objectives per phase and translates into concrete research questions. Furthermore, it gives a snapshot of the findings presented in the upcoming chapter. It includes conceptual issues which are also discussed in the chapter to come. Lastly, it states the information needed and data sources used for each objective investigated in this study.

<table>
<thead>
<tr>
<th>Background problem</th>
<th>Objective Phase</th>
<th>Research question</th>
<th>Output outcomes</th>
<th>Conceptual issues</th>
<th>Information needs</th>
<th>Data sources</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Background problem</th>
<th>Objective 2 Phase II</th>
<th>Research question</th>
<th>Output outcomes</th>
<th>Conceptual issues</th>
<th>Information needs</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC primarily used as external communication tool</td>
<td>Learn about employee understanding of CC</td>
<td>What is employees’ understanding and opinion of CC in Germany?</td>
<td>Large scope of what is seen as CC from an employee perspective</td>
<td>Understand CC</td>
<td>Secondary: Defines CC Components of CC Primary: Personal statement of employees</td>
<td>Literature review, Semi structured interviews</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Background problem</th>
<th>Objective 3 Phase II</th>
<th>Research question</th>
<th>Output outcomes</th>
<th>Conceptual issues</th>
<th>Information needs</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>War for talents</td>
<td></td>
<td>How do CC initiatives impact internal employer brands in Germany?</td>
<td>Employer benefit related CC</td>
<td>Which CC is really relevant?</td>
<td>Secondary: Defines EB Process of EB Level of EB Primary: Personal statement of employees</td>
<td>Literature review, Semi structured interviews</td>
</tr>
</tbody>
</table>

**Table 4: Specification of information needs**

### 3.6 Chapter summary

This chapter aimed to present and justify the methodology used for this research study. It began by introducing critical realism, the research philosophy upon which this study is grounded.

It established the basis of case study research and justified it for this research. Due to the complex structure of CC and an employer brand, a closed setting
within a case study was chosen to take a detailed look into the relationship between the two. The selection of two contrasting industries enriched this research and validates the findings per case.

The theory building process by Eisenhardt (1989) was presented. It portrayed how each part of the process contributes to theory building from research preparation, case selection, definition and preparation of the data collection process, fieldwork, data analysis, shaping hypotheses, enfolding literature, as well as the finalisation of theory including the transfer of research findings into business recommendations.

The research design was presented and argued. This part started by reconsidering the research objective of this study through presenting three research questions. The first research question aims to understand CC in practice. It was informed by the previous literature review which discovered different dimensions of CC and a wide range of possible CC engagement. It raised an interest into where German FMCG companies actually focus their engagement. The second research question looks into employees’ understanding, awareness and opinion of CC initiatives. The literature review revealed a lack in knowledge concerning CC initiatives in Germany with a focus on internal stakeholders. Furthermore, a shift in employer values was discovered. Thus, it is relevant to obtain insights into what employees perceive as CC. The last research question looks into the relation between CC and an employer brand by asking about the possible influence of CC on an employer brand.

The researcher’s role with her personal experience was outlined as justification to select this research topic.

The research process with its three phases was then outlined. The first phase includes a thematic analysis of internal and external documents. The second phase consists of thirteen qualitative interviews analysed using the grounded theory approach. The last phase comprises eight semi-structured interviews which elaborate upon the findings from phase II. The data collection and data analysis processes for all phases were presented and justified in detail.
The case study report format was presented as comprising four parts: introduction to the case, summary of case data, findings (which include CC in practice and CC from an employee's perspective), and a summary for each case. Important here is the fact that both case study write-ups suspend possible conclusions until the cross-case analysis which will bring together all relevant cross-case themes in Chapter 5.

Lastly, the specification of information needs were visualised as a sound starting point for the next chapter, which presents the findings of this case study.
Chapter 4: Findings

4.1 Introduction

This chapter presents the findings in two case write-ups. Section 4.2 presents the case write-up of Tobacco plc. Section 4.3 displays the case write-up of Home and Beauty plc. Direct quotations from the documents and interviews are highlighted in italics. Both case write-ups are structured in the same manner.

Section 4.2.1 and Section 4.3.1 provide brief summaries of the case data before the different research objectives are addressed in the following sections.

Section 4.2.2 and Section 4.3.2 present the manner in which CC is implemented in practice, in preparation for answering RQ1: ‘How do German companies position themselves as corporate citizens?’ These sections are divided into four sub-sections. These sections include the strategic position of CC in Case A and Case B, the examination of the corporate social reporting of both cases, as well as the different CC themes discovered by analysing all documents. They provide detailed insights into what is offered as CC to company stakeholders.

Section 4.2.3 and Section 4.3.3 present findings regarding employee attitudes towards CC and are structured into two sub-sections. First, they display categories regarding employee understanding, before presenting the awareness and opinion of their employer’s CC initiatives in part two. This helps in answering RQ2: ‘How do employees perceive CC within their company?’

Section 4.2.4 and Section 4.3.4 present the link between discovered CC dimensions and the companies’ employer brand image. These sections are again split in two parts. First, the discovered employer brand characteristics relevant for each company are portrayed. This helps in understanding the general attitudes towards each of the companies as current employers. Secondly, these sections reveal the findings regarding which CC initiatives have an influence on job motivation and retention. This contributes to answering RQ3: ‘Which CC initiatives have an effect on an internal employer brand?’
Sections 4.2.5 and 4.3.5 present a summary of each case write-up.

By generating a more comprehensive understanding of employee attitudes, in relation to CC and an employer brand, this thesis will achieve its overall aim. The focus of this chapter is to give a detailed description of both case studies. The cross case comparison and discussion is presented in Chapter 5.

4.2 Case A: Tobacco plc

Company A is a German subsidiary of a global operating FMCG company specialising in tobacco, with its headquarters based in London (UK). In Germany, 1,852 people work for Company A and worldwide over 55,000. This case was chosen primarily due to the industry within which the company operates. Similar to the alcohol and weapons industry, the tobacco industry is a controversial field within society. On the one hand, the tobacco industry is an important pillar for the German taxation system, yet it produces products that can cause severe health problems for consumers, which in turn is counterintuitive to the German health system and German society as a whole. Tobacco tax, alongside petroleum tax, is the most profitable tax income for Germany. In 2012 Germany earned €14.1 billion through tobacco tax (Zigarettenverband, 2012).

This thesis aimed to gain further perspectives of this controversial industry by studying the attitudes of employees with regard to CC initiatives. One assumption was that employees working for such an industry would have a different attitude regarding CC and CC initiatives of their employer. Taking into account that this is a multinational company, the focus of this study is placed on Germany and employees working in Germany. As the previous literature review revealed a gap in empirical evidence of CC in the context of Germany, this research only focuses on Germany. Furthermore, it would have been highly complex to consider CC initiatives for all operating countries. There is a large variation in what the subsidiaries in each country offer in terms of CC. This might be due to the fact that strategic CC is relatively new to the German market in comparison to other countries. It was actively decided against investigating a smaller case company as it was essential for this study that the
selected case studies actively support CC initiatives. Only by studying companies actively practicing CC initiatives could this thesis gain an insight into the awareness and attitudes towards employees' opinions. The last criterion for choosing this case was a personal interest and access to relevant business contacts to conduct this research.

4.2.1 Summary of case database

The case data was derived from two key sources: external and internal documents (see Appendix I) and semi-structured interviews. All data regarding the interview partners of Case A are presented below in Table 5.

<table>
<thead>
<tr>
<th>Company A</th>
<th>Employee</th>
<th>Sex</th>
<th>Age</th>
<th>Time of employment (years)</th>
<th>Position</th>
<th>Interview duration (min)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anna F</td>
<td>43</td>
<td>24</td>
<td>Procurement manager</td>
<td>24</td>
<td></td>
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</tr>
<tr>
<td>Frieda F</td>
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<td>Trade marketing manager</td>
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<tr>
<td>Fritz M</td>
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<td>2.5</td>
<td>Key account manager</td>
<td>15</td>
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<tr>
<td>Carla F</td>
<td>38</td>
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<td>Corporate regulation assistant</td>
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<tr>
<td>Sarah F</td>
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<tr>
<td>Christian M</td>
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<td>Legal counsel manager</td>
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<td>Brand marketing manager</td>
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</tr>
<tr>
<td>Karl M</td>
<td>55</td>
<td>8</td>
<td>Supply chain manager</td>
<td>16</td>
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<tr>
<td>Hans M</td>
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<td>22</td>
<td>Brand marketing manager</td>
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</tr>
</tbody>
</table>

Table 5: Summary of semi-structured interviews: Tobacco plc

4.2.2 Corporate citizenship in practice

This section presents the findings derived from analysing official documents. Direct quotations from the documents are highlighted in italics. The section is divided into four parts. As outlined in the literature review, CC has many...
different dimensions, so the first part describes the strategic position of CC within Tobacco plc. The second part portrays the findings from looking into the social reporting tools of Case A, supported by the social reporting checklist by Van Der Ploeg and Vanclay (2013). Questions such as, ‘How does the company establish the credibility of its sustainability report, for example is there an independent assurance report?’ and ‘Does the company use an established reporting framework, such as the GRI?’ will be answered. Answering these questions aims to draw a conclusion regarding the importance of CC in practice within Tobacco plc. The third section reveals the CC focus and themes as well as its different components. This gives a detailed description of what is offered as CC to company stakeholders. A special focus lies here on the stakeholder group ‘employees’, as they are the focus of this study. This section concludes with a short summary.

4.2.2.1 Strategic position of corporate citizenship

Tobacco plc has CC positioned within one of its pillars within sustainability. Its sustainable approach focuses on five pillars, namely: harm reduction, marketplace, environment, sustainable supply chain and people/culture. CC is placed as an integrated part of people/culture and is seen as a corporate social investment (CSI).

Internationally, it centres its CC initiatives around three key areas, namely: sustainable agriculture and environment, civic life and empowerment. On this basis, all country subsidiaries can be self-governed, support their local environment and act as corporate citizens. Sustainable agriculture and environment covers ‘contributions to the social, economic and environmental sustainability of agriculture’ (Tobacco plc, Sustainability report 2012). It includes activities such as ‘efforts to improve biodiversity and access to water, programmes to prevent child labour, grants for agricultural research and training to help farmers grow non-tobacco crops’ (Tobacco plc, Sustainability report). Civic life encompasses activities that aim to enrich public and community life, including supporting the arts and educational institutions, conserving indigenous cultures and restoring public spaces’ (Tobacco plc, Sustainability report). Empowerment focuses upon ‘giving people training, education and
opportunities to help them develop’ (Tobacco plc, Sustainability report). Examples include scholarships and IT training or programmes supporting small businesses and promoting entrepreneurship (Annual report 2012). It represents the ‘equivalent’ view of CC by Matten and Crane (2005). With Tobacco plc’s strategic positioning of CC, they claim to embrace economic, legal, ethical, and discretionary/philanthropic responsibilities. Looking at the strategic focus on empowerment and civic lives, Tobacco plc even goes a step further and declares an extended role in their social and political environment (Fifka, 2013). For example, in developing countries Tobacco plc positions itself as a quasi-governmental actor to ensure civil and social rights such as no child labour or further education in terms of farming.

4.2.2.2 Corporate social reporting

The literature review (Section 2.2.2) discovered the organisational challenge in positioning a company as a corporate citizen. Many different initiatives guide companies to express their social engagement to stakeholders. When analysing the social reporting of Tobacco plc, the importance of this stakeholder dialogue becomes visible. In the following, questions of the social report checklist by Van Der Ploeg and Vanclay (2013) are used as guidance to provide evidence of the strategic importance of social reporting.

a. Is the social report publicly available in appropriate languages?

Tobacco plc’s social report is readily available on its website. It can be downloaded in PDF in different languages (incl. German and English, the two languages relevant to our research sample). The information can also be viewed online on the company website, where they have a separate webpage devoted to the social report. The website states that hardcopies are available on request. Answering this question reveals a strong focus on social reporting.

b. Is the report written in a clear and concise way and readable by relevant stakeholders?

Tobacco plc has published a report that is well structured and easy to read. Format wise it is separated into two parts. The first part engages the reader by utilising personal statements from current employees and personal stories. The
second part uses GRI s to present the company goals versus company performance. Upon examination of the style of the social report, Tobacco plc aims to transfer a personal, engaging social commitment and trustworthiness by displaying GRI facts.

c. How does the company establish the credibility of its sustainability report, for example is there an independent assurance report?

The social report is independently assured by Ernst & Young LLP and includes a selection of GRI performance indicators. The report itself refers to the DJSI. It states that ‘over the last ten years, Tobacco plc has already been included in both the DJSI World and the DJSI Europe’ (Tobacco plc, Sustainability report). The report mentions the increased performance from 2010 to 2011 and the fact that Case A is therefore positioned as an industry leader. Within their sustainability report, they refer to the sustainability section on their corporate website. Here they link their employment principles to the UN Global Compact. Tobacco plc uses ISO 14001 to certify its social engagement in the environment. Looking at additional tools to present social engagement to stakeholders, Tobacco plc celebrates its gold rating in the 2011 ‘Business in the Community Corporate Responsibility Index’. ‘Business in the Community’ is an independent, business-led charity. It is a UK focused initiative and by having a UK-based headquarters, it seems reasonable to include this in the social report. Its Corporate Responsibility Index is the UK’s leading voluntary evaluation of how large organisations manage corporate responsibility.

Examination of the sustainability report and all interlinked websites/documents reveals that Tobacco plc tries to communicate transparently when it comes to social engagement and that it places a strategic focus in positioning itself as a corporate citizen in society.

4.2.2.3 Corporate citizenship initiatives

Analysing the documents, several themes relevant to CC emerge. Not all are strategically positioned as CC from the company perspective, but based on the previous literature on CC these themes seem to be relevant when looking into CC in practice.
4.2.2.3.1 Harm reduction

Tobacco plc aims to develop less risky alternatives to conventional cigarettes. ‘Our approach to harm reduction has two distinct areas: nicotine-based alternatives and reduced-risk tobacco products’ (Tobacco plc, internal document). The research and development department of Case A focuses on tobacco harm reduction and explores a range of reduced-risk tobacco and nicotine products ... such as innovative electronic cigarette technologies (Tobacco plc, internal document). According to Carroll (1999), economic and legal responsibilities are considered as socially required obligations, whereas ethical and discretionary responsibilities are societal expectations and societal desires from businesses. Harm reduction falls into several dimensions. It can be seen as an ethical responsibility to develop less harmful products for smokers, but it can also be seen as economic responsibility. Maignan and Ferrell (2001) state ‘Engaging in long-term strategy’ as being an economic responsibility. To develop less harmful product innovations is one long-term strategy.

As the tobacco market is a restricted market, Tobacco plc also aims to secure widespread support to tobacco harm reduction, ‘including the regulatory changes needed to support bringing reduced-risk products to market’ (Tobacco plc; Sustainability report 2012).

In the sustainability report, it is argued that there is ‘a market demand for tobacco products and being a responsible citizen within society’. It aims to make this demand less harmful. Phase II and III of this research looked into the employee perspective of this theme as it not only positions Tobacco plc as a responsible business partner, but also offers additional business opportunities. It is interesting to see how employees see this CC initiative.

4.2.2.3.2 International marketing standards

To act as a responsible citizen in the market, Tobacco plc introduced voluntary international marketing principles. These principles are minimum standards and are applied whenever they are stricter than local laws. Case A promotes that ‘wherever local laws are less strict we should embody these principles into local law’ (Tobacco plc; Sustainability report 2012). This refers to the discretionary
responsibility by Maignan and Ferrell (2001), which ‘reflects society’s desire to see businesses participate actively in the betterment of society beyond the minimum standards set by the economic, legal, and ethical responsibilities’ (p.459). The principles include four parts:

a. Risk of smoking
The company will not mislead about the risks of smoking. This means that claims in their advertising and trade communications relating to the performance or functional attributes of any tobacco product have to be verified by scientific, technical or consumer research. Furthermore, ‘all advertising and packaging has to carry clearly visible and legible health warnings’ (Tobacco plc, International marketing standards).

b. Youth protection
It will focus its marketing activities only on adult smokers (age group 18 years and older). This means that all advertising must be directed at adult smokers, and these adult smokers must be age verified in a robust way. ‘For out of home, point of sale and print advertising, age verification, and where age verification is not possible alternative precautions are arranged to avoid appealing to the youth, for example, no ‘out of home advertising’ within 100 metres of school’s’ (Tobacco plc, International marketing standards).

c. Decision to smoke
With its marketing standards, Tobacco plc only focuses on existing smokers and does not aim to convert a non-smoker into a smoker. Thus, the marketing activities aim to obtain market share from their competitors and not to promote smoking as an activity that makes people appear more popular, appealing, or successful. In practice, this implies that Tobacco plc, for example, ‘…does not advertise with celebrities’ (Tobacco plc, International marketing standards).

d. Transparent marketing
Lastly, the marketing principles define that advertising should always be transparent and clear that its addressor is a tobacco company. Tobacco plc obeys this standard by ‘…not engaging in undercover marketing activities (like
teaser campaigns, flash mobs, etc.) or product placements (Tobacco plc, International marketing standards).

These marketing standards are reviewed through market audits and annual self-assessments and failures are made transparent in the sustainability report. Similar to the previous theme ‘harm reduction’ there are two sides to these voluntary marketing standards. The tobacco market is very restricted and in many countries (for example Canada and Ireland), there is a complete ban when looking at tobacco communication. In Germany, radio and television advertising has been prohibited since 1975. In 2002, tobacco advertising before 6pm was banned from the cinemas. In 2004, cigarette sampling and the distribution of cigarette packs with less than 17 cigarettes was prohibited. The last changes to the EU tobacco advertising directive were made in 2007 when cross-border event sponsoring (such as Formula One) was prohibited and all tobacco advertising was banned from the internet and printed media (Bezemek & Damjanovic, 2007).

On the one hand these voluntary marketing standards can be perceived as discretionary CC initiatives, as they are ‘in addition to’ what Tobacco plc needs to do as a business, however, on the other hand, these marketing standards give the company a better position when lobbying against a complete advertising ban in Germany. Phase II and Phase III look into the employee perspectives of this theme.

4.2.2.3.3 Fighting the black market

About every fifth cigarette is untaxed in Germany. As already mentioned in Section 4.2, tobacco tax plays an important role for the German economy. Thus, illegal trade has a highly negative economic impact. Next to the heavy losses in tax income, it damages the legal tobacco industry and creates additional health risks in terms of people consuming tobacco products without any quality control standards. According to the German Tobacco Union, the German economy lost €5.2 billion due to illegal trade in 2000: €4 billion purely on missed tax opportunities and German tobacco industries, while German retail businesses lost €1.2 billion as well (Zigarettenverband, 2012). Tobacco
plc tries to ‘eliminate illegal trade by ensuring a controlled supply to low tobacco tax countries, like Ukraine or Russia’ (Tobacco plc, Sustainability report 2012). Furthermore, Tobacco plc ‘supports international cooperation with Government authorities and the tobacco industry to fight the black market’ (Tobacco plc, Standard of Business Conduct). Linking this theme to the previous literature, it seems to be related to the extended view by Matten and Crane (2005). Here, Case A takes over a governmental duty to prevent illicit trade. Still, it is relevant to mention that it is not a purely altruistic behaviour as it focuses on retaining Tobacco plc profit margins.

4.2.2.3.4 Market success

Linked to the theme ‘fighting the black market’ is the theme ‘market success’. Tobacco plc sees it as being ‘a duty of a business to focus on market growth for several reasons: to secure jobs, prevent hostile acquisition and to meet obligations of their shareholders’ (Tobacco plc, Annual report 2012). This theme contributes to the economic responsibilities towards owners (Rego et al., 2011). They define profit maximization as one part of the mentioned CC dimension.

4.2.2.3.5 Natural environment

In order to act as a corporate citizen in the market, Tobacco plc has introduced an Environment, Health and Safety management system which ‘is based on international standards, including ISO 14001’ (Tobacco plc, Sustainability report 2012). Internal reporting systems monitor the agricultural footprint of the company. Here, the key performance indicators are energy use, carbon dioxide equivalent, water use, waste to landfill and recycling. Case A also focuses on reducing its impact on biodiversity. Here, it ‘established partnerships with NGOs such as Fauna and Flora International, seeking to address challenging issues surrounding the conservation and management of biodiversity in agricultural landscapes’ (Tobacco plc, Sustainability report 2012). This theme can be categorized as the discretionary responsibility towards the natural environment (Rego et al., 2011).
4.2.2.3.6 Sustainable supply chain

Closely linked to the environmental theme is sustainable supply chain. Tobacco plc places a particular focus on a sustainable supply chain to conduct responsible business in society. Due to climatic changes and growth in the world’s population, there is a major discussion as to how to use the agricultural landscape. This discussion forces Case A, with its controversial tobacco product, to justify its agricultural supply chain and to carefully manage the impact of growing tobacco on the environment, land use and human rights. Therefore, Tobacco plc engages directly with all contracted tobacco farmers, supporting them with agronomy growth. In doing so, it ‘...not only secures the quality of their tobacco leaves, but also helps the farmers to improve the quality and yields of food crops’ (Tobacco plc, Sustainability report 2012). The company’s support includes information on best practice models, such as ‘...labour and safety standards or the use of the right agrochemicals; advice on how to maximise yields, optimise crop quality, achieve reliable returns and improve the long-term sustainability of a farm; and guidance on improving the long-term potential of the soil and other farm resources, for example through crop rotation’ (Tobacco plc, Annual report 2012).

Next to the agronomy support, Tobacco plc also focuses on sustainable sourcing. As tobacco leaves occasionally require additional heat for curing, Tobacco plc has afforestation programmes ‘...encouraging tree planting to provide a sustainable source of wood for farmers who require it for tobacco curing’ (Tobacco plc, Sustainability report 2012). It also encourages contracted farmers to cure their tobacco leaves with alternative fuels like gas, candlenut shells, or coffee. To minimise the general fuel impact on the environment, Case A uses innovative designs for curing barns. Lastly, Tobacco plc follows social responsibility in a ‘“Tobacco Production Programme”, which sets the standards that Tobacco plc demands of all its leaf suppliers’ (Tobacco plc, Sustainability report 2012). The programme includes good agricultural practices, which combine viable tobacco production with positive environmental management; soil and water conservation; appropriate use of agrochemicals; promoting afforestation programmes; safety standards; medical facilities; and eliminating
exploitative child labour. Suppliers’ annual self-assessments are validated by AB Sustain (an external audit company), which also completes onsite reviews.

Rego et al. (2011) consider that the natural environment ‘deserves a higher profile in an instrument for measuring the employee’s perceptions of CC’, and ‘employees are able to distinguish discretionary responsibilities toward natural environment from the other two discretionary CC dimensions’ (p. 209). The discovered themes support this approach to give that natural environment a special CC dimension.

4.2.2.3.7 Employees at work

This theme incorporates several sub-categories linked to employees.

a. Employee performance

Tobacco plc introduced a performance management system to support employees’ regular performance reviews. This aims to help ‘differentiate between those with high and low employee performances and acknowledge individual contributions within a career path and financial incentives’ (Tobacco plc, Annual report 2012). This theme could be categorised as discretionary responsibility towards employees (Rego et al., 2011). They state ‘The salaries offered by our company are higher than industry averages’ and ‘Our company provides employees’ benefits that go beyond those required by law’ (p.217) as items to evaluate discretionary responsibility towards employees. The theme ‘employee performance’ of Case A refers to both of these items.

a. Health and safety

Tobacco plc aims to ‘...apply the best international standards of practice relating to the health and safety of employees at work and non-company personnel on company premises and to give a high priority to these activities’ (Tobacco plc, Annual report 2012). Regarding safety, the focus lies on risk management and reducing the main causes of accidents and serious injuries. It has a number of focused initiatives in place, such as a programme to reduce vehicle-related injuries in trade marketing and distribution teams; health and safety training, risk assessments and root cause analysis in manufacturing sites, to help find
engineering solutions to safety hazards, including entrapment accidents. This theme can be categorised as ethical responsibility, as the company follows organisational standards (Maignan et al., 1999).

b. Diversity

Diversity at Tobacco plc includes the aim to have a greater demographic representation across senior management with a special spotlight on gender and nationality. Case A aims to support female manager career development. This includes ‘a clear career path for senior women, performance assessment, a mentor programme and an external recruitment focus on female candidates’ (Tobacco plc, Sustainability report 2012). This CC initiative can be grouped under legal responsibility (Maignan & Ferrell, 2001), stated ‘to avoid discrimination in hiring and compensation’ as legal responsibility (p. 461). Looking at the German context, this initiative serves the German guidelines of the federal minister of families and federal minister of justice, which aims to ensure equal opportunities for women as leaders. From 2016 onwards, this guideline asks for a fixed gender quota of minimum 30 percent in the boards of publicly traded companies (Schwesig & Maas, 2014).

c. Employee dialogue

Next to positive performance in respect of health and safety and a diverse workforce, Tobacco plc aims to be a responsible partner towards its employees by having an interactive dialogue with its workforce. An annual employee opinion survey supports this dialogue. In addition, Case A conducts a stakeholder dialogue on a yearly basis in which employees (as one stakeholder group) are asked to participate. To guarantee transparency, ‘this stakeholder dialogue is building on stakeholder engagement standards Accountability 1000 Assurance’ (Tobacco plc, Sustainability report 2012). This CC initiative pays into ethical responsibility of a company. Rego et al. (2011) state ‘We are recognized as a trustworthy company’ as being an item representing ethical responsibility. Conducting a stakeholder dialogue aims to enforce the trustworthiness of a company.
4.2.2.3.8 Job and family

These CC initiatives support different areas of an employee’s private life namely: childcare, homecare-eldercare, individual employee support and health support. All mentioned CC initiatives contribute to discretionary responsibility towards employees (Rego et al. 2011).

a. Childcare:
Tobacco plc supports several initiatives that enable employees to have better compatibility between work and children. It has cooperation with the PME family service group, which is a German private company. It offers free childcare when the usual care arrangement cannot be guaranteed. During the holidays, employees’ children can participate in theme weeks or excursions. Furthermore, the PME family service group offers support when searching for childcare facilities. Lastly, Tobacco plc has established ‘a family office where employees have the option to bring their child to work’ (Tobacco plc, Annual report 2012). This initiative falls under the German discussion of the importance of a sufficient childcare system (see Section 2.2.3.3). These initiatives are positioned as supplementary support, whenever public childcare is insufficient. Considering Matten and Crane’s (2005) CC dimensions, this represents the extended view of CC as the company fills a governmental gap in child support.

b. Homecare-eldercare service
Within the collaboration with PME family services, Tobacco plc provides its employees with support in care tasks and the organisation and financing of personal care. Within this service, they also offer ‘psychosocial support to deal with negatively impacting family circumstances’ (Tobacco plc, Annual report 2012).

c. Individual employee support
Tobacco plc aims to be more than an employer by offering support during times of personal crisis. Together with the PME family services, they offer personal coaching seminars. The initial conflicts can be personal or work related. The counselling is confidential and aims ‘to have a positive effect on the individual
performance and also work performance of the individual employee’ (Tobacco plc, Annual report 2012).

d. Health support
An additional initiative from Tobacco plc is related to ‘health support’, whereby it offers company sports such as badminton, indoor football or sailing (with company sailing boats). For its employees it also provides a ‘healthy bag’ which includes fresh fruit and vegetables, which can be bought for a subsidised fee from the canteen. Lastly, Case A offers ‘an advisory service for healthier living’ (Tobacco plc, Annual report 2012).

4.2.2.3.9 Culture
This theme consists of several sub-categories mirroring the culture of Case A, namely: sustainable employee engagement, corporate volunteering, art sponsoring and foundations. All CC initiatives within the theme of culture represent the limited view of CC by Matten and Crane (2005). They include philanthropic responsibilities of company A and give something back to the community (Rego et al., 2011). They all represent parts of the CCM by Dresewski (2004).

a. Sustainable employee engagement
As sustainability is an important pillar within the corporate strategy of Tobacco plc, one initiative is to raise the awareness of sustainability within the company. Case A introduced sustainability week where employees learned about the corporate sustainability of Tobacco plc and ways to be more sustainable in their private life. All employees participated in functional workshops to develop ideas for an improved sustainability footprint within their departments. To enhance the engagement an idea competition took place and the best ideas were configured into a brochure, printed and distributed to all employees for future reference. Ideas such as the canteen cents were directly implemented. The canteen cent initiative aims ‘to collect money for underprivileged people within the local vicinity of Tobacco plc’ (Tobacco plc, Sustainability report 2012). Every three months a new local social initiative is chosen by the employees to receive the
canteen cent donations. The accumulation of employee donations is matched by Company A to enhance the social support.

b. Corporate volunteering
Tobacco plc supports corporate volunteering, as it is an innovative approach to CC in Germany. Case A offers specific programmes which fit the company business and give employees the opportunity to be socially engaged within their working hours (up to five days per year). One such programme focuses on the local environment. Here Tobacco plc established ‘partnerships with the “German NABU e.V.” and “Gesellschaft für Ökologische Planung e.V”, both of whom are non-profit organisations supporting several projects in nature conservation’ (Tobacco plc, Sustainability report 2012). Another program focuses on the local society. Here, Tobacco plc set up ‘partnerships with “Hamburger Verein Hilfspunkt e.V.” and “Bayreuther Tafel e.V.”’ (Tobacco plc, Sustainability report 2012). These are non-profit organisations that supply meals to homeless people. Employees of Case A can assist with the meal supply on a voluntary basis.

c. Donations
Corporate donations: Tobacco plc makes local contributions, such as ‘relief efforts after natural disasters’ (Tobacco plc, Sustainable report 2012).

d. Art sponsoring
Tobacco plc supports art fair and exhibitions in all local areas of its business. It also bought valuable art pictures and donated them to local galleries. It is the main sponsor of the event ‘long night of the museums’ in Hamburg, when all museums are open to the public throughout the whole night. All museums are interconnected via special bus transfers and additional cultural events take place during this night. Tobacco plc has established, together with a German University, an art gallery to give young artists room for exposure. Company A also supports individual cultural projects such as ‘the renovation of a local exhibition hall’ (Tobacco plc, Sustainable report 2012).
e. Foundations

In Germany, Tobacco plc supports three different foundations. One is devoted to ‘supporting research regarding social challenges for future society’ (Tobacco plc, Sustainability report 2012). Another foundation supports projects in the area of design. ‘Once a year, this foundation honours designers with two well-recognised design awards.’ (Tobacco plc, internal document) The last foundation’s focus lies on the cultural interchanges between Germany and the USA. They support initiatives such as ‘student and job exchanges in the USA’ (Tobacco plc, Sustainable report 2012).

4.2.2.3.10 Summary of CC initiatives

The following table provides a summary of all CC initiatives discovered for Case A as well as their theoretical CC dimension.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Initiatives</th>
<th>Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harm reduction</td>
<td>- Reduce risk of tobacco and nicotine products (e.g. e-cigarette)</td>
<td>Economic and ethical responsibility (Maignan &amp; Ferrell, 2001)</td>
</tr>
</tbody>
</table>
| International marketing standards | - Health warnings  
|                              | - Marketing claims approval process  
|                              | - Age verification  
|                              | - Adult models  
|                              | - No OOH close to schools  
|                              | - Focus on existing smoker (no celebrity advertising)  
|                              | - No undercover marketing                                                   | Discretionary responsibility (Maignan & Ferrell, 2001)                       |
| Fighting black market        | - Limited supply to low tax countries  
|                              | - Co-operations with governmental authorities                               | Extended view (Matten & Crane, 2005)                                        |
| Market success               | - Profit maximisation  
|                              | - Earnings per share  
|                              | - Total shareholder return                                                  | Discretionary responsibility towards owners (Rego et al., 2011)               |
| Natural environment          | - Environment, Health and Safety management system based on ISO 14001 (focus on energy use, carbon dioxide, waste to landfill, recycling and water use) | Discretionary responsibility towards natural environment (Rego et al., 2011) |
| Sustainable supply chain     | - Contracted tobacco farmers  
|                              | - Best practice models  
|                              | - Tobacco production standards (incl. afforestation; labour and safety standards, external audit company) | Discretionary responsibility towards natural environment (Rego et al., 2011) |
| Employees at work            | - Performance review  
<p>| Employee performance         | - Career paths                                                             | Discretionary responsibility towards employees                            |</p>
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<tr>
<th><strong>Health and safety</strong></th>
<th>- Financial incentives</th>
<th>(Rego et al., 2011)</th>
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<tbody>
<tr>
<td></td>
<td>- Risk assessment</td>
<td>Ethical responsibility</td>
</tr>
<tr>
<td></td>
<td>- Health and safety training</td>
<td>(Maignan et al., 1999)</td>
</tr>
<tr>
<td><strong>Diversity</strong></td>
<td>- Initiatives with focus on gender and nationality (e.g. mentor programme, performance assessment)</td>
<td>Legal responsibility</td>
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<td></td>
<td></td>
<td>(Maignan &amp; Ferrell, 2001)</td>
</tr>
<tr>
<td><strong>Employee dialogue</strong></td>
<td>- Employee opinion survey</td>
<td>Ethical responsibility</td>
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<tr>
<td></td>
<td>- Stakeholder dialogue</td>
<td>(Rego et al., 2011)</td>
</tr>
<tr>
<td><strong>Job and family</strong></td>
<td>- PME family service</td>
<td>Extended view</td>
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<tr>
<td><strong>Childcare</strong></td>
<td>- Emergency kindergarten</td>
<td>(Matten &amp; Crane, 2005)</td>
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<td></td>
<td>- Childcare support</td>
<td>Discretionary responsibility towards employees</td>
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<td></td>
<td>- Family offices</td>
<td>(Rego et al., 2011)</td>
</tr>
<tr>
<td><strong>Individual employee support</strong></td>
<td>- PME family service</td>
<td>Discretionary responsibility towards employees</td>
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<tr>
<td></td>
<td>- Psycho-social support</td>
<td>(Rego et al., 2011)</td>
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<td></td>
<td>- Elderly support service</td>
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<tr>
<td><strong>Health support</strong></td>
<td>- Company sports (e.g. company sailing boats)</td>
<td>Discretionary responsibility towards employees</td>
</tr>
<tr>
<td></td>
<td>- ‘Healthy bag’</td>
<td>(Rego et al., 2011)</td>
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<tr>
<td></td>
<td>- Nutritionist</td>
<td></td>
</tr>
<tr>
<td><strong>Culture</strong></td>
<td>- 5 days per year</td>
<td>Limited view</td>
</tr>
<tr>
<td><strong>Corporate volunteering</strong></td>
<td>- Focus on local environment (e.g. NABU e.V.)</td>
<td>(Matten &amp; Crane, 2005)</td>
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<td></td>
<td></td>
<td>CCM (Dresewski, 2004)</td>
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<td>Discretionary responsibility towards community</td>
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<td></td>
<td></td>
<td>(Rego et al., 2011)</td>
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<tr>
<td><strong>Corporate donation</strong></td>
<td>- Local contributions (e.g. emergency aid for natural disasters)</td>
<td>Limited view</td>
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<tr>
<td></td>
<td></td>
<td>(Matten &amp; Crane, 2005)</td>
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<td></td>
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<td>CCM (Dresewski, 2004)</td>
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<tr>
<td></td>
<td></td>
<td>Discretionary responsibility towards community</td>
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<tr>
<td></td>
<td></td>
<td>(Rego et al., 2011)</td>
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<tr>
<td><strong>Art sponsoring</strong></td>
<td>- Support of museum night</td>
<td>Limited view</td>
</tr>
<tr>
<td></td>
<td>- Support of local artists</td>
<td>(Matten &amp; Crane, 2005)</td>
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<td></td>
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<td>CCM (Dresewski, 2004)</td>
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<td>Discretionary responsibility towards community</td>
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<td></td>
<td></td>
<td>(Rego et al., 2011)</td>
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<tr>
<td><strong>Foundations</strong></td>
<td>- Research on future society</td>
<td>Limited view</td>
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<td></td>
<td>- Young designers</td>
<td>(Matten &amp; Crane, 2005)</td>
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<tr>
<td></td>
<td>- Cultural exchange</td>
<td>CCM (Dresewski, 2004)</td>
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<td>Discretionary responsibility towards community</td>
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</table>

**Table 6: Summary CC initiatives of Tobacco plc**


It is interesting to see how the initiatives from the theme ‘people and culture’ are seen by the company’s employees. This is investigated further in phases II and III.

### 4.2.2.4 Section summary

This section presented the findings derived from analysing all internal and external documents (see Appendix I). It consisted of different parts.

The first part presented the strategic position of CC in Tobacco plc. The analysis discovered that Tobacco plc sees CC as an integrated part of ‘people and culture’ and is defined as CSI. All CC initiatives were categorised around three key areas, namely: sustainable agriculture and environment, civic life and empowerment. Tobacco plc’s view of CC represents the ‘equivalent’ view (Matten and Crane, 2005). Its strategic positioning of CC states that it embraces economic, legal, ethical, and discretionary/philanthropic responsibilities. Looking at the strategic focus of empowerment, Tobacco plc even goes a step further and declares an extended role in their social and political environment (Fifka, 2013). For example, in developing countries Tobacco plc positions itself as a quasi-governmental actor to ensure civil and social rights such as no child labour or providing opportunities to help farmers develop.

The second part described the reporting tools used by Tobacco plc to present its social engagement to its stakeholders. It is clear that Company A uses all key reporting tools and global initiatives offered to businesses and also mentions several smaller tools.

The third part portrayed the different CC themes discovered by analysing the report. This part gave a detailed description of what is offered as CC to company stakeholders. A particular focus here lies on the stakeholder group ‘employees’ as this is the focus of this study. This final part revealed that the main themes of Tobacco plc, in respect to CC, are harm reduction, international marketing standards, fighting the black market, market success, environment, sustainable supply chain and employees at work, job and family and culture.
4.2.3 Corporate citizenship from the employees’ perspective

This second part describes the themes discovered regarding the employees’ understanding, awareness and opinion of their employer’s CC initiatives. To generate comprehension into employees’ general understanding and recognition of CC activities, questions such as the following were posed: ‘What do you see as CC activities?’ or ‘What kind of CC initiatives do you know from your company?’ During the interviews, the questions became more detailed when asking opinions about certain CC components within the CCM, as well as asking about concrete CC initiatives of their employer. The themes within this area are outlined below.

4.2.3.1 Understanding of corporate citizenship

When analysing the interviews, it became clear that there is a wide scope in what employees see as being CC activities. In the academic literature, there were different opinions as to what belonged under the umbrella of CC (Whitehouse, 2005; Waddock and McIntosh, 2009; Thompson, 2005). Also, interviewees claimed that they found it difficult to define. Philipp stated: ‘I personally see CC under the roof of sustainability ... but it incorporates everything from social engagement ... sponsoring for art ... culture or social matters to education, like trainee programmes etc. ... well ... even to influence social structures, for example the focus on harm reduction ... society has a large influence on this company ... and thus on its CC position.’

‘For me CC has many different definitions ... starting with CSR and now we talk about sustainability ... this company has two fields ... one product related and one is one step more ... this goes into the CSI direction.’ (Elke).

It is important to acknowledge that there is a wide scope of CC within the employees’ mind-sets. Yet, to investigate the link between CC and an employer brand it is essential to consider the key themes of CC that emerged whilst analysing the employees’ responses.
a. Altruism

One characteristic for a company to position itself as a good corporate citizen was identified as being the company’s engagement in long-term charity work, with a particular focus on the local area of the company: ‘I understand CC as money donations to social projects ... but real social engagement would be to engage over a longer period of time’ (Karl). Here it is important that this engagement makes a meaningful contribution to society and is not only a one-off contribution as a PR initiative. ‘Support of the local environment ... support of NGOs ... sports clubs etc. ... it needs to have an impact for society’ (Hans). The quote by Hans refers to the discretionary responsibility towards community and the environment (Rego et al. 2011). Interestingly, here was the local focus rather than global support: ‘It means to be active in cultural surroundings ... like art ... support of art...’ (Anna). The findings reveal that this view seems to be independent of the age or gender of the interviewees.

The traditional CC activities of corporate giving, social sponsoring and corporate foundation are mentioned more often by interviewees in comparison to new CC initiatives such as social lobbying, which brings evidence that the traditional CC initiatives are learned by German employees as part of business strategies. This theme refers to the limited view of CC by Matten and Crane (2005).

b. Responsible in core business

Another understanding of CC was competence in what the company does, meaning the core business: ‘These initiatives are good ... but the questions I have ... well ... it is more important that the company takes care of a smooth business’ (Otto). Looking at this quote, it becomes visible that the focus of CC should be more on the actual business rather than any additional initiatives. This represents the equivalent view of CC by Matten and Crane (2005). ‘CC for me is ... to be responsible with the product ... well, it is difficult when it comes to our products ... but we do have marketing limitations as it is cigarettes ... and we have self-regulation which is more than we have to do at the moment’ (Anna). From the viewpoint of Anna, a company should primarily focus on its own industry and product and should do its best to be a responsible business partner within its defined business. This understanding of CC embraces
economic, legal, ethical, and discretionary/philanthropic responsibilities towards all stakeholders (Maignan et al., 1999).

c. Responsible towards employees

One interesting dimension, identified when looking into the understanding of CC from an employee perspective, was the focus on employees and the fact that employees are the company’s most important and most personal society to take care of: ‘CC is about responsibility and the key responsibility my employer has is towards me as an employee’ (Carla). This quote clearly states the company’s responsibility towards its employers. Linking this to previous literature, it can be categorised as discretionary responsibility towards employees (Rego et al., 2011). Christian notes ideas of how to be a corporate citizen towards employees: ‘To care for employees ... like medical care or company kindergarten ...’ Here, employee Christian even extends the view of CC to a citizenship level. This quote brings evidence that employees also have an extended view of CC (Matten and Crane, 2005). In this extended view, they see their employer as filling-in for unfulfilled governmental duties. Meanwhile, Fritz classifies CC as offering a form of social benefits to employees: ‘I see CC to be more than the company ... like sponsoring something like HEW cyclamics (local bike race) and have your own team ... with own shirts ... and a nice event aside .... you train in a team .... and the company, for example, sponsors bikes etc. ... it also supports teambuilding’. This quote can be linked to OIN. Focusing on a company’s discretionary responsibility towards employees (Rego et al., 2011), introducing such CC initiatives can help to reinforce the internal belongingness to a company (Kim et al., 2010).

4.2.3.2 Awareness and opinion of corporate citizenship

CC can only have an impact on an employer brand if there is a certain degree of awareness. Analysis of the awareness of CC initiatives for Tobacco plc revealed several relevant themes.

a. Limited awareness/personal interest

The majority of interviewees could name several CC initiatives of Tobacco plc, but declared limited interest and knowledge: ‘Yes ... we do have something like
*this corporate foundation, but actually I do not know a lot about it*’ (Frieda). Also, the way of talking about the initiatives revealed limited enthusiasm: ‘Well ... there is this foundation of the future ... but to be honest I do not see the additional benefit for society in it’ (Christian). This also links to the previous findings, that CC should have a meaningful contribution to society. Many interviewees listed several charity-orientated CC initiatives without knowing details about them. Sarah, for example, claimed: ‘I know there is this corporate volunteering ... but I have not participated in it ... if I can choose the project and have the personal relation ... maybe I would ... if they have a project which interests me ... then ok, maybe I would consider it.’ This statement clearly reflects limited knowledge in that field, as Tobacco plc employees are able to select a social initiative of their choice to support in their dedicated volunteer time.

Two exceptions were identified: two employees working in the field of corporate communication, reputation and regulation. The head of the sustainability department started in a typical presentation style: ‘Since 1926 ... the company has acted as a corporate citizen’ (Elke). And, ‘Now the strategic position is sustainability with two pillars which are product related and one in the direction of CSI...’ (Elke). Due to the formal, detailed and non-personal style of talking about CC, her interest in this subject seemed to be primarily based on her job criteria. Her colleague was more reflective by stating: ‘If I did not work in this position I might not be that interested in the offerings either ... I search for personal satisfaction myself’ (Carla).

The limited awareness in general could be argued to depend on the right communication strategy of CC initiatives, but this research revealed major difficulties in communicating CC activities.

b. Conflict in communication

Analysis of the transcripts revealed difficulties in communicating CC initiatives to internal and external stakeholders. Carla, for example, stated ‘We tried everything to enhance CSR awareness amongst employees but it is ... well, selective reading of messages ... you only reach people who are interested in it’. This statement backs up the previous findings regarding a limited interest in
and knowledge of CC. Yet, even the employees who are interested in social engagement in general see it as difficult to communicate. ‘...corporate giving in general is good ... but the company needs to watch out that they do not buy themselves free ...’ (Anna). These quotations support the argument that source credibility and reliability are key requirements for CC communication acceptance and communication success (Jahdi & Acikdilli, 2009).

Furthermore, stakeholders should not obtain the impression that the company does CC simply to compensate for its controversial industry. Otto highlights this point by stating: ‘It does not mean my employer should not sponsor any charity activities ... but the company needs to carefully choose what it supports as it is located in a controversial industry’ (Otto). Furthermore, the analysis revealed a diverse view regarding the intensity of CC communication. Karl, for example, suggests ‘Do good and talk about it to the outside world...’ while against it, Otto proclaims ‘if you really do CC ... meaning without any payback ... you should not loudly claim it’. This position was also held by Hans by stating: ‘Nowadays ... companies have started using their engagement as a corporate communication campaign which I personally dislike’. This supports the idea by Maignan and Ferrell (2001) that the attitude towards CC depends on personal values.

**c. Personal versus company CC**

Next to the challenges in communicating CC, the analysis revealed a discrepancy between personal and corporate CC. One interviewee appreciated the charity-orientated initiatives of Tobacco plc: ‘I like the canteen cent as direct engagement ... as I know where the money goes’ (Hans). This quote touches an underlining need for CC activities to be personal. It seems that employees have trust in their company to conduct responsible social initiatives, but question the urge to do so as there are many other alternatives: ‘Actually if I want to do something for society I do it in my spare time, I do not need the company for it’ (Fritz). ‘I donate when I realise that they collect money and I donate myself at home but it’s my private thing...’ (Otto). ‘I actually search and choose my social engagements myself and I do not need the company for it ... I do volunteer in my private time’ (Carla). These quotes demonstrate a general desire for separation in personal and company engagements. Also, other forms
of CC, such as corporate volunteering were questioned: ‘We do have flexible working hours ... so there is no need for days off to do charity...’ (Fritz). Also, ‘I volunteer in my spare time ... I do not need extra working days off to do this ... it is my private decision’ (Sarah). This also underlines the idea by Maignan and Ferrell (2001) that personal values impact attitudes towards CC. Here, one can refer to the German culture with its formal interpersonal style (Lawrence, 1994) (see Section 2.2.3.4). It seems that in Germany CC initiatives need to be clearly separated into corporate and private citizenship.

d. CC as a myth

Generally, CC was seen as a mainly marketing focused activity which missed the pure charitable purpose: ‘We have this product-related social activity where you can plant a tree ... but for me it is more a marketing activity’ (Anna). One interviewee even questioned whether or not CC exists as the company can never prove a clear separation of business interests and CC initiatives: ‘When industry interest is behind it you cannot claim it to be CC’ (Otto). This supports the viewpoint by (Devinney, 2009), who states ‘no investigation can assume that the goal of the corporation is to be guided by the need to use CC for “good” alone’ (p.54). Tobacco plc also faces the issue of being in a controversial industry where employees find even more difficulty in connecting to CC: ‘CC is probably not the best when working in this industry’ (Christian). ‘This industry is too controversial to be active and talk about it ... it is difficult for them to be believable’ (Sarah). All employees stated that in general CC activities by companies are a ‘good thing’. In line with numerous studies (Beckman et al., 2009; Laufer, 2003; McShane & Cunningham, 2012) they all saw CC as not being purely altruistic in its initiatives to serve society, but more a platform to position the company in a positive light, in order to profit as a social player in their business environment.

4.2.3.3 Section summary

This section presented the themes revealed with regard to the employees’ understanding, awareness and opinions of CC initiatives by their employer. Regarding employee understanding of CC, the analysis revealed a wide scope in the perceived CC initiatives. Three categories were differentiated focusing on
altruism, conducting a responsible business, and a responsible employer/employee partnership. Concerning awareness and opinion, the research discovered limited awareness and interest in charity-related CC initiatives, a general conflict in communicating CC to stakeholders, a discrepancy between private and company CC and lastly, a general question with regard to the existence of CC in a business environment.

4.2.4 Employees’ perceived corporate citizenship dimensions and their impact on an employer brand

This section presents and discusses the findings regarding the relationship between CC dimensions and employee motivation and retention as core objectives of an employer brand. This section is divided into two parts. The first part reviews important employer brand characteristics discovered in this research. The second part portrays the identified impact of CC dimensions on the employer brand.

4.2.4.1 Employer brand characteristics

To obtain a general understanding about the employer brand of Tobacco plc, the interviewees were asked questions about their motives in working for Case A, their feelings about being employed at Tobacco plc and their positive and negative experiences influencing their attitudes towards Tobacco plc as an employer. The findings are divided in positive and negative employer brand characteristics.

4.2.4.1.1 Positive employer brand characteristics

According to the interviews, Tobacco plc has, in general, a positive employer brand image amongst its employees. This is justified by many positive characteristics stated by the different interviewees. The following identified categories are validated with relevant quotes.

a. Salary and incentives
All interviewees named financial benefits as one reason to work for Tobacco plc. Carla for example stated: ‘Well, first of all Tobacco plc pays a very good
salary in comparison to other global players.’ Another interviewee focused on the whole financial package: ‘Tobacco plc offers me a good financial package ... from the basic salary to the additional incentives’ (Sarah). It became clear that even though the financial benefits might not be the only important element of an employer of choice, it is essential to be perceived as a good employer: ‘At the end we all work to earn our living and this employer pays very well...’ (Otto). Employer attractiveness marks ‘the envisioned benefits that an employee sees in working for a certain company’ (Berthon et al., 2005). This means the perceived economic value, interest value, social value, development value and application value (Jiang & Iles, 2011). ‘Salary and incentives pays into extrinsic motivation (see Section 2.4.4.1) of employees gained via externally influenced satisfaction (Frey & Oberholzer-Gee, 1997).

b. Global player
All interviewed employees stated the international business environment was one criterion as to why they decided to work for Tobacco plc. ‘This employer has a great culture on a global scale...’ (Otto). It seems that employees working for Tobacco plc have a very international mind-set and the urge to live this within their working environment. ‘It offers me an interesting position in an international environment’ (Philipp); ‘I personally enjoy working for a multicultural, international company...’ (Fritz). The favour for an international environment is supported by the diverse culture influences, a global player offers: ‘It is fun working for it ... many international people, who all think differently ... I have a great team with cool people to work with’ (Fritz). This theme is coherent with the key attributes of employer brand image shown by Knox and Freeman (2006), who revealed international components, such as the ‘opportunity for international travel’; the ‘opportunity to work and live abroad’ and ‘the internationally diverse mix of colleagues’ (p. 703) to be highly relevant in providing a positive brand image.

c. Culture and people
Next to the financial benefits and international status of Tobacco plc, all employees emphasised the positive atmosphere at Company A and company culture as a characteristic which makes it an interesting employer: ‘Tobacco plc
is an interesting employer with a great culture...’ (Otto). Anna claimed, ‘It feels good to work for this company...’ Karl stated specifically, ‘It has a great culture ... I like the open door policy and the whole work atmosphere’. Philipp stated, ‘It has a great culture with great people.’ Here the emphasis was on the combination of a great culture which can be experienced due to great people: ‘It is like working for a sect! I have many friends and not only me ... there are many friendships and also company couples ...’. It was interesting to see that in Tobacco plc, interviewees commented upon the connection with business partners and friends: ‘Many of my colleagues are also my friends ... that’s great’ (Sarah). Across all interviewees, ‘culture and people’ was revealed to be very important and have a high influence on a positive employer brand image. The culture of a company can be defined very differently. For Karl, it meant an open door mentality and a modern and new office environment. It refers to OIN (Section 2.4.3 of the literature review). Employees find an organisation’s identity to be highly attractive when it matches their self-identity, or rather, their perceived sense of who they are (Tajfel & Turner, 1985). Thus, OIN can enrich a positive employer brand association (Maxwell & Knox, 2009). Strong identification with a company strengthens employees’ desire to actively contact and support the organisation (Bhattacharya & Sen, 2004). ‘Culture and people’ are here one key element to building a strong identification.

d. Career development
Five interviewees declared positive career perspectives to classify Company A as an employer of choice: ‘Back then I decided to work for Tobacco plc as I appreciated the focus on personal development and future career perspectives’ (Sarah). ‘I was 15 when I started working ... so very young ... I had the chance to do A-levels next to my job ... I appreciated the chance to develop ... actually one reason to stay with the company ... I am able to do a lot of different job tasks within one company...’ (Anna). It seems that because Tobacco plc is a large company, some emphasised that there is a possibility for many career alternatives within the company. This finding supports the results by Lievens et al. (2007). They identified ‘opportunities for advancement’ (p.57) as being a key employer brand characteristic. They differentiated symbolic and instrumental personality characteristics of a company and according to them ‘career
development’ is of an instrumental nature. However, contradictory to this, the analysis revealed that career development has also a negative side within Company A, as interviewees claimed career perspectives to be limited or unclear within Tobacco plc. It is important to mention here the age of the employees: most interviewees ranged in age from 24 years to 43 years. The two 50 plus interviewees with long periods of employment did not consider career development to be a key employer brand characteristic.

e. Business environment
The controversial tobacco industry was mentioned as both a positive and negative employer brand characteristic. The positive side was classified as being an interesting industry and an industry everybody has an opinion about: ‘Laws are under review in the tobacco industry, so for me as an in house lawyer many interesting projects emerge … this industry is a big playing field for lawyers’ (Otto). A clear positioning of the company helps its employees to also find a position as an employee: ‘Everybody has an opinion about this, that’s interesting about it … smoking and health is always in focus … I do not have an issue as my employer offers clear positioning towards this topic’ (Hans). From the statement of Elke, one could suggest that the business environment is appreciated as a challenge: ‘I worked for a competitor before that … I totally felt in love because of the interesting product surroundings’ (Elke). Considering the interviewee characteristics, it was interesting to see no difference with regard to age or gender. This leads to the assumption that the ‘business environment’ characteristic refers, in a similar way to the ‘culture and people’ characteristic, to the concept of OIN. According to Dutton et al. (1994), employees’ own perceptions of their identification with their company influences external views about their employer. In this case, the controversial industry leads to an interesting internal job environment and a high internal identification, which clashes with the low external perception of the business environment.

f. Job characteristics
Interesting job tasks were also stated as being important criteria relevant to Tobacco plc being seen as the right employer to work for: ‘We have interesting brands and as a person working in brand marketing this engages me even more
with my day to day job’ (Christian). Being self-reliant, ‘I like my job profile with my own responsibilities and my autonomy’ (Karl) and making a meaningful contribution to the business, ‘The feeling that I can contribute and add something to the business’ (Otto), were claimed as characteristics under interesting job tasks. This supports the findings by Edwards and Edwards (2013) who identified ‘unique flexibility’ and ‘unique autonomy’ as being relevant factors for a unique employment experience.

g. Market success
The market success of Tobacco plc was declared as a positive influence on the employer brand. Philipp stated, ‘Good to know that you work for an employer who earns money and is not about to go bankrupt’. When analysing the quote further the reason for market success being relevant might be, that it adds security to the employment. ‘It is sexy to work for a successful company rather than one which shows negative figures every quarter’ (Christian). Here it was not the focus on employment security, but the wish to be proud of one’s employer, which could be seen as a reason why market success is one relevant positive employer characteristic. Again, this can be linked to the external image effect market success has on external parties, which influences the OIN of each individual employee (Tajfel & Turner, 1985). Interestingly, only male interviewees mentioned ‘market success’ as being an important criterion. This finding is supported by several studies investigating gender differences in a business environment. For example, Ryan et al. (2011) studied attributes seen to be characteristic of managers of successful or unsuccessful companies with stereotypical men and women and revealed that women attributes are less fitted to successful companies. Applying this to social theory would mean that market success of a company has no relevant effect on an increased OIN.

h. Location
Interestingly, the location of Tobacco plc was mentioned three times as a positive employer characteristic: ‘It is important to me that my employer is located in a major city ... and Hamburg is one of my most favourite places in Germany ... so perfect ...’ (Carla). Here personal preferences and accessibility seem to be the drivers for naming location as a positive employer characteristic.
‘It might only be a small fact ... but the location of the company is highly relevant to me ... I love the city and the fact that we are based in the city centre makes it even better ...’ (Sarah). ‘The location of Tobacco plc is perfect for me ... it is close to the station, so I can take the train and we do not need a second car...’ (Karl). This finding enriches empirical evidence of Nagel (2011) who lists location as being a relevant employer brand characteristic.

4.2.4.1.2 Negative employer brand characteristics

Analysis of the interview transcripts revealed a few negative employer characteristics of Company A, which are outlined and justified with quotes below.

a. Difficult industry
The controversial industry was mentioned as being a positive and negative employer characteristic of Tobacco plc. The negative side was seen as being difficult and burdened with a critical image: ‘Well, it is a controversial industry ... you always need to argue why you are working here ... nobody is free of an opinion’ (Otto). It is interesting that this interviewee mentioned both sides of this point, on the one hand the interesting, challenging work environment in such a controversial industry, and on the other hand, the reputational risk.

‘It has a difficult marketing environment ... due to the black market we can only communicate in a few channels’ (Philipp). ‘One needs to justify to the outside why one is working for this company’ (Karl). ‘It is a critical industry ... especially now, as, being a mum ... now I have two roles, so I try not to talk about it in my private environment’ (Anna). Here, the external, private role of being a mother prohibits identification with a tobacco company. It supports the argument by Dutton et al. (1994) that external parties have a high influence on building OIN.

b. Shareholder focus
Another aspect which seems to have a negative influence on the employer brand of Tobacco plc is the shareholder focus: ‘The business is getting more difficult ... the environment is changing ... there is a large focus on profit maximisation...’ (Anna). ‘This business is getting more and more margins driven ... this means one price increase after another and a high demand for cost
reduction ... this also affects us as employees...’ (Frieda). Organisational identification is the perception of belongingness to an organisation and a sense of oneness with the organisation (Kim et al., 2010). A too intense focus on a company’s responsibility towards owners (Rego et al., 2011) seems to diminish this belongingness and limit OIN.

c. Large hierarchy
Investigating the interview transcripts revealed that a large hierarchy within Tobacco plc was disliked by its employees and gave the impression that it could have a negative effect on a company’s employer brand: ‘This company is not flexible as it has a large hierarchy ... this makes it difficult to get projects going ... it is just so time consuming’ (Otto). This is in line with the findings that an interesting job characteristic has a high degree of sole responsibility (Nagel, 2011). ‘I like to have a job which makes an impact ... too many decision makers can ruin that’ (Sarah). As stated in the literature review, there has been a shift in employee values. The quote by Sarah, who is 24 years old and has just started her career, provides evidence that the younger employees feel the need for meaningful work and have less respect for rank (Eisner, 2005).

d. Career path management
As stated before, interviewees noted mismanagement of career development as having a negative influence on the employer brand of Tobacco plc. ‘This company is not very transparent in terms of career path...’ (Philipp). ‘Well ... I dislike the current HR planning ... personally ... I do not have any career paths ... there is a constant change in the company which prohibits future planning’ (Frieda). Section 4.2.2.3.7 identified career paths as one relevant CC initiative in the theme ‘employer performance’. Interviews with employees revealed a discrepancy between what is promised and what is actually done.

4.2.4.1.3 Section summary
It seems, in general, that all interviewees had a positive attitude towards their employer even though a few critical categories were also identified. Eight positive employer characteristics were identified, namely: the financial package offered by Tobacco plc, the international focus and market success, the
corporate culture and its people, multifunctional job tasks offered to its employees, its central location in a major German city and its career alternatives, as well as an interesting business environment. The last two characteristics also had negative sides. Career management was recognised as being insufficient and thus also seen as a negative characteristic. The controversial tobacco industry provides an interesting business environment, but it also offers room for difficult discussion and the need for employees to justify their employer. A shift to a more shareholder-focused business direction and a large hierarchy were claimed as being negative employer characteristics. Interestingly, CC initiatives were not mentioned as being important characteristics for a company to possess.

4.2.4.2 Corporate citizenship effect upon the employer brand

During investigation into the effect of CC on motivation and retention, the qualitative interviews revealed interesting themes, depending on the identified dimension of CC mentioned in Section 4.2.3.1.

a. Altruism

The first CC dimension identified by interviewing employees corresponds to the limited view (Matten and Crane, 2005). When looking at the impact of CC initiatives within the CCM, employees separate the perceived external and internal employer brand image. This finding supports the framework by Dutton and Dukerich (1991), which suggests that an organisation’s identity can be viewed from an internal perspective (current employees), external perspective (outsiders) and construed external perspective (employees’ perceptions of the perceptions of outsiders). Internally, CC initiatives seem to have no relevant impact on an internal employer brand: ‘It is good that my employer does it, but it does not have an influence on my personal involvement with the company’ (Karl). ‘I am not more engaged with my company due to such initiatives ... as a lawyer I am responsible that the company acts according to the law ... it would make me more engaged if I worked for an NGO like Greenpeace ... I am not more engaged as FMCGs always carry the shareholder value in focus, so you can never separate CC from business interests’ (Otto).
However, the external brand image has an impact on employees, as Philipp claims: ‘Personally I do not feel more engaged if my employer supports these initiatives, but it makes my employer more attractive ... especially when talking with people who do not know my employer and are critical about our particular industry’. Taking CC as synonym for CSR, these results support the findings by Brammer et al. (2007), who identified a positive influence of external CSR on organisational commitment.

b. Responsibility in core business

Being a corporate citizen by conducting responsible business practices appears to bear little to no relevance on the motivation or retention of an employee. Employees see it as a matter of course for their company to be a responsible business partner. ‘I think there is the urge of a global player to act as a CC ... it does not mean that it should sponsor any social projects ... but to be responsible with what it does’ (Otto). For further investigation, the issue of a breach in certain responsibilities within core business practices would be interesting. As it was not the focus of this study, interview transcripts provided no evidence about this. The assumption is that it would not automatically lead an employee to resign, but this depends on personal attitudes and the whole employment situation.

c. Responsibility towards employees

Analysis of the case transcripts revealed that one key responsibility of a corporate citizen lies, from the perspective of an employee, in being responsible for its employees: ‘to be responsible for their own society, meaning their employees’ (Fritz). How can a company be responsible towards their employees? An employer has to serve its employees’ interests: ‘As I am personally involved I am interested that this support continues’ (Elke). The interviews of Tobacco plc revealed several forms of employer benefits, which were categorised as CC initiatives. In the following, these are clustered into four categories:

- Additional incentives: ‘If your company offers you an additional benefit ... for example, you get a reduced rate for a gym ... you can also communicate it ... I get a special rate as I am working for my employer and he negotiated this
deal for me’ (Otto). This quote expresses two desires within this form of initiative: the employee appreciates that the employer cares about the employee and arranges something on top of the general employment contract. Furthermore, the employee can present this additional benefit as an example of a positive employer/employee relation. Additional incentives should enhance the fact that an employee is more than just a random person working for a company, but part of a bigger society: ‘A metro card would help me to get to work cheaply and save money ... if I could get that as an additional benefit due to an arrangement via the company ... that would be great ... and the company gets it cheaper as it is an arrangement for many people...’ (Karl).

• Work-life balance: This category includes all CC initiatives of a company that support the compatibility of a job and family: ‘Better to focus on things like work-life balance with flexible working hours or home office ... things like Companykids (emergency kindergarten) ... that is social’ (Anna). It is interesting to see that these kinds of employer benefits, such as childcare or elderly care, flexible working hours or home office are also seen as extra social initiatives. One employee had a long illness and perceived his re-entrance within the company and support (whilst being on sick leave) as being due to the philanthropic engagement of his employer, which had a positive influence on his engagement with them: ‘Tobacco plc really cares about me as an employee ... when I had a longer break due to an illness ... they helped me to get back into my work life ... and kept me updated, whilst being away ... I felt part of this company even without being here ... I think this is what makes this company special...’ (Christian).

• Career/personal development: Additional career development without a direct link to the current business function was identified as being a CC initiative with a positive impact on the employer/employee relation: ‘I would not blame a company if it is not donating or sponsoring art galleries ... for me it is more important that they support me in things like my own career path ... my personal development ... even if it is not directly linked to my job function...’ (Otto). Another employee mentioned, ‘I appreciate that I can work over-time ... this I can use to be with my family and to make progress with my private
This quote again refers to the work-life balance category, but also includes the support of the company to personal development as flexible time management is offered.

- **Work environment:** The last category identified with respect to employer-benefit-related corporate social engagement is the work environment itself. It does not need mentioning that good computer facilities have to be provided to ensure a smooth workflow within an FMCG environment. In the case of Tobacco plc, the office was renovated and redecorated four years ago. Every floor is now dedicated to one product brand from the company’s brand portfolio: ‘...it is a cool company to work for ... beautiful city ... great people ... cool brands and a stylish office environment ... back then they had to do some renovating ... but now, just look around ... it is great ... we live our brands in every office.’ (Frieda). Employees seem to appreciate this extra engagement as being more than just an employer. This category does not only include the office environment, but also the people working in it. Employees value all additional social engagements offered by the employer: ‘We have company sport initiatives like football ... I frequently run with colleagues around the Alster (lake next to the office building) ... that is good for the team spirit...’ (Christian).

### 4.2.4.3 Section summary

This section exposed the results from analysing all of the qualitative interviews from Tobacco plc with the aim of understanding what CC is from an internal perspective, and revealing which CC initiatives have an impact on an employer brand from an internal perspective.

The section started by presenting categories that characterise the employer brand image of Case A, to understand the general attitude towards Tobacco plc as an employer. Here, it was discovered that in general employees seem to have a positive attitude towards their employer. Next to a positive salary and additional incentives, the international business environment, the corporate culture, market success, interesting job tasks and location were mentioned as influencing factors which enhanced Tobacco plc’s position as an employer of choice. Career development and the controversial business environment were
deemed to be both positive and negative influencing factors depending on the individual employee’s perspective. Shareholder focus and a large hierarchy were the categories identified as having a negative influence on the employer image of Tobacco plc.

The second part presented the findings regarding what CC initiatives have an influence on job motivation and retention. This part revealed that CC initiatives with a focus on the core business are perceived as ‘must haves’ for FMCG companies. Altruistic CC initiatives based on the CCM were revealed to primarily have an external image driver effect, which might also have a small image effect from the internal perspective. CC initiatives with an employer benefit were shown to be relevant in influencing an employer brand. Here, four categories of CC initiatives were identified: additional incentives, initiatives which influence the work-life balance of employees, career development, as well as initiatives which enhance a positive work environment. The next section will summarise all results presented in the write-up of Tobacco plc.

4.2.5 Summary of Tobacco plc

Tobacco plc is a German subsidiary of a global operating FMCG company, specialising in the tobacco industry, with headquarters based in London (UK). The case data was derived from two main sources: internal and external documents and eleven semi-structured interviews. The case write-up was divided into five sections.

In the beginning, the case company was introduced and we were reminded why the case was selected for this study.

Section 4.2.1 gave a summary about the case databases used in Tobacco plc.

Section 4.2.2 addressed the different research objectives. First, it presented how CC is implemented in Tobacco plc. This sub section consisted of four parts. Section 4.2.2.1 described the strategic position of CC in Tobacco plc. Here the analysis discovered that in Tobacco plc, CC is placed as an integral part of people/culture and is defined as a corporate social investment (CSI). All CC initiatives are placed around three main fields: sustainable agriculture and
environment, civic life, and empowerment. Section 4.2.2.2 described the reporting tools used by Tobacco plc to present its social engagement to stakeholders. It became visible that Tobacco plc uses all relevant reporting tools and global initiatives offered to companies and also names additional smaller tools. Section 4.2.2.3 displayed the different CC themes discovered by analysing all relevant documents. It gave detailed insights relating to what is offered in terms of CC to company stakeholders. It disclosed that the main themes of Tobacco plc in respect to CC are harm reduction, international marketing standards, fighting the black market, market success, environment, sustainable supply chain, people and culture.

Section 4.2.3 looked into the employees’ perspective of CC. It exposed the results of analysing all qualitative interviews of Tobacco plc. Section 4.2.3.1 showed categories regarding the employees’ understanding of their employer’s CC initiatives. The analysis revealed different dimensions of perceived CC initiatives. Three categories were distinguished: focus on altruism, which can be linked to the limited view by Matten and Crane (2005), a responsible core business, which can be categorised as the equivalent view (Matten & Crane, 2005) and discretionary responsibility (Maignan et al., 1999), including being a responsible employer towards the stakeholder group ‘employees’, which can be linked to discretionary responsibility towards employees (Rego et al, 2011). Section 4.2.3.2 presented employees’ awareness and opinion of CC. The research disclosed a limited awareness and interest in charity-related CC initiatives, a general conflict in communicating CC to stakeholders, a discrepancy between private and company CC and, lastly, a general question of the existence of CC in a business environment.

Section 4.2.4 started by describing categories which characterise the employer brand image of Case A (4.2.4.1). This aimed to provide an understanding of the general attitude towards Company A as an employer. A mostly positive attitude towards Tobacco plc as an employer was discovered. Salary and additional incentives, the international business environment, the corporate culture, market success, interesting job tasks and location were identified as influencing factors that enhanced Tobacco plc’s position as an employer of choice. Career
development and the controversial nature of the industry seem to have positive and negative influences depending on the individual employee’s perspective. Shareholder focus and a large hierarchy were categories discovered to have a negative influence on the employer image of Case A. Section 4.2.4.2 presented the findings regarding what CC initiatives have an influence on job motivation and retention. This section revealed that CC initiatives with a focus on the core business, are seen as a necessity for global players. CC initiatives based on the CCM were revealed to primarily have an external image driver effect which might also have a small image effect from the internal perspective. CC initiatives with an employer benefit were discovered to be relevant in influencing an employer brand. Here, four fields of CC initiatives were recognised: additional incentives, initiatives which influence the work-life balance of employees, career development, as well as initiatives which enhance a positive work environment.

4.3 Case B: Home and Beauty plc

Home and Beauty plc is a German-based, global FMCG organisation specialising in laundry and home care, cosmetics/toiletries and adhesive technologies. The organisation’s headquarters are based in Düsseldorf with 9,600 employees working in Germany and over 46,000 worldwide. Similar to Tobacco plc this case study was selected due to its size. For this research, it was necessary for both cases to be actively involved in CC initiatives and communicate a strategic positioning of CC in their business strategy, as this would increase the likelihood of enriching the data collection. Case B is a multinational company, but, unlike Tobacco plc, the headquarters are located in Germany. This was important, as the focus area of this study is Germany, where CC is still in its strategic beginning.

Looking at the FMCG produced, this case operates in non-controversial industries. It was not compulsory to select these industries, but it builds a nice contrast to Tobacco plc. It gives a wider scope when researching attitudes of employees to CC initiatives in an FMCG business. These contrasting cases establish a sounder base from which to generate theory (Eisenhardt, 1989;
Pettigrew, 1990). As the primary objective of this research is to contribute to practice, this study aims to shed light on what CC means to employees of German FMCG businesses, and which CC activities might have an influence on the employer brand perception of their individual employees. The results of this research project will hopefully give a voice to the internal views on CC initiatives and provide insights into what kinds of CC initiatives are relevant to employees in German FMCG companies. So, this thesis is based on two companies with which the researcher has close business relations. Furthermore, due to the experience of the researcher outlined in Section 3.5.2, it was a personal decision to select this company as the second case.

### 4.3.1 Summary of case database

Home and Beauty plc also includes two data sources: internal and external company documents as well as qualitative interviews. In the first phase of the research, the documents were analysed to determine themes linked to the previous literature review. In the second and third phase of the research, semi-structured interviews were conducted. Table 7 summarises all Home and Beauty plc interviewee data.

<table>
<thead>
<tr>
<th>Name</th>
<th>Sex</th>
<th>Age</th>
<th>Employment (years)</th>
<th>Position</th>
<th>Interview duration (min)</th>
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</thead>
<tbody>
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<td></td>
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<td></td>
<td></td>
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<td>F</td>
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<td>28</td>
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<tr>
<td>Flo</td>
<td>M</td>
<td>28</td>
<td>2.5</td>
<td>Trade marketing manager</td>
<td>18</td>
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<tr>
<td>Mia</td>
<td>F</td>
<td>30</td>
<td>4.5</td>
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<tr>
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<td>F</td>
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<td>10</td>
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</tr>
<tr>
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<td>35</td>
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<td>Marketing manager</td>
<td>23</td>
</tr>
<tr>
<td>Kai</td>
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<td>M</td>
<td>65</td>
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<tr>
<td>Oskar</td>
<td>M</td>
<td>55</td>
<td>22</td>
<td>Facility manager</td>
<td>30</td>
</tr>
</tbody>
</table>

Table 7: Summary of semi-structured interviews: Home and Beauty plc
4.3.2 Corporate citizenship in practice

This section presents the results obtained from analysing all company documents listed in Appendix I. It follows the same case write-up style used for Tobacco plc, so it enables a better comparability in the cross-case analysis in Chapter 5. Direct quotations from the documents are highlighted in italics. It consists of four parts. The first part portrays the strategic position of CC within the business strategy. The second part presents the study of the social reporting of Home and Beauty plc. The third section describes the CC themes and different initiatives that Home and Beauty plc offer to its stakeholders. This section concludes with a small summary.

4.3.2.1 Strategic position of corporate citizenship

Corporate citizenship at Home and Beauty plc is an integrated part of sustainability. ‘Within its sustainability strategy 2030, Home and Beauty plc focuses on six pillars: social progress, performance, safety and health, energy and climate, material and waste, water and wastewater. These pillars are divided into two dimensions: “achieving more” value for the company and stakeholders “with less”, meaning at a reduced ecological footprint Home and Beauty plc, Sustainability report, 2012). CC is strategically positioned within the pillar entitled social progress and is placed as a synonym for social engagement. It represents the ‘limited view’ by Matten and Crane (2005), which equates CC with philanthropic responsibility, so the fourth level of Carrol’s CSR approach (Carroll, 1998).

Home and Beauty plc has internationally structured its activities around three core elements of the CCM (Dresewski, 2004): supporting employee volunteering (Make an Impact on Tomorrow (MIT) Initiative); corporate and brand engagement for the common good; and emergency aid. On this basis, all local teams can control the support they give to their local environment and position themselves as corporate citizens. All CC initiatives are bundled under the roof of one corporate foundation. This foundation functions as an umbrella for all social engagements of Home and Beauty plc. It ‘supports MIT projects of employees and retirees through donations in kind, product donations, financial
aid, special paid leave and the provision of technical advice’ (Home and Beauty plc, internal document). Within corporate and brand engagement, Home and Beauty plc ‘sets up social partnerships which aim to support long-term projects from all five areas of engagement: social needs, education and science, fitness and health, arts and culture and the environment’ (Home and Beauty plc, Sustainability report 2012). Lastly, the ‘corporate foundation aims to provide immediate product and financial support when natural disasters occur’ (Home and Beauty plc, Sustainability report 2012).

4.3.2.2 Corporate social reporting

The literature review discovered many formats and ways of presenting social commitment and engagement to company stakeholders. In the following, questions from the social report checklist, by Van Der Ploeg and Vanclay (2013), are used as guidance to provide evidence of the strategic relevance of social reporting.

a.  Is the social report publicly available in appropriate languages?

Home and Beauty plc publishes its reports online and on request, a person can receive one hardcopy. All reports are available in German and English as both languages are used in daily business practice. One part of their website is fully dedicated to sustainability and social involvement. Answering this question reveals a strong focus on social reporting.

b.  Is the report written in a clear and concise way and readable by relevant stakeholders?

The report of Home and Beauty plc is clearly structured and easy to follow. It begins with an overview about the company, before diving into the GRI as the key reporting tool used. They present company goals versus company performance. On examination of the style of the social report, Home and Beauty plc aims to transfer a professional, engaging social commitment and trustworthiness by displaying GRI facts.
c. **How does the company establish the credibility of its sustainability report, for example is there an independent assurance report?**

Home and Beauty plc uses a combination of reporting tools discussed in the literature review. Furthermore, it mentions many other ratings and indexes used by Case B. For its 2030 sustainability strategy, which is introduced in the sustainability report 2011, Home and Beauty plc has adopted the Vision 2050 of the WBCSD as the basis for its strategy. Home and Beauty plc is a member of the Global Compact and uses various financial and sustainability orientated indexes and the guidelines of the GRI to construct the social report. Areas of Case B’s production sites are externally certified with the ISO 14001, the internationally recognised standard for environmental management systems. Within the report, it is registered within the DJSI. It is outlined that for the fifth time in succession, Home and Beauty plc was listed in both the DJSI World and the DJSI Europe Indexes as the sustainability leader in the non-durable household products sector. It is stated in its social report that Case B was named amongst the ‘World’s Most Ethical Companies’ for the fourth time in succession by Ethisphere Institute. This institute is a leading international think-tank dedicated to the creation, advancement and sharing of best practices in business ethics, corporate social responsibility, anti-corruption and sustainability. Furthermore, Home and Beauty plc declares that it ‘has been included in the FTSE4Good ethical index for eleven consecutive years’ (Home and Beauty plc, Sustainability report 2012). The FTSE4Good Index Series has been designed by FTSE (a global index and analyst provider) to objectively measure the performance of companies that meet globally recognised corporate responsibility standards. Home and Beauty plc names nine other reporting indexes in which the company is included or rewarded as one of the most sustainable companies in a particular industry or sector sample. It seems the reporting of social engagement has a high importance for Case B and it appears to have a high motivation to be positioned as a responsible citizen in the market.
4.3.2.3 Corporate citizenship initiative focus/themes

This section reveals the findings of CC in practice. Even though not all of the themes are strategically positioned as CC initiatives from a company perspective, it seems relevant to present them when looking at CC in practice, based on the previous literature review.

4.3.2.3.1 Corporate ethics

The first theme identified while looking into CC at Home and Beauty plc underlines the aim of managing the business in a responsible way. Case B has a high focus on management standards which are intensively regulated through different management codes. Home and Beauty plc’s code of conduct, for example, contains general corporate principles and rules of behaviour. ‘Our Code of Conduct contains a number of important guidelines of behaviour and is intended to guide all of us in our daily business but also in our strategic planning and our decision-making processes.’ (Home and Beauty plc, Code of Conduct)

It is supplemented by guidelines on how to handle situations involving business-related conflicts of interest and gifts. The code of teamwork and leadership provides guidance for the conduct of managerial and non-managerial staff at all levels. Home and Beauty plc has a specific code of corporate sustainability, which describes principles in respect to sustainable business practices. It is given concrete form by standards for safety, health and the environment, purchasing standards, and social standards. This theme contributes – as the name already suggests – to the company’s ethical responsibility (Maignan & Ferrell, 2001).

4.3.2.3.2 Shareholder commitment

Home and Beauty plc as publicly listed company has a clear focus on performance indicators such as sales, operating profit (EBIT), earnings per share and dividends. Case B sees ‘...its duty as being to maximise profits and to improve its position in the fast moving consumer good market’ (Home and Beauty plc, Annual report 2012). This refers to the economic responsibility towards owners by Rego et al. (2011). They defined profit maximisation and
reduction of operational costs as being indicators for the economic responsibility towards owners.

4.3.2.3.3 Natural environment

The second theme identified is the focus on the environment. Home and Beauty plc intensively aims to reduce its ecological footprint and to support biodiversity. According to its sustainability report, Home and Beauty plc is ‘committed to responsible management of raw materials, especially the protection of natural resources and biodiversity’ (Home and Beauty plc, Sustainability report 2012). Company B has placed a focus on renewable raw materials for its products. Home and Beauty plc is one of the signatories to a resolution passed by the Consumer Goods Forum to fight global deforestation and protect biodiversity. The participating companies have committed to taking ‘...a concerted individual and commercial approach in a bid to stop global deforestation by 2020’ (Home and Beauty plc, Annual report 2012). This theme serves the discretionary responsibility towards the natural environment (Rego et al, 2011).

4.3.2.3.4 Sustainable supply chain

The third identified theme is linked to the environment. To be a responsible citizen in its business environment, Home and Beauty plc ‘has signed up to the cross-sector Code of Conduct of the German Association of Materials Management, Purchasing and Logistics’ (Home and Beauty plc, Annual report 2012). It is based on the ten principles of the UN Global Compact. The code serves as the basis for contractual relationships with Home and Beauty plc’s strategic suppliers. Furthermore, Home and Beauty plc introduced a five-step approach to having a responsible supply chain process. On the one hand, this process ensures that all suppliers comply with its sustainability standards and, on the other hand, it aims to improve sustainability standards with, for example, ‘...knowledge transfer and continued education about process optimisation, resource efficiency, and environmental and social standards’ (Home and Beauty plc, Sustainability report 2012). Within this discovered theme, the discretionary responsibility toward the natural environment is considered (Rego et al, 2011).
4.3.2.3.5 Sustainable product

The fourth theme relevant to CC at Home and Beauty plc is the sustainable product. This theme is divided into several sub-themes: product quality, packaging and sustainable consumption. The sub-themes emerging in this theme provide evidence of the German leadership in environmental concerns (see Section 2.2.3.1).

a. Product quality

Home and Beauty plc positions itself as a responsible business in the market by emphasising its strong regulation when it comes to product quality. All raw materials and finished products are subjected to numerous assessments and tests to ensure a high level of safety during production, use and disposal. All ingredients are assessed according to the latest scientific findings and concrete safety data. Furthermore, Case B aims to further improve health compatibility by developing alternative ingredients. One example of this is ‘the switch from solvent based to water based formulations in its adhesive business’ (Home and Beauty, Sustainability report 2012). Home and Beauty plc has developed ‘alternative testing methods to replace testing ingredients upon animals’ (Home and Beauty, Sustainability report 2012). High quality products have according to Rego et al. (2011) an economic responsibility towards consumers. As mentioned in the literature review, they differentiate between economic responsibility toward owners and consumers. They define ‘We continually improve the quality of our products’ as an item reflecting economic responsibility towards consumers (p. 216). The switch to more sustainable ingredients serves the discretionary responsibility towards the natural environment (Rego et al., 2011). Lastly, the CC initiative to change testing methods and to refuse animal testing follows the ethical responsibility ‘Our company always does what is ethically correct’ (Rego et al. 2011, p.216).

b. Packaging

Home and Beauty plc works in the FMCG industry where ‘packaging plays an important role in making a product appeal to the end consumer’ (Home and Beauty plc, Annual report 2012). Next to that, the packaging needs to fulfil several other functions such as to ensure the hygiene and intactness of the
products, protect them during transport and storage, enable easy dispensing and use and provide enough space for all relevant consumer information. This contributes to the economic responsibility towards the customer (Rego et al., 2011). Nevertheless, Case B focuses its research and development effort in reducing as much material as possible to minimise the volume of packaging waste for consumers. Home and Beauty plc invests in research regarding new packaging material, such as bio plastics, to reduce its ecological footprint in the future. These two CC initiatives can be categorised as discretionary responsibility towards the natural environment (Rego et al., 2011). Company B participates in the Global Packaging Project of the Consumer Goods Forum. The aim of the forum is to ‘create standardised assessment processes and indicators through which packaging solutions can be analysed with regard to their economic, ecological and social impacts’ (Home and Beauty plc, Sustainability report 2012).

c. Sustainable consumption
Case B not only focuses on its products but also on its consumption. For example, in the laundry detergent business Home and Beauty plc launched energy-efficient products that enable consumers to save energy by obtaining the same washing result with the use of lower temperatures. Furthermore, Case B developed several brands with the focus on the LOHAS (Lifestyle of Health and Sustainability) trend. ‘All products within this target group enable the consumer to reduce his/her own ecological footprint whilst utilising FMCG products’ (Home and Beauty plc, Sustainability report 2012). In doing so, Case B positions itself as a corporate citizen by serving the discretionary responsibility towards the natural environment (Rego et al., 2011).

4.3.2.3.6 People and culture
This theme focuses on the employee and is further divided into eleven different sub-themes namely: employee performance, health and safety, diversity, stakeholder dialogue, training and education, job and family, awareness of sustainability, sustainable education, corporate volunteering, emergency aid, and brand engagement.
a. Employee performance management

Home and Beauty plc has a clear annual assessment of employees in the form of development tables. Case B has a very performance-driven incentive scheme, which includes individual target agreements with the focus on sustainability, such as reducing energy and water consumption or accident rates, if these fall within the sphere of influence of the employee concerned and have a clear bearing on business performance. ‘The annual individual performance assessment has a particularly strong influence on bonus payments’ (Home and Beauty plc, Annual report 2012). This theme can be categorised under discretionary responsibility (Maignan & Ferrell, 2001). Applying the seven dimensions of Rego et al. (2011) two responsibilities are considered within this theme. On the one hand, discretionary responsibility towards employees takes place as it includes payment above the normal salary, and on the other hand, discretionary responsibility towards the natural environment as the incentive scheme involves a focus on sustainability.

b. Health and safety

Case B has Safety, Health and Environment Standards, which are regularly monitored by an independent audit. To avoid occupational accidents, Home and Beauty plc has ‘special training programmes designed to raise awareness among all employees, especially in production but also in administration’ (Home and Beauty plc, Sustainability report 2012). This theme refers to ethical responsibility by Maignan et al. (1999). They define ‘Members of our organisation follow professional standards’ (p.467) as item of ethical responsibility.

c. Diversity

Diversity at Home and Beauty plc is supported by the internal Global Diversity and Inclusion Policy. Company B’s diversity focus lies on three dimensions: internationality, gender and age/experience. Case B fosters women in management positions. Furthermore, Home and Beauty plc introduced, together with McKinsey & Company and the ‘WirtschaftsWoche’ (business weekly), the German diversity award. This award is supported by the ‘Charta der Vielfalt’
(Diversity Charter), a CC initiative whose aim is to encourage diversity in companies. ‘It is given to employers, individuals and innovative projects in recognition of the successful way they manage diversity to promote a diverse business culture within Germany’ (Home and Beauty plc, Annual report 2012). This theme represents legal responsibility (Maignan and Ferrell, 2001) as Case B ‘avoids discrimination in hiring and compensation’ (p. 461).

d. Stakeholder dialogue

To act as a responsible citizen in the market, Case B aims to have an active dialogue with all relevant stakeholders, including customers, consumers, suppliers, employees, shareholders, local communities, government authorities, associations and NGOs, as well as politicians and academia. To identify a relevant sustainability strategy, Home and Beauty plc held ‘internal workshops with sustainability experts as well as policy-making workgroups and industrial associations, such as the WBCSD and the Consumer Goods Forum’ (Home and Beauty plc, Annual report 2012). According to Rego et al. (2011), this theme refers to ethical responsibility of a company. They state ‘We are recognised as a trustworthy company’ as an item representing ethical responsibility. The creation of a stakeholder dialogue aims to enforce the trustworthiness of a company.

e. Training and education

To be a responsible company, Home and Beauty plc invests in training and education of its employees. On average, all employees of Company B spend ‘two days per year participating in courses to foster their professional and personal development’ (Home and Beauty plc, Sustainability report 2012). The seminars range from management seminars and language courses to safety, compliance, and environment training and also include workshops on subjects such as financial reporting according to international standards. ‘Next to traditional personal-presence training sessions, all employees also have the chance to participate in online modules offered on an internal learning portal’ (Home and Beauty plc, Annual report 2012). These CC initiatives contribute to the discretionary responsibility towards employees (Rego et al. 2011), as Case
B ‘encourages employees to develop their skills’ and ‘supports employees who acquire additional education’ (p.217).

f. Job and family
Home and Beauty plc aims to ensure a positive work life balance by offering job-sharing, part-time jobs or working from home alternatives, which is supported with an individual IT system. Furthermore, a long-term career aims to ensure a good balance between a career and family life. Job exchanges to other countries are scheduled for the early stages of managers’ careers. Furthermore, Home and Beauty plc ‘...provides programmes to support its employees to manage their time, stress or any personal or business conflicts’ (Home and Beauty plc, Sustainability report 2012). These CC initiatives pay into the discretionary responsibility towards employees (Rego et al. 2011). They all focus on ‘enabling employees to better coordinate work and personal life’ (p.217).

g. Awareness of sustainability
Home and Beauty plc introduced so-called action plan meetings to generate an awareness of the corporate sustainability strategy for 2030. ‘In these meetings, employees developed individual action plans for their own particular areas with a focus on short-term and long-term measures to fulfil the corporate targets by 2030’ (Home and Beauty plc, Sustainability report 2012). In addition to awareness generation, these meetings enabled discussions about the strategy as well as current and future challenges. This theme includes action plans as being a CC initiative fulfilling the discretionary responsibility towards natural environment (Rego et al. 2011).

h. Sustainable education
Home and Beauty plc aims to act as a corporate citizen by offering a research initiative for children. This so called ‘researcher’s world’ is a child-focused laboratory in which children can conduct their own experiments under supervision of actual scientists. Home and Beauty plc provides the equipment and materials for the laboratory, which can also be used by school classes. The pupils are then guided through the experiments by the teachers. To enhance
this initiative, Home and Beauty plc offers separate training sessions to prepare teachers. Using this approach enables knowledge about sustainability to be passed on to future generations. Together with German universities, Home and Beauty plc developed ‘lecture materials about sustainable living for elementary schools which can be downloaded from the corporate side and used in classrooms’ (Home and Beauty plc, Sustainability report 2012). The CC initiative ‘Researcher’s world’ contributes to the discretionary responsibility towards the community as it ‘encourage partnerships with local ... and schools’ (Rego et al., 2011, p.217).

i. Corporate volunteering

Home and Beauty plc offers an initiative called ‘Make an Impact on Tomorrow (MIT) Initiative’. ‘Within this initiative, employees of retirees can apply for donations in kind, product donations, financial aid, special paid leave and the provision of technical advice to support a project of their choice’ (Home and Beauty plc, Sustainability report 2012). Corporate volunteering is one part of the CCM by Dresewski (2004). It presents the limited view by Matten and Crane (2005) and discretionary responsibility towards the community (Rego et al., 2011).

j. Emergency aid

Home and Beauty plc supports CC initiatives that aim to provide immediate support when natural disasters happen. Company B provided products and financial support after the major earthquake and the subsequent tsunami in Japan 2011 and floods in Thailand. In these regions, Case B ‘took particular care of their local employees providing financial aid for employees to rebuild their homes’ (Home and Beauty plc, Sustainability report 2012). The emergency aid theme can be classified as a donation which is also a component of Dresewski’s (2004) CCM. It contributes to the discretionary responsibility towards community (Rego et al., 2011) and represents the limited view by Matten and Crane (2005).
k. Brand engagement

Brand engagement is the last CC sub-theme which emerged within the people and culture arena. Within brand engagement, Case B ‘sets up social partnerships in the areas where the company operates to support social initiatives and public institutions. These include sports clubs, hospitals, kindergartens, schools and universities, charity organisations and cultural events’ (Home and Beauty plc, Sustainability report 2012). All of these CC initiatives refer to the discretionary responsibility towards community (Rego et al., 2011) and present the limited view of CC (Matten & Crane, 2005). Depending on the CC initiatives, the focus is on cause-related marketing, social commissioning and community joint ventures (Dresewski, 2004). Below, three of these initiatives are briefly introduced as examples to generate an understanding of the brand engagement.

- **Look good ... feel good**: This CC initiative is a programme that works together with non-profit organisations such as the German ‘DKMS life’ or the ‘Schweizer Verein für Frauen nach Brustkrebs’ (Swiss Association for Life after Breast Cancer), and offers free cosmetic seminars for female cancer patients. This initiative is open to all women with cancer who are undergoing chemotherapy, radiation or other forms of cancer related treatment. Home and Beauty plc raises funds and awareness and helps to recruit volunteers for Look good ... feel good, among their consumers and employees’ (Home and Beauty plc, Sustainability report 2012).

- **Shaping the future**: This CC initiative is a social activity where Home and Beauty plc engages with leading non-profit organisation, SOS Children’s villages. Case B ‘recruits volunteer hairdressers amongst its consumers and employees, who then travel to SOS Children’s villages for six weeks to educate disadvantaged teenagers, introducing them to the hairdressing world and teaching them skills which enable them to make their own living. After the successful completion of a workshop, the teenager will get the chance to start an apprenticeship at a local salon in their region’ (Home and Beauty plc, Sustainability report 2012).
• Futurino: With this social initiative Home and Beauty plc supports projects which enable children to learn more about nature and to acquire a better awareness of the environment. ‘Every year, schools, kindergartens or other social groups can apply with a project related idea connected to the environment and can obtain a maximum of €10,000 per project. Every year Case B sponsors a variety of projects with an overall sum of €150,000’ (Home and Beauty plc, Sustainability report 2012).

### 4.3.2.3.7 Summary of CC initiatives

The following table provides a summary of all CC initiatives discovered for Case A as well as their theoretical CC dimension.

<table>
<thead>
<tr>
<th>Themes</th>
<th>Initiatives</th>
<th>Dimension</th>
</tr>
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<tbody>
<tr>
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<td>- Code of conduct</td>
<td>Ethical responsibility (Maignan &amp; Ferrell, 2001)</td>
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<tr>
<td></td>
<td>- Code of teamwork</td>
<td></td>
</tr>
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<td></td>
<td>- Code of leadership</td>
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<tr>
<td></td>
<td>- Code of sustainability</td>
<td></td>
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<tr>
<td></td>
<td>- Standard of safety, health and the environment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Purchasing standards</td>
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<tr>
<td></td>
<td>- Social standards</td>
<td></td>
</tr>
<tr>
<td>Shareholder commitment</td>
<td>- Sales</td>
<td>Economic responsibility towards owners (Rego et al., 2011)</td>
</tr>
<tr>
<td></td>
<td>- Earnings per share</td>
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<td>- Operating profit</td>
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<td>Natural environment</td>
<td>- Responsible raw material management (e.g. protection of natural resources and biodiversity)</td>
<td>Equivalent view (Matten &amp; Crane, 2005) Discretionary responsibility towards natural environment (Rego et al., 2011)</td>
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<td>- Consumer Good Forum to stop deforestation</td>
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<tr>
<td>Sustainable supply chain</td>
<td>- Contracted supplier</td>
<td>Equivalent view (Matten &amp; Crane, 2005) Discretionary responsibility towards natural environment (Rego et al., 2011)</td>
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<td></td>
<td>- Sustainability standards</td>
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<td>Sustainable product</td>
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<td>Product quality</td>
<td>- Raw material assessment</td>
<td>Economic responsibility towards consumers (Rego et al., 2011)</td>
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<td>- Finished goods assessment</td>
<td>Discretionary responsibility towards natural environment (Rego et al., 2011)</td>
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<td>- Product innovations (e.g. switch from solvent based to water formulas)</td>
<td>Ethical responsibility (Rego et al., 2011)</td>
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<td>- No animal testing</td>
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<td>Packaging</td>
<td>- Packaging performance assessment</td>
<td>Economic responsibility towards consumers (Rego et al., 2011)</td>
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<td>- Minimalistic packaging</td>
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<td>Category</td>
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<td>Packaging innovations</td>
<td>Discretionary responsibility towards natural environment</td>
<td>(Rego et al., 2011)</td>
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<td>Sustainable consumption</td>
<td>LOHAS product innovations</td>
<td>Discretionary responsibility towards natural environment</td>
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<tr>
<td>People and culture</td>
<td>Annual assessment</td>
<td>Discretionary responsibility towards employees and towards natural environment</td>
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<td>Employee performance management</td>
<td>Incentive scheme (incl. Sustainable indicators)</td>
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<td>Health and safety</td>
<td>Risk assessment</td>
<td>Ethical responsibility</td>
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<td>Health and safety training</td>
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<td>Diversity</td>
<td>Focus on internationality, gender and age/experience</td>
<td>Legal responsibility</td>
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<tr>
<td>Stakeholder dialogue</td>
<td>Internal and external sustainability workshops</td>
<td>Ethical responsibility</td>
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<tr>
<td>Training and education</td>
<td>Personal development training</td>
<td>Discretionary responsibility towards employees</td>
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<td>Internal learning portal</td>
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<td>Job and family</td>
<td>Job-sharing</td>
<td>Discretionary responsibility towards employees</td>
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<td>Part-time work</td>
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<td>Home office</td>
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<td>Long-term career path</td>
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<td>Early job exchange</td>
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<td>Coaching</td>
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<td>Awareness of sustainability</td>
<td>Individual action plans (short-term/long-term)</td>
<td>Discretionary responsibility towards natural environment</td>
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<tr>
<td>Sustainable education</td>
<td>Researcher’s World</td>
<td>Discretionary responsibility towards community</td>
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<tr>
<td>Corporate volunteering</td>
<td>MIT initiatives</td>
<td>Limited view</td>
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<td>CCM (Dresewski, 2004)</td>
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<tr>
<td>Emergency aid</td>
<td>Local and international donations</td>
<td>Limited view</td>
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<td>CCM (Dresewski, 2004)</td>
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<td>Brand engagement</td>
<td>Cause related marketing</td>
<td>Limited view</td>
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<td></td>
<td>Social commissioning</td>
<td>CCM (Dresewski, 2004)</td>
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<td></td>
<td>Community joint venture</td>
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Table 8: Summary CC initiatives of Home and Beauty plc
4.3.2.4 Section summary

This section outlined the findings derived from studying internal and external documents (see Appendix I). It was structured in several sections and started by presenting the strategic position of CC in Home and Beauty plc.

The research discovered that CC is positioned as an integrated part of sustainability. The sustainability strategy (2030) focuses on six pillars: social progress, performance, safety and health, energy and climate, material and waste, water and wastewater. Here, CC is positioned within the pillar social progress and represents the ‘limited view’ by Matten and Crane (2005). In particular it focuses on three parts of the CC mix by Dresewski (Dresewski, 2004), meaning corporate volunteering, corporate/brand engagement and emergency aid.

The second section revealed that Home and Beauty plc uses a combination of all of the reporting tools discussed in the literature review and reveals the strategic importance of CC.

The third part outlined the different CC themes discovered by analysing the report. This part provided a detailed description of what is offered as CC to company stakeholders and revealed that the key themes with respect to CC are the following: corporate ethics, shareholder commitment, environment, sustainable supply chain, sustainable product including product quality, packaging and consumption, as well as people/culture.

4.3.3 Corporate citizenship from the employees’ perspective

This section portrays the results from ten qualitative interviews with employees of Home and Beauty plc. This section aims to shed light on RQ2 and discover employees’ understanding and awareness towards CC in Home and Beauty plc.

It presents the categories relating to the employees’ understanding, awareness and opinion of their employer’s CC initiatives. To generate an understanding about employees’ general understanding and acknowledgment of CC activities, questions such as, ‘What do you see as CC activities?’ and ‘What kind of CC
initiatives do you know from your company?’ were posed. Furthermore, the interviewees were asked their opinion about certain CC components within the CCM, as well as concrete employer CC initiatives. The themes are described and justified with quotes below.

As with the case write-up of Tobacco plc, this section is divided into two parts. In the first section, themes regarding the understanding of CC are presented. The second part portrays CC awareness and employees’ opinions. This part concludes with a small summary on the understanding, awareness and opinions of corporate citizenship.

4.3.3.1 Understanding of corporate citizenship

The interviews disclosed different opinions as to what constitutes CC. Investigation into the understanding of CC revealed three different themes.

   a. Environment responsibility

For employees of Home and Beauty plc, social engagement is centred on environmental support, as Heinz claims, ‘CC for me is social engagement with the external environment’. This is in line with the intense focus on environmental CC initiatives discovered in Section 4.3.2.3 and represents the discretionary responsibility towards the natural environment by Rego et al. (2011). Analysis of the interview transcripts reveals a constant presence of environmental concerns and reveals the long history of Germany’s environmentalism. The quote by Herman, ‘CC for me is closely related to the environment ... maybe due to the fact that we are working in a chemical industry’ also refers to the understanding that CC should be linked to the main business.

   b. Community responsibility

The second theme relates to classical charity CC such as sponsorship: ‘Regarding the external social engagement you need to differentiate between local, national or global engagement ... as a large company you have to support your local environment ... we support the local football club and each site has to take care of a local engagement’ (Heinz). This comment by Heinz reveals the
employees’ understanding of CC including discretionary responsibility towards community (Rego et al., 2011). Interesting here is the mention of a local focus. This contributes to the literature of OIN, where there is an enhanced belongingness to a company if the personal interest fits into company’s engagement (Tajfel & Turner, 1985). Furthermore, it uncovers the fact that such engagement is perceived as a duty for multinational companies.

c. Responsibility towards employees

Heinz stressed the general responsibility of a company to its employees as the most important stakeholder group: ‘Well there is a fiduciary duty towards employees ... you could also name that as a form of social engagement ... this social engagement can have different intensities ... you could say an employer offers jobs to employees ... they obtain money for their job and that is it ... if you go a step further ... in Germany and in many other countries, this relationship is driven by the fiduciary duty of the employer and the employees’ duty of loyalty’. The quote by Heinz reveals a split in perceived CC responsibilities towards employees. One the one hand, there is a purely economic responsibility which includes the salary and also a safe job; while on the other hand, there is a discretionary responsibility towards employees, as already identified by Rego et al. (2011). One could argue that this statement is influenced by the fact that this employee works within HR, but interestingly other employees also viewed employment in general as a major CC initiative for a company. Oskar, who works as facility manager supports this statement by saying: ‘CC should have a local focus and not just a global focus ... it should not only be about numbers, but about the people who have to leave the company to reach these figures ... CC is also about offering employment to people in Germany and not outsourcing everything to low-wage countries’ (Oskar). Flo confirms this statement and adds that the social aspect for employees is an important field within CC: ‘...to offer, next to the work, possibilities for new contacts ... a social life within the company is especially interesting for commuters like myself...’ (Flo). He makes concrete suggestions like: ‘...to support meaningful things in the life of employees ... for example, a discount for fitness studio or ... if I want to go to a fitness studio over lunch ... that you have alternatives in house, like a
company owned fitness place within the company building ... or people who meet up once a week to play basketball...’ (Flo). Herman adds another component to the responsibility towards employees: ‘Furthermore, I see education as a CC initiative ... this company invests in educating trainees and supports local education programmes’ (Herman). He does not see this kind of engagement as a matter of course. He also touches the topic of diversity: ‘For example, mothers with kids are also employed ... from an economy perspective, a mother has more leave days ... cannot do overtime, is not flexible, has more family stress and is not purely focused on her job ... so, I see this as CC engagement ... to offer mothers an interesting work environment.’ (Herman).

Kim’s understanding of CC is a good summary of the general understanding of CC, which includes the responsibility towards the environment, the community, its employees as well as responsible business practices: ‘I understand CC as employer engagement such as kindergarten for employees’ kids ... home office ... compatibility of family and work ... support of local societies ... environmental support ... general charity ... in own society or in emerging markets...’ (Kim).

4.3.3.2 Awareness and opinion

Investigation into the awareness and opinion of CC at Home and Beauty plc revealed several interesting themes that help to understand employees’ attitudes towards CC.

a. General duty to act as a corporate citizen

The first theme discovered was the general duty of a global player to invest in CC: ‘Large corporations just have to invest power and money in CC activities’ (Kai). This supports the statement by Schwab (2008), who states: ‘Global corporations have not only a license to operate in this arena but also a civic duty to contribute to sustaining the world’s well-being in cooperation with governments and civil society’ (p. 114). Flo stressed this duty across external and internal CC initiatives: ‘The key objective of companies is to make profit ... to support their employees and support their development in what they want for the future ... maybe the company also has local responsibilities to the city they are located in ... especially large companies...’ (Flo). This represents the view of
CC by Logsdon and Wood (2002), who define CC in the following way: ‘a responsible player in its local environments ... with an emphasis on voluntarism and charity as well as on the organisation's rights and duties in and for the community’ (p.156). CC engagement should be positioned as a long-term activity and not a one-off initiative for PR reasons: ‘CC ... it is good that we do it, but do it long term and not for short term awareness’ (Theo).

b. Awareness of business-related CC

It is interesting to see that all employees of Home and Beauty plc were able to state some CC initiatives: ‘I know this company focuses on local initiatives such as supporting an orphanage with presents at Christmas time ... but I do not know it in detail’ (Herman). ‘I know the MIT initiative and this one with the hand ... shaping futures’ (Theo). CC initiatives related to the company business had a high level of awareness: ‘This company does a lot ... for example in the internal raw material standards ... it is a pioneer when skipping anti-sustainable products’ (Herman). This can be linked to the market-oriented model of sustainability by Crittenden et al. (2011) which suggests a competitive advantage when social engagement, core ideology and dynamic capabilities form one DNA. ‘Shaping futures is very cool ... it fits our business ... but they do not need to talk about it...’ (Flo). This statement exposes that a close fit to the business is appreciated, but it also underlines a conflict in the level of communication.

The previously stated internal CC initiatives were again only mentioned by one interviewee working in HR: ‘Home and Beauty plc used to be a family business so it has a large awareness of its responsibilities towards employees ... this is provided with a large emphasis on health support, elderly support and these things ... and to value an employee as more than just someone working for the company is highly important at Home and Beauty plc’ (Heinz). It seems that the awareness of these internal CC initiatives is very low in Home and Beauty plc.

c. Conflict of communication

For Home and Beauty plc, the topic of communication also emerged while analysing the transcripts: ‘I think social engagement always creates a bad taste
once you start talking about it...’ (Flo). This employee clearly notes the difficulties in communicating CC initiatives: ‘Classical CC activities do not have an influence on employer identification ... well maybe a negative one ... as it’s primarily used for PR purposes ... like cause-related marketing where company profit verses donations are not in relation to each other ... and are usually financed via [the] end consumer...’ (Flo). Also, Oskar and Herman state that CC excludes official communication channels: ‘CC is for me to engage in the local environment and not when you can publish it on TV (Oskar). ‘It is difficult to find the relationship with these initiatives ... in my view these are primarily PR tools...’ (Herman). This statement supports Banerjee (2008) diverse view towards CC. He argues that social initiatives are based on business interests and serve to meet interests of external stakeholders.

d. Personal versus company CC
Employees of Home and Beauty plc stated a clear desire to separate the social engagement of their employing company and their own social engagement: ‘It is my own responsibility and I do not need a company for that ... I earn enough money to abstain from something to help others...’ (Flo). ‘I do not want to mix my private and professional life ... here I work and what I do for my personal interests is my own decision’ (Theo). This supports the framework by Maignan and Ferrell (2001) that personal values impact attitudes towards CC. Here, the German culture with its formal interpersonal style (Lawrence, 1994) (see Section 2.2.3.4) needs to be considered. It seems that in Germany CC initiatives should be divided into social engagement for a business or personal environment.

e. Breach in CC expectations
The final theme identified while examining the transcripts of Home and Beauty plc was a certain frustration from employees with regard to CC: ‘We tried to give the old PC to a charity organisation ... but it did not work out ... as no one was working in this institute’ (Theo). Here the employee tried to conduct a business-related CC initiative, but was not supported by the company. Something similar happened to interviewee Lea ‘I initiated something on our green brand ... but it died due to financial reasons ... either you commit to something or you just
leave it’ (Lea). This breach in CC expectations led to a less motivated employee: ‘My own CC project was motivating ... but I was even more unmotivated afterwards as it got cancelled’ (Lea). Increasing bureaucracy was named as one factor that makes simple business-related initiatives more complex: ‘Many years ago, we sold our products for nearly nothing to our neighbours ... now this is not happening anymore due to the non-cash benefit’ (Oskar). These quotations present a discrepancy between CC expectations and CC actions. This gap is perceived as a misalignment between the images put forth in the company’s CC initiatives and their real identity (McShane & Cunningham, 2011). This can diminish trust in the employer or decrease job satisfaction or organisational commitment (Knights & Kennedy, 2005).

4.3.3.3 Section summary

This section portrayed the categories revealed in respect to employees’ understanding, awareness and opinions of their employer’s CC initiatives. Regarding employees’ understanding of CC, the analysis exposed that employees see CC to include a responsibility towards the natural environment, which supports the findings by Rego et al. (2011). Employee understanding of the CC dimension included responsibility towards the community (Rego et al. 2011). Here, employees differentiated between local and global environments. Lastly, the understanding of CC included a responsibility towards existing employees.

Regarding employee awareness and opinion, the research discovered a general expectation of a global player to act as a corporate citizen. The awareness of business or job-related CC initiatives was higher than traditional charity-related CC initiatives. Furthermore, the findings revealed a conflict in communication, in that as soon as the company talks about CC it is largely perceived as a PR tool and employees become dismissive. A clear desire for a separation of personal and company CC was disclosed. Lastly, Home and Beauty plc revealed a breach in CC expectations.
4.3.4 Employees’ perceived corporate citizenship dimensions and their impact on an employer brand

This section presents and discusses the findings regarding the relationship between CC dimensions and employee motivation and retention as core objectives of an employer brand. This section is split into two parts. Firstly, important employer brand characteristics discovered in this research are reviewed. Secondly, the discovered impact of the CC dimension on the employer brand is presented and discussed.

4.3.4.1 Employer brand characteristics

To obtain a general understanding about the employer brand of Home and Beauty plc the interviewees were asked questions about their motives in working for the company, their feelings towards being employed at Company B and positive and negative incidents impacting their attitudes towards Home and Beauty plc as an employer. The findings are divided into positive and negative employer brand characteristics. Analysis of the interview transcripts revealed a diverse employer brand image. It seems that employees do appreciate the fact that they work for a large FMCG company with all of the benefits usually offered in these companies, but have difficulties in dealing with the pressure and figure focus of Home and Beauty plc.

4.3.4.1.1 Positive employer brand characteristics

The following describes categories which count towards a positive employer brand perception of Home and Beauty plc and are validated with relevant quotes presented in italics.

a. Salary and incentives

As learned in the previous literature, earning a living is the key target, independent from the actual job task itself (Calder & Staw, 1975). Employees see this theme as the most important positive employer brand characteristic as they generate extrinsic motivation through financial compensation (Frey & Oberholzer-Gee, 1997). The good base salary and additional incentives that Home and Beauty plc offers were mentioned as being relevant for all
employees. ‘Salary and incentives ... this company pays well ... has interesting working fields.’ (Herman). Older employees at a different stage of life showed different incentive preferences to employees who have recently started they career. ‘The company’s pension plan is also a positive thing working for this company ... maybe because I am getting closer to that age...’ (Herman). This quote provides evidence that additional incentives depend on personal preference. It is interesting to see that these benefits are expected from a global player. ‘It offers many opportunities ... an interesting international environment ... and benefits which are normal for major companies like pension plans or seminars ... small extras which make it nice to work for this company’ (Kim).

b. Global player
Another factor which seems to have a positive influence upon employees is that they appreciate working for a multinational company. ‘I appreciate that this is an international company situated in different industries ... that is very interesting ... you have many different opportunities...’ (Lea). On the one hand, it is the international business environment that employees such as Lea appreciate in Home and Beauty plc. Yet, on the other hand, this research revealed that it is the global player image of Company B which makes it more attractive for its employees. They even accept and compensate on certain criteria to be a part of this business: ‘One can be proud ... if you say where you work ... it is a well-known employer ... everyone knows that being an employee at this company you have a certain quality and qualifications ... so people say great company, big company ... and so it is from that sense very satisfying and good from the external appearance... well, you certainly have to stand up for yourself when it comes to personal development and progress within the company ... but in general you can be proud working for this company...’ (Lea).

c. Meaningful job tasks
As well as the compensation package and the global player image surrounding the actual job, tasks were identified as being relevant for a positive employer perception. Here it became visible that above all, each job has to have a business impact and employees search for meaningful assignments: ‘I am working on an interesting project ... it is a new challenge ... I have the chance to
build something new and will have a future impact ... that is great’ (Kai). This is underpinned by the statement of employee Mia: ‘I am really not engaged with this employer ... but that also might depend on my position ... I feel unimportant ... my job does not have any value’ (Mia). The quotes by Kai and Mia seem to capture the shift in employee values which was presented in Section 2.3.3. Both employees are members of generation Y, which tends to have a strong moral focus. Earning money is less important than contributing to society and making an impact (Eisner, 2005).

d. People and culture

The last category identified as highly relevant for a positive employer perception is people and culture. ‘It is all about the people ... I have great colleagues, so I like working here ... there has been a massive change over the years, but the people make the difference’ (Oskar). It seems that at the end of the day a good work environment is achieved by positive relations amongst colleagues: ‘There are ups and downs ... it really depends on the people ... the nice atmosphere ... without this I would not work here anymore.’ (Lea). This employee-employee relationship reveals that it is a highly important asset to build a strong employer brand. The culture of a company is important to employees. In the case of Home and Beauty plc, it was clear that there had recently been a change in culture: ‘You cannot say that this company does not have a spirit anymore ... as the people are still responsible ... but it is getting less from the corporate side’ (Herman). Only Kai, who had just started within that company stated, ‘It is a large company, but it has a personal atmosphere and still lives with family values’ (Kai). He had not seen the development over recent years and it seems that his employer perception was predominantly driven by his external image of the company. This supports the literature of the employer brand concept which argues that an employer brand can be viewed from an internal perspective, external perspective, and construed external perspective (Dutton and Dukerich, 1991).

4.3.4.1.2 Negative employer brand characteristics

Analysis of the interview transcripts revealed three key negative employer characteristics of Home and Beauty plc, as outlined below.
a. Shareholder focus
The first theme disclosed on analysing the transcripts is the focus of the financial market: ‘EBIT and share value are more important than employees’ (Theo). With this focus, it seems that working for Home and Beauty plc has become less and less personal. One interviewee claimed: ‘It gets less important to top management where they work ... it is more about figures and numbers’ (Oskar). Due to this shareholder focus, the loyalty of employees towards their employer is decreasing. Also, values originally formulated by the family owned business are diminishing: ‘There has been a massive change over the last 23 years ... now there is more focus on profit ... and values from the original family business are not much lived anymore ... profit maximisation is more important’ (Herman). To work for Home and Beauty plc seems to be impersonal, ‘Employees are only a number in this company...’ (Theo). These comments, in which the employees claim Home and Beauty plc has become less people focused and more figure focused, represent a business environment in which employees feel less important. It support the literature of OIN, whereby Rousseau (1990) states that an employee perceives him/herself to be part of a larger whole. Due to the shareholder focus, the group perception is diminishing and is seen as a negative employer characteristic. Rego et al. (2011) differentiates between economic responsibility towards customers and towards owners. The responsibility towards owners appears to have a negative impact on employees’ employer brand perception.

b. Career path
The second negative characteristic of Home and Beauty plc was exposed as being a limited focus on employee career path development: ‘This company does not have good HR support ... there is no career development path ... everything depends on you ... every big company has to have a career path’ (Lea). It is expected that a global player will offer alternative job positions as future career steps, in order to fully engage employees. A breach in this expectation seems to have a negative impact on an employer’s perception. ‘If you have the performance you are rewarded in an appropriate manner ... but you always need to ask for it.’ (Jule). This second quote discloses a negative attitude towards the reward system. Jule appreciates the reward itself, but
believes it should happen automatically and should be directly linked to a good performance.

c. Change in culture
The third and final category identified as being highly relevant for Home and Beauty plc employee perceptions is the change in culture. The newly formed culture is seen as a culture with high pressures on every employee: ‘Today ... there is a lot of pressure on all employees’ (Herman) and ‘I work too much ... too much time in the company ... but it is the working style here and if I decided to leave early I would be one of the minority’ (Jule).

The very demanding work environment affects employees’ work: ‘Well, we do have a high workload ... and difficult structures with high hierarchies and difficult decision-making processes ... this makes working for this company laborious’ (Heinz). It also affects employees’ health: This company has a high burn out rate ... but to the outside it is communicated as a family friendly company’ (Theo). Analysing the quotes exposes a juxtaposition of the internal employee picture and the external image of Home and Beauty plc. ‘From the outside this company seems to be very socially orientated at least over the last few years ... regarding myself, this company is very performance driven so first comes the company then the employee ... first money then people’ (Jule). This discrepancy seems to have a negative effect on the internal perception of the company. Lea goes a step further by judging this as dishonesty ‘We have a high number of burn outs in the company, but no one talks about it ... it should be accepted that we do have this problem and then help to change it’ (Oskar).

4.3.4.1.3 Section summary
Analysis of the employees’ attitudes towards their employer disclosed a diverse picture. Four positive employer characteristics were identified: the salary and incentive package (even though it was not seen as particularly special being employed in global commerce), the global player image and international business environment, the meaningful and demanding job tasks offered to employees, and the people and culture. A focus on shareholder needs was discovered to have a negative effect on employee perceptions of their
employer. Furthermore, a cultural change was disclosed as causing high pressure on all employees and negative effects on employee work and health. Lastly, career management was recognised as being limited and insufficient for a global player. No charity-related CC initiatives were mentioned as important characteristics for an employer brand in Home and Beauty plc.

4.3.4.2 Corporate citizenship effect on the employer brand

Looking into the effect of CC on the motivation and retention of employees from Home and Beauty plc, the analysis of transcripts revealed the following findings.

a. Responsibility towards environment

The analysis discovered that environmental concerns are deeply imbedded into the German mind-set. ‘Environmental tasks come up in my daily job and do involve a lot of workload ... but it makes me do it without complaining ... because it supports a sustainable product production’ (Herman). This quote reveals that German employees do not perceive sustainable practices as extraordinary. It is seen as necessary for companies in today’s business environment. So, it does not add to personal job satisfaction or motivation. It would be interesting to investigate the influence of a breach in responsible business practices in respect to environmental concerns.

b. Responsibility towards community

The research revealed that global initiatives such as emergency donations do not seem to have an impact on motivation or job satisfaction as these are seen as compulsory for a global player: ‘In the case of emergency aid everyone donated ... it is not a big deal’ (Oskar). This quote contributes to employer brand theory which states that an employer brand needs a unique selling point (USP) in order to have an impact. So, emergency donations cannot be seen as being a USP, thus do not contribute to a unique work experience.

Interestingly, CC initiatives towards community, such as sponsorship can have a positive influence on an internal employer brand image, as long as there is a close connection between the employee and the initiative: ‘I will send my son to the local football club and it makes me feel good and proud to support this club’
(Heinz). This finding supports the work by Lievens et al. (2007), who identified that employees tend to identify more strongly with their organisation when its external image is positively interpreted. Support for the local football club can enhance the external perceptive image of Home and Beauty plc. As Heinz does have a close connection to the football club, his personal interests are supported and thus his belongingness to his employer increases (Tajfel & Turner, 1986).

c. Responsibility towards employees

The CC initiatives focusing on employees do have an influence over employer motivation: ‘Colleagues … money … and my professional work environment motivates me … it motivates me to work as a service provider for the people working here … I obtain appreciation for what I do … I have the responsibility that all people can work … it is good to be needed’ (Oskar). Oskar refers to all three items to measure motivation (see Section 2.4.4.1). He states his salary as extrinsic motivation, ‘responsibility of safe jobs’ as intrinsic motivation and ‘it is good to be needed’ as job satisfaction. As already stated in Section 4.3.3.2.c responsibility towards employees is understood as being a key part of a corporate citizen’s responsibility. This responsibility involves more than just money; it involves the provision of a meaningful job. ‘At the end it is not about the money … it is about the job, what is the job role, what are my responsibilities, how much can I play a part in meaningful projects, how large is my business scope, what is my job now, and my future perspectives’ (Heinz). It is about secure employment, good career path planning: ‘I wanted to work for a global player to have better job security and better career development’ (Herman) and in general to ensure a good atmosphere within the business: ‘It is more important for an employer to offer a good atmosphere … interesting projects and a good salary as a foundation … maybe also long term employee engagement like a pension plan or incentive programmes … company shares … a good work-life balance … a company should offer a faithful work environment … be true to what you do … like no child labour etc. … and sustainability … it is more important what you do in your core business … they do not need to do more…’ (Lea).
4.3.4.3 Section summary

This section described the findings from analysis of the semi-structured interviews from Home and Beauty plc. The aim was to generate an understanding of CC from an employee perspective and discuss the impact of CC initiatives on an employer brand at Home and Beauty plc. This part began by portraying findings regarding relevant categories that influence a positive and negative employer brand image of Home and Beauty plc. It was discovered that employees of Home and Beauty plc appreciate working for a global player. They expect and demand benefits such as a good base salary and additional incentives, the known image and international environment of a multinational FMCG, multifaceted job tasks and ambitious colleagues, but have on the other side difficulties with the shareholder focus. This shareholder focus seems to have influenced a change in culture, where people are now less important and the personal employer-employee relation has suffered. One result of this is a breach in clear career path directions and a secure future employment environment. The pressure and employer demands upon employees seem to juxtapose the needs and expectations of the employees from their employer.

The second part presented the findings regarding the impact of CC initiatives on job motivation and retention. This part revealed that the CC dimension ‘discretionary responsibility towards the environment’ has no effect on motivation or job satisfaction of German employees as environmental concerns do have a long history in Germany. German employees do see it as day-to-day business and nothing extraordinary. The CC dimension ‘discretionary responsibility towards community’ is divided into local and global CC. The global CC initiatives do not have an effect on the perceived employer brand. It is seen as a duty for multinationals. However, local initiatives that are closely connected to the employees’ environment can have a positive effect depending on the employee/initiative relationship. Lastly, the CC initiatives serving the responsibilities towards employees do have an effect. CC initiatives serving the economic responsibility, i.e. salary, support employees’ extrinsic motivations, CC actions paying into the discretionary responsibility towards employee dimensions enhance employees’ intrinsic motivation and job satisfaction.
4.3.5 Summary of Home and Beauty plc

Home and Beauty plc is a German-based, globally operating FMCG organisation, specialising in three fields, namely: laundry and home care, cosmetics/toiletries and adhesive technologies. The data came from two sources: internal and external company documents, and ten semi-structured interviews.

After presenting the case, Section 4.3.1 summarised the set of data.

Section 4.3.2 concentrated on the first research objective – to understand CC in practice. This sub-section had four parts. The first one described the strategic position of CC in Home and Beauty plc. Here the research discovered that CC is an integrated part of sustainability. Within its sustainability strategy (2030), Home and Beauty plc focuses on six pillars: social progress, performance, safety and health, energy and climate, material and waste, water and wastewater. Here, CC is positioned within the pillar social progress and represents the limited view by Matten and Crane (2005). In particular it focuses on three parts of the CC mix by Dresewski (Dresewski, 2004), meaning corporate volunteering, corporate/brand engagement and emergency aid. The next part outlined the reporting tools used by Home and Beauty plc. The research discovered that Company B uses a combination of all reporting tools discussed in the literature review. Case B also mentions many other ratings and indexes. The third part described the different CC themes discovered by analysing the report. This part gave a detailed overview of what is offered as CC to company stakeholders. It revealed that the key themes in respect to CC are the following: corporate ethics, shareholder commitment, environment, sustainable supply chain, sustainable product including product quality, packaging and consumption, as well as people/culture. Section 4.3.2 concluded with a small summary.

Section 4.3.3 looked into the employees’ perspectives of CC in their company. It presented the results from ten qualitative interviews with Home and Beauty plc employees. It highlighted categories regarding employees' understanding of their employer’s CC initiatives and revealed that employees see CC to include a
responsibility towards the natural environment, a responsibility towards the community and a responsibility towards existing employees. Regarding employee awareness and opinion, the research discovered a general expectation that a multinational company should act as a corporate citizen. Furthermore, the awareness of business-related CC initiatives was higher than for the charity-related CC initiatives. A conflict in communication was revealed in that, as soon as the company talks about CC, employees are cynical and do not recognise these as CC initiatives, but as tools to enhance the company image. A clear wish to separate personal and company CC was disclosed. Lastly, research on Home and Beauty plc revealed a breach in CC expectations.

Section 4.3.4 focused on the relationship between CC and the employer brand. It started with the description of themes revealed to have a positive influence on Home and Beauty plc’s employer brand perception (Section 4.3.4.1). It helped to generate insights into the general employer brand perception of Home and Beauty plc. The employees’ attitudes towards their employer showed a diverse picture. Four positive employer characteristics were found: salary and incentive package, the global player environment with its known image and international environment, the important, demanding job tasks offered to employees and the people and culture. A focus on the responsibilities towards owner needs was identified as having a perceived negative effect on the perception of the employer. Furthermore, a cultural change was discovered to be placing an intense pressure on all employees and negatively affecting employee work and health. Finally, career management was identified as being limited and insufficient for a global player. No charity-related CC initiatives were mentioned as being important characteristics for an employer brand.

Section 4.3.4.2 presented the findings regarding the impact of CC initiatives on job motivation and retention. This part revealed that the CC dimension discretionary responsibility towards the environment has no effect on motivation or job satisfaction of German employees as environmental concerns have a long history in Germany. German employees see it as day-to-day business and nothing extraordinary. The CC dimension discretionary responsibility towards
community is split into local and global CC. The global CC initiatives do not have an impact on motivation or retention of employees as they are seen as a duty for multinationals. Local initiatives closely connected to the employees’ environment can have a positive influence depending on the employee/initiative relationship. Lastly, CC initiatives serving the responsibility towards employees do have an effect. CC initiatives serving the economic responsibility, i.e. salary, support employees’ extrinsic motivation, CC actions paying into the discretionary responsibility towards employee dimensions enhance employees’ intrinsic motivation and job satisfaction.

4.4 Chapter summary

This chapter outlined the results of the empirical research conducted on both case companies. The results were displayed, according to Eisenhardt (1989), in two separate case write-ups. Both case write-ups were structured in the same way to enable a better comparability of both cases in the following chapter. Each write-up started with a brief introduction to the selected case and justified its selection. The second part summarised the case data used per case.

The following sections focused on the different research objectives. First described were the merits offered in terms of CC to the stakeholders. As a next step, this chapter introduced the employee perspectives of CC. Finally, both cases were summarised to give a holistic portrayal of each case. The following chapter presents the comparison of both cases and illustrates the theoretical link of CC with employer brands.
5 Chapter 5: Discussion

5.1 Introduction

This chapter presents the cross-case analysis. Here, similarities and differences between both cases are presented to obtain insights into employee attitudes towards CC and the CC relationship to an employer brand. This chapter answers all research questions and reveals new relationships between CC initiatives and perceived employer brand images. The comparison of both case studies enhances the plausibility of accurate and reliable theory building in this research (Eisenhardt, 1989). The findings reveal a compilation of definitions and measures for constructs relevant in answering the different research objectives. After treating each case separately, this chapter presents a holistic cross-case analysis to increase the validity of the construct relationships (Yin, 2003). The results are critically discussed in light of the literature review presented in Chapter 2.

Section 5.2 focuses on CC in practice. It answers research question R1: ‘How do German companies position themselves as corporate citizens?’ The comparison of both case studies, as well as discussion in light of the existing literature, helps to obtain a better understanding of CC dimensions in business practices of German FMCG companies.

Section 5.3 answers RQ2: What is the employee understanding and opinion of CC in Germany? The literature review revealed a gap in knowledge regarding CC initiatives in Germany with a focus on internal stakeholders (see Section 2.2.2). Furthermore, Section 2.3.3 portrayed a shift in employer values. This informed RQ2, which examines the understanding, awareness and opinion of employees in order to analyse employee attitudes to CC in Germany.

Section 5.4 presents the answer to RQ3: ‘How do CC initiatives impact internal employer brands in Germany?’ This RQ derived from Section 2.4.4 which revealed different forms of motivation and retention as components of an employer brand. This section sheds light on which CC dimension impacts upon employees’ perceived employer brand image.
This chapter concludes with a small chapter summary in Section 5.5.

5.2 Corporate citizenship in practice

This section presents a comparison of CC in business practices between Tobacco plc and Home and Beauty plc and links it to the existing literature. It follows the same structure as both case write-ups, starting with a comparison of the strategic position of CC, the social reporting methods used, and focus themes discovered for CC. It answers RQ1 of this research: ‘How do German companies position themselves as corporate citizens?’

5.2.1 Strategic position of corporate citizenship

Table 9 presents a comparison of CC strategic positioning in both cases.

<table>
<thead>
<tr>
<th></th>
<th>Tobacco plc</th>
<th>Home and Beauty plc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic positioning</td>
<td>• As part of sustainability</td>
<td>• As part of sustainability</td>
</tr>
<tr>
<td></td>
<td>• In the pillar of people/culture</td>
<td>• In the pillar of social progress</td>
</tr>
<tr>
<td></td>
<td>• CSI</td>
<td>• Social engagement</td>
</tr>
<tr>
<td>CC dimension</td>
<td>• Equivalent to extended view (Matten &amp; Crane, 2005)</td>
<td>• Limited view</td>
</tr>
<tr>
<td></td>
<td>• Sustainable agriculture and environment</td>
<td>• Employee volunteering</td>
</tr>
<tr>
<td></td>
<td>• Civic live</td>
<td>• Corporate/brand engagement</td>
</tr>
<tr>
<td></td>
<td>• Empowerment</td>
<td>• Emergency aid</td>
</tr>
</tbody>
</table>

Table 9: Comparison of CC’s strategic positioning

Both companies position their CC as an integrated part of their sustainability strategy and, therefore, follow the trend described in Section 1.2.1. Tobacco plc has its sustainability strategy divided into five areas: harm reduction, marketplace, environment, sustainable supply chain and people/culture. Here CC is positioned in the area of people/culture and is defined as CSI. It represents the ‘equivalent’ view of CC, which is essentially a conflation of CC with existing concepts of CSR (Matten and Crane, 2005, p.168). With Tobacco plc’s strategic positioning of CC, they claim to embrace economic, legal, ethical, and discretionary/philanthropic responsibilities. Looking at the strategic focus on empowerment, Tobacco plc even goes a step further and declares an extended role in their social and political environment (Fifka, 2013). For example, in
developing countries Tobacco plc positions itself as a quasi-governmental actor to ensure civil and social rights such as no child labour or providing opportunities to help farmers develop.

Home and Beauty plc has different focus pillars in respect of its sustainability strategy, namely: social progress, performance, health and safety, energy and climate, material and waste, as well as water and wastewater. Here, CC is positioned within the pillar of social progress and represents the ‘limited view’ by Matten and Crane (2005). In particular it focuses on three parts of the CC mix by Dresewski (2004), meaning corporate volunteering, corporate/brand engagement and emergency aid.

5.2.2 Corporate citizenship reporting tools

Table 10 portrays a comparison of corporate social reporting of both companies based on questions from the social report checklist by Van Der Ploeg and Vanclay (2013).

<table>
<thead>
<tr>
<th>Is the social report publicly available in appropriate languages?</th>
<th>Tobacco plc</th>
<th>Home and Beauty plc</th>
</tr>
</thead>
<tbody>
<tr>
<td>• English/ German</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Downloads/ hardcopies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Own SR website</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the report written in a clear and concise way and readable by relevant stakeholders?</td>
<td>Tobacco plc</td>
<td>Home and Beauty plc</td>
</tr>
<tr>
<td>• Well structured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Easy readable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• GRI focused</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How does the company establish the credibility of its sustainability report, for example is there an independent assurance report?</td>
<td>Tobacco plc</td>
<td>Home and Beauty plc</td>
</tr>
<tr>
<td>• GRIs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• DJSI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• ISO 14001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Awards</td>
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<tr>
<td>• Independent assurance report</td>
<td></td>
<td></td>
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<tr>
<td>• GRIs</td>
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<td>• DJSI</td>
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<td>• ISO 14001</td>
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<tr>
<td>• Awards</td>
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</table>

Table 10: Comparison of corporate social reporting

Both cases use a combination of several tools to portray their social engagement. Both cases use all key reporting tools and global initiatives offered to companies and also highlight additional tools. It is interesting that the social report of Tobacco plc is backed up by an additional independent company. Furthermore, this report is more facts and figures driven than the report of
Home and Beauty plc. This underlines the importance of CC reporting and it seems that Tobacco plc – conducting business in a controversial industry – needs to enhance its credibility in that field with clear facts and an external partner. Overall, both companies have transparent communication when it comes to social engagement and positioning themselves as corporate citizens in society. This reflects the importance for both companies to be seen as social businesses and acknowledges that the sustainability trend is part of today’s business practices.

5.2.3 Corporate citizenship initiative focus

The analysis of company documents revealed many different categories accountable towards CC, even though not all are strategically positioned as CC from a company perspective. Table 11 presents the comparison of CC themes identified per case categorised in the different CC dimensions.
<table>
<thead>
<tr>
<th>Three dimensions (Matten &amp; Crane, 2005)</th>
<th>Four dimensions (Maignan et al., 1999)</th>
<th>Seven dimensions (Rego et al., 2011)</th>
<th>CC in practice Tobacco plc</th>
<th>CC in practice Home &amp; Beauty plc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited view</td>
<td>Discretionary</td>
<td>Discretionary towards environment</td>
<td>• Natural environment</td>
<td>• Natural environment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Discretionary towards community</td>
<td>• Sustainable supply chain</td>
<td>• Sustainable supply chain</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Discretionary towards employees</td>
<td>• Int. marketing standard</td>
<td>• Sustainable product</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Corporate volunteering</td>
<td>(product packaging and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Corporate donation</td>
<td>consumption)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Sponsoring</td>
<td>• Employee performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Foundations</td>
<td>• Children care</td>
</tr>
<tr>
<td>Equivalent view</td>
<td>Legal</td>
<td>Legal</td>
<td>• Diversity</td>
<td>• Diversity</td>
</tr>
<tr>
<td>Ethical</td>
<td>Ethical</td>
<td></td>
<td>• Harm reduction</td>
<td>• Corporate ethics</td>
</tr>
<tr>
<td>Economic</td>
<td>Economic towards customer</td>
<td></td>
<td>• Health and safety</td>
<td>• Health and safety</td>
</tr>
<tr>
<td></td>
<td>Economic towards owners</td>
<td></td>
<td>• Employee dialogue</td>
<td>• Stakeholder dialogue</td>
</tr>
<tr>
<td>Extended view</td>
<td></td>
<td></td>
<td>• Harm reduction</td>
<td>• Sustainable product</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Market success</td>
<td>(product quality and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>packaging)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Shareholder commitment</td>
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</table>
Previous literature discovered different dimensions when looking at CC (see Section 2.2.1). The table presents the different CC dimensions by Matten and Crane (2005), Maignan et al. (1999) and Rego et al. (2011) as dimensions to categorise CC in practice of both case companies. The limited view of Matten and Crane incorporates the discretionary responsibility of Maignan et al. (1999). This dimension is further divided into discretionary responsibility towards environment, community and employees. The equivalent view of Matten and Crane (2005) includes all four CC responsibilities stated by Maignan et al. (1999). The economic dimension is according to Rego et al. (2011) split into economic responsibility towards customers and owners. This research revealed that both case companies offer CC initiatives in all four dimensions defined by Maignan et al. (1999). Both companies focus their social engagement on discretionary responsibility. On researching the different themes, it seems useful to consider the detailed grouping of environmental responsibilities, social responsibility towards the community and discretionary responsibility towards the employee stakeholder group. Investigation into documents of both cases revealed that they do separate economic responsibilities depending on their stakeholders. These findings give evidence that the seven-dimension CC model which was constructed in a Portuguese business context is also applicable in a German business context.

Comparison of both cases ascertains different themes. Tobacco plc has a market specific focus on harm reduction, international marketing standards and on fighting the black market. These three themes are particularly relevant for the tobacco industry due to the following reasons. Firstly, this industry produces harmful products, secondly, the industry faces special regulations with respect to product promotion and lastly, this industry suffers tremendously from illicit trade. Therefore, Tobacco plc has an industrial need to consider these themes in its strategic positioning. Nevertheless, even though these are positioned as CC initiatives, they have an industrial interest and cannot be seen as purely philanthropic activities. Investing in research and development for a less harmful product alternative places Tobacco plc in a good position to promote itself as a responsible business, but also implies that it is looking for potential business opportunities. By defining its own marketing standards, which are
stricter than the current law, it also enables Tobacco plc to position itself as a good citizen in the business environment, but it also includes a better standing point for lobbying against further marketing restrictions. Fighting the illicit trade in cigarettes also holds two benefits to it: on the one hand, it promotes support for the German government to keep taxes within the country and prevent consumers smoking products with low product quality, yet on the other hand, it strives to secure the company’s profit and product margins.

Both social reports highlight a particular focus on the environment, a shareholder commitment to market success, a sustainable supply chain and people/culture. Home and Beauty plc displays a focus on a sustainable product with a spotlight on product quality, sustainable packaging, and consumption. Even if the identified themes vary between the case write-ups, they cover the same content; the sustainable product theme can be linked to the harm reduction theme and, as an example, the issue of product quality is already integrated in the sustainable supply chain theme.

Taking a closer look into the sub-theme of people/culture, one can distinguish common ground in respect of employee performance, health and safety, diversity, stakeholder and employee dialogue, job and family, as well as corporate volunteering. All other sub-themes differed across the cases, but again, there were correlations between them. For example, the sub-theme of training and education at Home and Beauty plc can be linked to the individual employee support category of Tobacco plc, which includes special training and education. The sustainable education sub-theme of Case B is covered in the sustainable supply chain theme of Tobacco plc, where farmers obtain additional sustainable education to enrich their crops next to their tobacco harvests. The emergency aid of Home and Beauty plc is integrated in the corporate donation of Tobacco plc. Only brand engagement of Home and Beauty plc is not reflected as such at Tobacco plc. This seems to be due to the legal restrictions that this industry faces. A form of brand engagement can be found within the sub-section foundations.

It is interesting that both companies have taken specific actions to promote the awareness of sustainability amongst their employees. It reveals the urge to be
seen as a responsible business and the desire to be supported by their employees in order to underpin this sustainable positioning.

Overall, it can be stated that even though the themes vary across both case studies, similar themes are utilised to enhance the social credibility of each company. As Tobacco plc serves in a controversial industry, it focuses on additional themes relevant to its market needs.

5.2.4 Section summary

This section answered RQ1: How do German companies position themselves as corporate citizens? It revealed difficulties in finding a strategic direction for CC. Both companies position CC strategically as an integral part of their sustainability strategy. One company holds the limited view of Matten and Crane (2005). The other company holds the equivalent view and in some fields even the extended view by Matten and Crane (2005). It is interesting that even though the strategic positioning of CC remains unclear all seven dimensions by Rego et al. (2011) are covered by CC initiatives in both cases. Overall, it is evident that both companies serve similar themes in respect to CC in practice. Tobacco plc operates in an ethically difficult industry, so its social engagement focuses on extra themes relevant to its industry needs.

5.3 Employee attitudes towards corporate citizenship

This section presents the results from the cross-case analysis of CC from the perspective of internal stakeholders. It answers question RQ2: What is employee understanding and opinion of CC in Germany? This section is split into two parts: Sub-section 5.3.1 provides an overview of the revealed CC understanding and links it to existing CC knowledge. Sub-section 5.3.2 portrays awareness and opinion of CC in practice. All findings are discussed in the light of existing literature.

5.3.1 Understanding of corporate citizenship

Table 12 provides an overview of the CC themes discovered in terms of employee understanding, in each case.
Regarding employee understanding of CC, the cross-case comparison unveiled a wide scope in perceived CC initiatives. The assumption from the initial framework (Section 2.5) that CC primarily focuses on the CCM can be disproved. The findings from Tobacco plc displayed three themes for CC. The first theme, altruism, can be linked to the limited view of CC by Matten and Crane (2005). Here, the interviews revealed a focus on traditional CC activities such as corporate giving, social sponsoring and corporate foundation. It seems that German employees are more familiar with these CC initiatives in comparison to new CC initiatives, such as social lobbying. Interesting to mention is that here there is a focus on the local surrounding of the company, which supports the OIN theory. The local focus increases the likelihood of employee identification with that particular initiative. Thus, it provides stronger identification with a company, which then strengthens employee desire to actively contact and support the organisation (Bhattacharya & Sen, 2004). The theme ‘altruism’ includes two CC dimensions discovered in Home and Beauty plc, namely discretionary responsibility towards the natural environment and discretionary responsibility towards the community (Rego et al., 2011). Analysis of the interview transcripts of both cases exposed a thorough presence of environmental concerns and revealed the long history of Germany’s environmentalism. The second theme relates to classical charity CC, such as
donation. Also employees from Home and Beauty plc mentioned the preference of a local focus, as it enhances belongingness to a company if the personal interest fits with the company’s engagement (Tajfel & Turner, 1985).

The understanding that CC should be linked to the main business was also highlighted. This understanding of CC embraces economic, legal, ethical, and discretionary/philanthropic responsibilities towards all stakeholders (Maignan et al., 1999). Findings showed that in the perception of employees, businesses need to obey the law and be ethically correct to ensure market success and to conduct a sustainable business. Here, the findings revealed a clear separation in employees’ CC perceptions with regard to internal and external CC activities. External CC initiatives can generally be associated with conducting a good sustainable business (for example, using more environmentally friendly ingredients to produce a certain product). This is also relevant for the CC with an internal focus (such as employees searching for natural ingredients to develop a more environmentally friendly product). Thus, CC with a link to the business can be externally and internally driven.

The last theme in respect of employees’ understanding of CC was the responsibility towards employees. Interviews revealed that in the view of employees, they are the company’s most important and most personal society to take care of. The responsibility towards employees involves a purely economic responsibility, meaning a secure job and a good basic salary for employees to earn their living. However, it also includes a discretionary responsibility towards employees (Rego et al., 2011). Here, employees mentioned team-building events, a nice office environment or company sports. These findings can be linked to OIN. Focusing on a company’s discretionary responsibility towards employees (Rego et al., 2011) and introducing such CC initiatives helps to reinforce the internal belongingness to a company (Kim et al., 2010).

These findings embrace the equivalent view by Matten and Crane (2005). Then again, employees of Tobacco plc extend the view of CC further to a citizenship level. These findings give evidence that employees also have an extended view of CC (Matten and Crane, 2005). In this extended view, they see their employer...
as substituting for unfulfilled governmental obligations such as providing missing kindergarten spaces or elderly care support.

Linking all these findings to current CC theory it can be stated that German employees’ understanding of CC includes all three dimensions of Matten and Crane (2005), all four dimensions of Maignan et al., (1999) and all seven dimensions of Rego et al. (2011). Findings even suggest adding another dimension and splitting the economic responsibility of Rego et al. (2011); not only in responsibility towards customers and owners, but also in responsibility towards employees.

5.3.2 Awareness and opinions of corporate citizenship

Table 13 summarises findings from both cases with respect to employees’ attitudes towards CC and then links them to existing literature.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Reference to existing literature</th>
<th>Theme</th>
<th>Reference to existing literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal vs company CC</td>
<td>Maignan and Ferrell (2001); Lawrence (1994)</td>
<td>Personal vs company CC</td>
<td>Maignan and Ferrell (2001); Lawrence (1994)</td>
</tr>
<tr>
<td>CC as myth</td>
<td>Banerjee (2008); Beckman et al. (2009); Devinney (2009), Laufer (2003); McShane and Cunningham (2012)</td>
<td>Duty to act as CC</td>
<td>Logsdon and Wood (2002); Schwab (2008)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Breach in expectation</td>
<td>(Knights &amp; Kennedy, 2005); McShane and Cunningham (2011)</td>
</tr>
</tbody>
</table>

Table 13: Comparison of CC awareness and opinions

Interviewees of Tobacco plc displayed a limited awareness and personal interest with respect to altruistic CC initiatives. Employees seem to have an awareness of CC, but personal preferences appear to be limited. This supports the framework by Maignan and Ferrell (2001), which claims the attitude towards
CC depends on personal values. Employees of Home and Beauty plc gave the impression of having certain CC awareness, but the stated activities were mainly related to the CC dimension of responsibility in the core business. This brings evidence to the model by Crittenden et al. (2011), who suggest that a focus on market-related social engagement forms a holistic sustainable DNA. Interestingly, CC initiatives, classified as the above-defined responsibilities towards employees, seem to have a very low awareness rate with employees from Home and Beauty plc.

Additionally, Home and Beauty plc employees had certain expectations and felt the company had a duty to act as a corporate citizen. This employee attitude is coherent with existing academic knowledge that global players should not only conduct their business practices, but also need to consider their civic duty to contribute to support the world’s well-being (Schwab, 2008). Here the focus lies on the direct social environment (Logsdon & Wood, 2002).

Overall, it could be suggested that there is a different awareness level amongst the different types of CC initiatives across both case studies. This is in line with what Maignan and Ferrell (2001) assumed in their conceptual framework for CC – that it depends on personal values and interests.

Both cases revealed a difficulty in communicating CC to stakeholders. Tobacco plc faces the issue of serving in a controversial industry, where employees find it more difficult to connect to charity-related CC activities. Employees of both cases perceived, in general, CC activities to be a ‘good thing’, but they all saw CC as not having purely altruistic motives to serve society, but as a platform to position the company in the ‘right light’ to profit as a social player in a business environment. These employee attitudes towards CC in practice reflect two aspects related to CC communication in theory. On the one hand, the way to communicate – it is challenging for businesses to find the right medium, format and content to communicate a corporate social initiative and to provide credibility and reliability for communication acceptance and communication success (Jahdi & Acikdilli, 2009). On the other hand, there is the view by Banerjee (2008), who argues that CC initiatives are always based on business
interests and therefore communicating CC activities serves only the purpose of positive company PR towards external stakeholders.

Generally, CC was seen as a mainly marketing focused activity which missed the pure charitable purpose. This finding enriches the empirical evidence of several studies (Beckman et al., 2009; Laufer, 2003; McShane & Cunningham, 2012) that discovered CC to be not purely altruistic in its initiatives in serving society, but more a platform to position the company in a positive light, in order to profit as a social player in their business environment.

In addition to the difficulties in accepting altruistic CC, this cross-case comparison revealed a discrepancy between personal and corporate CC. Employees recognised it as a duty of their employer to act as a responsible player in the business environment, fundamentally seen as a similar responsibility to that of an individual person within society. They appreciated that their companies offer alternatives to participating in CC initiatives and have confidence in their employer in conducting these initiatives, but they did not see the necessity in participating as there are many other alternatives offered in their private environment. As CC is highly dependent on personal preferences, many preferred to keep the company and private engagement separate. In the view of Tobacco plc’s employees, companies can never prove a clear separation of business interests and CC initiatives. This supports the framework by Maignan and Ferrell (2001) in that personal values impact attitudes towards CC. Here, the German culture with its formal interpersonal style (Lawrence, 1994) (see Section 2.2.3.4) has to be taken into account. It seems that in Germany CC initiatives should be divided into social engagement in a business or personal environment.

Lastly, Home and Beauty plc employees briefly tackled the issue of a breach in CC expectations. Here, certain desired CC activities were not supported. This led to a degree of frustration and a less positive perception of CC engagement in Home and Beauty plc. This breach is perceived as a misalignment between the images put forth in the company’s CC initiatives and their real identity (McShane & Cunningham, 2011). This can reduce trust in the employer or
decrease job satisfaction or organisational commitment (Knights & Kennedy, 2005).

5.3.3 Summary

This section presented and discussed the results from the cross-case analysis of CC from the perspective of employees. It answered questions RQ2: What is employee understanding and opinion of CC in Germany? This section was divided in two parts. Sub-section 5.3.1 shed light on employees’ understanding of CC. It disproved the initial assumption that employees primarily hold the limited view of Matten and Crane (2005). The perceived CC in practice comprises all CC dimensions of Matten and Crane (2005), all four dimensions of Maignan et al., (1999) and all seven dimensions of Rego et al. (2011). Findings even suggest the addition of another dimension and splitting the economic responsibility of Rego et al. (2011); not only in responsibility towards customers and owners, but also in responsibility towards employees. Furthermore, this research revealed a thorough presence of environmental concerns which supports the long history of Germany’s environmentalism. It discovered a limited knowledge of new CCM initiatives such as social lobbying. Another interesting finding within the attitudes towards CC is a local- and market-oriented CC focus, which can be linked to the OIN theory. The local- and business-related focus increases the likelihood of employee identification with that particular initiative.

Sub-section 5.3.2 portrayed awareness and opinion of CC in practice. This research revealed a limited awareness with respect to altruistic CC initiatives depending on personal interest. It discovered a greater awareness of CC initiatives linked to the core business. Furthermore, the findings revealed that in today’s business environment employees expect global players to act as corporate citizens and a breach in CC expectations might result in a negative employer-employee relationship.

This research exposed a difficulty in communicating CC to stakeholders. Generally, CC was seen as a mainly marketing driven initiative which lacked an altruistic purpose. Lastly, this research discovered that in Germany, CC
initiatives should be divided into social engagement in a business or personal environment.

5.4 Employees’ perceived corporate citizenship dimensions and their impact on an employer brand

This section presents and discusses the cross-case comparison of the findings with respect to the relationship between CC dimensions and employee motivation and retention as core objectives of an employer brand. It answers RQ3: ‘How do CC initiatives impact internal employer brands in Germany?’ This section is divided into two parts. Section 5.4.1 discusses identified employer brand characteristics of this research. Section 5.4.2 comments on the identified impact of the CC dimension on the employer brand.

5.4.1 Employer brand characteristics

Table 14 presents a comparison of employer brand characteristics identified as being highly relevant for employees.

<table>
<thead>
<tr>
<th>Tobacco plc</th>
<th>Home and Beauty plc</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Positive</strong></td>
<td><strong>Negative</strong></td>
</tr>
<tr>
<td>Salary and incentives</td>
<td>Difficult industry</td>
</tr>
<tr>
<td>Global player</td>
<td>Shareholder focus</td>
</tr>
<tr>
<td>Culture and people</td>
<td>Large hierarchy</td>
</tr>
<tr>
<td>Career development</td>
<td>Career path management</td>
</tr>
<tr>
<td>Business environment</td>
<td>Job characteristics</td>
</tr>
<tr>
<td>Job characteristics</td>
<td>Market success</td>
</tr>
<tr>
<td>Location</td>
<td></td>
</tr>
</tbody>
</table>

**Table 14: Comparison of key employer brand characteristics**

This research revealed that decent salary and incentives are essential to be perceived as a good employer. This supports current knowledge that such financial benefits pay into extrinsic motivation of employees (see Section
2.4.4.1) gained via externally influenced satisfaction (Frey & Oberholzer-Gee, 1997). Employer attractiveness marks ‘the envisioned benefits that an employee sees in working for a certain company’ (Berthon et al., 2005). This means the perceived economic value, interest value, social value, development value and application value (Jiang & Iles, 2011). The attractiveness of certain benefits depends on age, gender and period of employment.

The international business environment was stated in both cases as being the second criterion as to why employees decided to work for their employer. Here, employees seemed to have a very international mind-set and the desire to live this within their working environment. This theme is consistent with the key employer brand image drivers by Knox and Freeman (2006), who revealed the international component, such as the ‘opportunity for international travel’; the ‘opportunity to work and live abroad’ and ‘the internationally diverse mix of colleagues’ (p. 703) to be highly relevant in providing a positive brand image. The international focus and global scale seems to give employees an interesting multicultural work environment and, especially in Home and Beauty plc, an external image advantage.

Culture and people was discovered to be another important characteristic in both cases as making an interesting employer. Here the emphasis was on the combination of a great culture which can be experienced due to great people. It was interesting to see that in Tobacco plc, interviewees commented upon the connection with business partners and friends. This can be connected with OIN (Section 2.4.3 of the literature review). Employees find an organisation’s identity to be highly attractive when it matches their self-identity, or rather, their perceived sense of who they are (Tajfel & Turner, 1985). Thus, OIN can enrich a positive employer brand association (Maxwell & Knox, 2009). Strong identification with a company strengthens employees’ desire to actively contact and support the organisation (Bhattacharya & Sen, 2004). The themes ‘culture and people’ are here one key element to building a strong identification. In the case of Home and Beauty plc, it was revealed that there had recently been a change in culture and a mismatch between internal and external employer brand image. An interview with an employee who had just started working for
Home and Beauty plc revealed that he had participated in the cultural change and his employer perception was predominantly driven by his external image of the company. This supports the literature of the employer brand concept which argues that an employer brand can be viewed from an internal perspective, external perspective, and construed external perspective (Dutton and Dukerich, 1991).

Interviews in both case companies revealed the importance of job characteristics as being highly relevant to forming an employer perception. Here self-reliance was stated as having a positive impact. This supports the findings of Edwards and Edwards (2013) who identified ‘unique flexibility’ and ‘unique autonomy’ as relevant factors for a unique employment experience. To make a meaningful contribution to the business was also named as being a positive characteristic of a job task; this seems to capture the shift in employee values presented in Section 2.3.3. Both employees noting this are members of generation Y, which tends to have a strong moral focus. Earning money is less important than contributing to society and making an impact (Eisner, 2005). Furthermore, it is related to the theory of intrinsic motivation, that employees only obtain direct satisfaction if their job is meaningful either to them or to their business (Calder & Staw, 1975).

The controversial tobacco industry was mentioned as both a positive and negative employer brand characteristic. Considering interviewee characteristics, it was interesting to see no difference depending on the age or gender. This leads to the assumption that the ‘business environment’ characteristic refers, in a similar way to the ‘culture and people’ characteristic, to the concept of OIN. According to Dutton et al. (1994), employees’ own perceptions of identification with their company are influenced by external views about their employer. In this case, it leads the controversial industry to have an interesting internal job environment and a high internal identification, which clashes with the low external perception of the business environment.

The market success of Tobacco plc was declared as having a positive influence on the employer brand. Again, this can be linked to the external image effect that market success has on external parties, which influences the OIN of each
individual employee (Tajfel & Turner, 1985). Here, only male interviewees mentioned ‘market success’ as being an important criterion. This finding has been supported by numerous researchers studying gender differences in a business context. For example, Ryan et al. (2011) examined attributes seen to be characteristic of managers of successful or unsuccessful businesses with stereotypical men and women and revealed that women’s attributes are less fitted to successful companies. Application of this to social theory would imply that market success of a company has no significant effect on a higher OIN.

Lastly, location of Tobacco plc was mentioned three times as a positive employer characteristic. This finding provides empirical evidence to support Nagel (2011), who lists location as a relevant employer brand characteristic.

Both cases reveal two key negative influencing factors. The focus on profit maximisation seems to have a negative influence. Employees appreciate that their company is successful in the market, but the drive towards this business success seems to be too intense. Employees oppose the more impersonal, figure-driven work environment, with too much performance pressure and the loss of an intense employee-employer relation. They fear that profit maximisation will be at the employees’ expense. OIN is the perception of belongingness to an organisation and a sense of oneness with the organisation (Kim et al., 2010). A too intense focus on a company’s responsibility towards the owners (Rego et al, 2011) seems to diminish this belongingness and to limit OIN.

In a similar direction, the second theme that both companies highlighted as a negative factor influencing the company’s employer brand was career management. Lack of support, reluctant reward systems, limited future planning and non-transparent career development were mentioned as indicators for negative career management. Rousseau (1990) defines OIN as the psychological state where an employee perceives him/herself to be part of a larger whole. It seems that employees perceive the lack of career management as a lack of people focus, which again seems to reduce belongingness and to trim down OIN.
Charity-related CC initiatives were not mentioned by any employee as an influencing factor.

The findings, overall, support the employer-brand lever model by Nagel (2011), as presented in Section 2.4.5.

5.4.2 CC dimensions and their impact on an employer brand

Comparison of the findings of both case studies provides a clear picture of CC initiatives and the effect on an employer brand from the employee perspective.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Tobacco plc</th>
<th>Impact</th>
<th>Theme</th>
<th>Home and Beauty plc</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altruism</td>
<td>Limited view (Matten &amp; Crane, 2005); discretionary dimension towards community and natural environment (Rego et al., 2011)</td>
<td>Internal: No effect</td>
<td>Environmental responsibility</td>
<td>Discretionary responsibility towards natural environment (Rego et al., 2011)</td>
<td>Limited effect/ breach as future research (Knights &amp; Kennedy, 2005; Turnley &amp; Feldman, 1988)</td>
</tr>
<tr>
<td>Responsible in core business</td>
<td>Equivalent view (Matten &amp; Crane, 2006); Discretionary, legal, ethical &amp; economic (Maignan et al., 1999)</td>
<td>No effect/duty (Logsdon &amp; Wood, 2002; Schwab, 2005)</td>
<td>Community responsibility</td>
<td>Discretionary responsibility towards community (Rego et al., 2011)</td>
<td>Depends on personal interest (Fehr &amp; Gächter 2000; Maignan &amp; Ferrell, 2001)</td>
</tr>
<tr>
<td>Responsible towards employees</td>
<td>Discretionary responsibility towards employees (Rego et al., 2011); Economic responsibility towards employees</td>
<td>Positive effect</td>
<td>Employee responsibility</td>
<td>Discretionary responsibility towards employees (Rego et al., 2011); Economic responsibility towards employees</td>
<td>Positive effect</td>
</tr>
</tbody>
</table>

Table 15: Employees’ CC dimensions and their perceived impact

Table 15 provides an overview of the CC dimensions, their equivalent dimensions in current literature as well as the discovered impact per identified CC dimension.

The findings from Tobacco plc suggest that CC initiatives with an altruistic scope only have an external image effect, which can result in a small image effect from an internal perspective (Brammer et al., 2007). This means that employees feel good about knowing that their employer is acting as a responsible citizen in society and that this is transferable onto them. This finding
was validated by Home and Beauty plc; this highlights the fact that those discretionary CC initiatives towards community, out of the CCM, can have a positive influence on internal employer brand image as long there is a close connection between employee values and the initiative. This finding can be linked to one form of intrinsic motivation, as stated by Fehr and Gächter (2000), in which employees obtain their motivation via the obligation of personal and social identity. Which CC initiatives do have an impact depends on personal interest (Maignan & Ferrell, 2001).

The results from Tobacco plc also appear to indicate that the undertaking of responsible business practices has no relevant effect on the motivation or retention of an employee. Employees see it as a company’s duty to act as a responsible business partner. Home and Beauty plc supports this finding. Interestingly, employee expectations and the level of duty from the employer are juxtaposed. It seems that a breach in these expectations can lead to less motivated employees. This notion, alongside literature and past research regarding OIN, strongly suggests that a breach in certain employees’ expectations can lead to diminished trust (Knights & Kennedy, 2005) or an increased intention to resign (Tumley & Feldman, 1999).

Lastly, both cases suggest that CC initiatives that focus on the CC dimension of responsibility towards employees (Rego et al., 2011) have an effect on the internal employer brand image.

Here, Tobacco plc emphasises four categories highly relevant in forming a unique employment experience. These are additional incentives, the support of a positive work-life balance, career/personal development and an attractive work environment. Home and Beauty plc validates these results and adds the category of job tasks. As this is not clearly stated as a CC initiative within Tobacco plc, only as an important employer brand characteristic, this category is not considered as being a CC activity from an employee perspective.
5.4.3 Section summary

This section answered RQ3: ‘How do CC initiatives impact internal employer brands in Germany?’ It started by presenting important employer brand characteristics in Section 5.3.1, as these are relevant when investigating the CC impact on an employer brand. Here, the research discovered that salary and incentives as extrinsic motivation tools are one essential employer brand characteristic. As second relevant employer brand characteristic, being a global player, was mentioned. Job characteristics with a focus on autonomy and meaningful tasks were discovered as another employer brand image driver. Culture and people was revealed as another important characteristic in both cases as making a positive employer brand image. This was connected with OIN. Employees find an organisation’s identity to be highly attractive when it matches their self-identity. The market success of Tobacco plc was declared as having a positive influence on the employer brand, especially for male employees. For Tobacco plc, location also played a role when looking at perceived employer brand image.

The controversial business environment of Tobacco plc has two sides: on the one hand, it gives an interesting, challenging work environment with a high internal identification, but this clashes with the low external perception of the business environment.

Both cases revealed two key negative employer brand image drivers. The focus on profit maximisation seems to have a negative influence. Employees appreciate that their company is successful in the market, but the shareholder focus seems to be too intense. Employees challenged the figure-driven, performance-driven work environment and the loss of an intense employee-employer relation. The second theme highlighted as a negative employer brand image factor was career management. Lack of support, reluctant reward systems, limited future planning and non-transparent career development were mentioned as indicators for negative career management. These findings related to the current knowledge of OIN, which is the perception of belongingness to an organisation and a sense of oneness with the organisation.
(Kim et al., 2010). A too intense focus on a company’s responsibility towards owners (Rego et al., 2011) seems to weaken this belongingness and to minimise OIN.

Subsection 5.3.2 presented and discusses the impact of identified CC dimensions and employee motivation and retention as key employer brand objectives. The cross-case analysis revealed that CC initiatives have a different effect on an internal employer brand depending on the dimension of CC. Altruistic CC initiatives were discovered to only have an external image effect. Depending on employee values, personal preferences and the nature of the CC initiative, this external image effect can have a spill over effect on employee identification. Business-related CC initiatives are seen as compulsory for multinational FMCG companies and only cause a negative effect when there is a mismatch between employee CC expectations and CC initiatives. Employer-related CC initiatives have an effect on employee motivation and retention levels, and as such, on the employer brand.

5.5 Chapter summary

This chapter presented the cross-case comparison of both case write-ups. It disclosed a relationship between CC and an employer brand by answering all research questions. This chapter was divided into three main sections.

Section 5.2 focused on CC in practice. It answered research question R1: ‘How do German companies position themselves as corporate citizens?’ The comparison of both case studies, plus the discussion in light of the literature review, supports a better understanding of CC business practices in German FMCG companies. It discovered difficulties in finding a strategic direction for CC. Both cases position CC strategically as an integral part of their sustainability strategy. One company holds the limited view of Matten and Crane (2005). The other company holds the equivalent view and in some areas even the extended view of Matten and Crane (2005). Examination of the individual activities revealed that despite the unclear strategic positioning of CC, all seven dimensions by Rego et al. (2011) are covered by CC initiatives in each case. Overall, it is evident that both companies serve similar themes in respect
to CC in practice. Tobacco plc operates in an ethically difficult industry, so its social engagement focuses on extra themes relevant to its industry needs.

Section 5.3 answered RQ2: ‘What is employee understanding and opinion of CC in Germany?’ The literature review revealed a gap in knowledge regarding CC initiatives in Germany with a focus on internal stakeholders (see Section 2.2.2). Furthermore, Section 2.3.3 portrayed a shift in employer values. This informed RQ2, which examined the understanding, awareness and opinion of employees in order to analyse employee attitudes to CC in Germany.

This section was divided into two parts. Section 5.3.1 provided an answer to the questions regarding employees’ understanding of CC. It negated the original assumption from the beginning of this research that employees primarily hold the limited view of Matten and Crane (2005). The perceived CC in practice comprises all CC dimensions of Matten and Crane (2005), all four dimensions of Maignan et al. (1999) and all seven dimensions of Rego et al. (2011) (see Table 12. Findings propose the inclusion of another dimension and division of the economic responsibility of Rego et al. (2011) into responsibility towards customers and owners, and responsibility towards employees. This research discovered a thorough presence of environmental concerns, which supports the long history of Germany’s environmentalism, but revealed a limited knowledge of new CCM initiatives such as social lobbying. Attitudes towards CC revealed a preference for local- and market-oriented CC initiatives, which can be linked to the OIN theory. The local- and business-related focus increases the likelihood of employee identification with that particular initiative.

Section 5.3.2 gave details on employee awareness and opinion of CC in practice. This research revealed a limited awareness of altruistic CC initiatives that depend on personal interest. It revealed a higher awareness of CC initiatives linked to the core business. In addition, the findings demonstrated a duty of global players to act as corporate citizens and showed that a breach in CC expectations might result in a negative employer-employee relationship. This research revealed a difficulty in communicating CC to stakeholders. Generally, CC was seen as a mainly marketing driven initiative which lacked the altruistic purpose. Lastly, this research disclosed that in Germany CC initiatives
should be divided into social engagement in a business or personal environment.

Section 5.4 presented the answer to RQ3: ‘How do CC initiatives impact internal employer brands in Germany?’ It was divided in two parts. The first part presented employer brand characteristics discovered to be relevant for an employer brand image. The research disclosed salary and incentives as being the main extrinsic motivation tool. Being a global player was identified as another relevant employer brand characteristic. Job characteristics with a focus on autonomy and meaningful tasks were discovered to be an employer brand image driver. Culture and people was disclosed as a further relevant employer brand characteristic. This was connected with OIN. Employees find an organisation’s identity to be highly attractive when it matches their self-identity.

The market success of Tobacco plc was declared as having a positive influence on the employer brand, especially for male employees. For Tobacco plc, the location also played a role when looking at the perceived employer brand image. The controversial business environment of Tobacco plc had two sides: on the one hand, it provided an interesting, challenging work environment with a high internal identification, but this conflicted with the low external perception of the business environment.

This research discovered two key negative employer brand image drivers. First, the shareholder focus. Employees appreciate the fact that their company is successful in the market, but the shareholder focus was discovered to be too powerful. Employees challenged the figure-driven, performance-driven work environment and the loss of an intense employee-employer relation. Second, career management played an essential part as a negative employer brand image driver. Lack of support, reluctant reward systems, limited future planning and non-transparent career development were mentioned as indicators for negative career management. These findings related to the current knowledge of OIN, which is the perception of belongingness to an organisation and a sense of oneness with the organisation (Kim et al., 2010). Shareholder focus, or a focus on the company’s responsibility towards owners (Rego et al, 2011), seems to weaken this belongingness and reduce OIN.
The second part (Section 5.3.2) gave answers to the impact of identified CC dimensions on employee motivation and retention as key employer brand objectives. This research discovered that the impact differs depending on the CC dimension. Altruistic CC initiatives were discovered to only have an external image effect. Depending on employee values, personal preferences and the nature of the CC initiative, this external image effect can have a spill over effect on employee identification. Business-related CC initiatives are seen as compulsory for multinational FMCG companies and only cause a negative effect when there is a mismatch between employee CC expectations and CC initiatives. Employer-related CC initiatives have an effect on employee motivation and retention levels, and as such, on the employer brand.

This leads to the presentation and explanation of a new conceptual framework which interlinks CC and an employer brand in Section 6.2.
6 Chapter 6: Conclusion and contributions

6.1 Introduction

This final chapter presents the interpretation of the cross-case analysis. It is structured into six parts.

Section 6.2 introduces the contribution to theory of this study by visualising the new conceptual framework which demonstrates a new theoretical link between the concept of CC and the concept of an employer brand. It is built through a continuous comparison of cross-case findings and existing literature and presents a starting point for future research.

Section 6.3 presents the contribution to practice. It applies the research findings to business practice, based on the model by Van de Ven (2007). It portrays the process of transferring research into practice and presents practical recommendations based on the research findings.

Section 6.4 summarises the research limitations, while Section 6.5 provides an outlook for potential future research.

The thesis concludes with a personal reflection from the researcher in Section 6.6.

6.2 Contribution to theory

Figure 6 presents a conceptual framework which reveals a relationship between CC and employer brands. It is the aggregation of all findings from this study. It provides insights of employee attitudes towards CC and their relationship to employer brands in Germany.
Figure 6: Conceptual framework of CC dimensions and their relationship to employer brands

This framework shows that in relation to employer brands, some CC dimensions are seen as a given, some are limited and some have a strong relationship. The dimensions of CC that are taken as a given are those that are discretionary and concerned with the natural environment and customer-focused economic dimensions. Concern from the natural environment is explained by the German culture and its history of environmental interest. The FMCG nature of these businesses means that this is an especially price sensitive sector, though this element of value could be an issue in any sector, this could be a focus for further research. Those dimensions with a limited impact on the employer brand are those that are a mandatory or a matter of duty (legal and ethical), along with the community-focused discretionary dimension. There are three dimensions that have a strong impact on an employer brand. Discretionary initiatives towards employees deliver intrinsic motivation and economic initiatives towards them lead to extrinsic motivation. The only negative impact is associated with
the economic initiatives that are aimed at business owners, these are not only seen as a negative influence on employer brands, but are strongly so.

The initial framework positioned the CCM by Dresewski (2004) as a starting point through which to investigate the relationship to employer brands. This research revealed that the CCM is too limiting to investigate CC and its relationship to employer brands, as it only represents the dimension of discretionary responsibility towards the community. This dimension has been defined as having only a limited relationship to employer brands. The initial framework misses out all other CC dimensions identified in Table 11, in particular the dimensions having a strong relationship to employer brands in the German business context. Furthermore, the initial framework expressed ‘motivation’ and ‘job satisfaction’ as two desired behaviours to obtain a real, unique and attractive employer brand without a clear link to a specific CC dimension.

This research aimed to explore the relation between CC and an employer brand and in doing so has contributed to the body of extant theory as follows. It contributes to the existing literature on CC (Aßländer & Curbach 2014; Carroll, 1998; Dresewski, 2004; Matten & Crane, 2005) by generating empirical evidence of a link between CC and an employer brand (Maignan & Ferrell, 2001; Rego et al, 2011) in Germany. Since the objective of this research was to establish a theoretical link between CC and an internal employer brand, these results shed light on current theories of these two concepts (Knox & Freeman, 2006). The research discovered economic responsibility towards employees as being a new CC dimension and thus enriches Rego et al.’s (2011) model of seven dimensions. It revealed an understanding of the other seven CC dimensions in German business practice.

This study enriches current CC knowledge by providing empirical evidence of a negative relation towards a shareholder focus, thus emphasises a focus on economic responsibility towards owners and employee-employer relationships (Bhattacharya & Sen, 2004).
This study aimed to give German FMCG companies an idea as to what impact CC initiatives can have on the employer brand perception of their individual employees. The results demonstrate that above all, the responsibility of a corporate citizen lies, from the perspective of an employee, in being responsible for the employees. Any strategic charity approaches seem to be unproductive in enhancing the employer brand for the internal stakeholder audience (Brammer et al., 2007; Lin et al., 2010). To generate a positive employer brand, companies should live up to their economic and discretionary responsibilities towards their employees by creating employee benefits which serve the previously mentioned themes (Maxwell & Knox, 2009).

This new conceptual framework contributes to theory by presenting ideas for finding solutions to the organisational challenges that current German FMCGs are facing, in respect to the sustainability trend and the existing ‘war for talent’. The upcoming section presents recommendations on how to transfer this identified theoretical framework into practice.

6.3 Contribution to practice

This section presents the contribution to practice. It is based on the academic model by Van de Ven (2007) as one model through which to transfer research into business practice. It includes four stages: problem formulation, research design, theory building and problem solving. All four stages comprise challenges which have to be considered when transferring research into practice. This section presents each step of the model to make this research relevant to professionals.

6.3.1 Problem formulation

As stated by Van de Ven (2007), different viewpoints have to be considered when transferring research into practice. In this thesis, the problem formulation considered an academic as well as professional perspective. Research of existing literature regarding CC and an employer brand revealed that currently there is no theoretical link between CC and an employer brand.
From a professional perspective, three business challenges were identified which contributed to the research question of this thesis. Firstly, high-performing German companies are experiencing a challenge in attracting potential new and qualified professionals, secondly, there is intense pressure to perform as a responsible company within society, and lastly, there are different stakeholder expectations. The overall challenge was that neither concept has clear positioning within existing business structures. The employer brand in Tobacco plc is positioned within the HR department, whereas in Home and Beauty plc it has a separate department with a marketing orientated position. The operational responsibility of strategic CC lies for both companies in a separate department. So linking both concepts creates several business perspectives. For that reason, the author discussed the initial research idea with contact persons from all relevant departments.

Together with personal experiences of participating in a CC initiative, the author formulated an investigation into the organisational challenge for companies to perform as corporate citizens within society, through the theoretical lens of an employer brand. To achieve this overall aim, this study’s objectives encompassed the understanding of CC in practice, the employees’ perception of CC and its relevance to a positive employer brand. Due to the identified gap in academic research, the scope of this thesis focused only on existing employees and left out the attraction component of an employer brand.

6.3.2 Research design

Van de Ven (2007) states theory building as being a second step in transferring theory into practice. As this research study was of an exploratory nature and aimed to build theory from research, the research design is portrayed as the second step. Here, the author discussed the general research idea and considered whether both companies would be interested and could see a possible added value.

As a next step, the author suggested the chosen research design and asked about additional business expectations. The ongoing involvement of contacts from both businesses actually resulted in increased research expectations that
were not declared at the beginning of the research. This is a good example of a divergence of expectations between practitioners and academics when it comes to co-produced knowledge (Beech et al., 2010). Nevertheless, it ensured practical relevance of this study.

6.3.3 Theory building

The core aim of theory building is to construct interesting conceptual models which help answer a predefined problem. In this case, the study aimed to find a theoretical link between CC and an employer brand and to use CC as a possible tool to fight the ‘war for talent’.

The motivation in this instance was the author’s personal experience, which then generated the idea of a possible link between CC and an employer brand. The deduction, as a second step of theory validation, was completed in the initial framework presented in Chapter 2. Here the link between the CCM and an employer brand was discovered to be invalid. The induction was conducted by creating the cross-case analysis and presenting the conceptual framework in Section 6.2.

6.3.4 Problem solving

Here the author had to consider the academic as well as the professional stakeholders. For the business stakeholders (contacts within the previous mentioned business departments), the results of the study were presented and recommendations for a possible use of CC to serve positive employer brand building were presented. The academic audience can find the practical recommendations in the following section.

6.3.5 Practical recommendations

This section presents nine practical recommendations which derived from the findings of this academic research.
6.3.5.1 Duty of corporate citizenship

First of all, this study provides empirical evidence of the importance of acting as a corporate citizen within society. The findings underpin the trend of sustainability and the duty of FMCG companies to act responsibly in their business environment. Companies that have not yet considered this trend are recommended to integrate CC within their corporate strategy. As shown from this study, it is also important for businesses to increase their awareness of internal CC expectations and the possible negative effects that a breach in these expectations may cause.

6.3.5.2 Awareness of external and internal corporate citizenship viewpoints

This DBA thesis aimed to generate an understanding of employees’ attitudes to CC and their relationship to an employer brand. The framework reveals different dimensions of CC. It is important for businesses to be aware of these different understandings. Whereas for external stakeholders, CC initiatives focusing on the discretionary responsibility towards community might be of interest, this form of CC can cause a lack of understanding and a level of hostility within the internal stakeholder group. For example, when a company promotes juxtaposed social engagements for developing countries yet also runs local job cuts, this can result in a mismatch of CC expectations and frustration for existing employees. Thus, when a company plans the strategic positioning of CC in society, it needs to clearly identify all relevant stakeholder groups and define a specific CC focus for each target group. It seems to be essential to also set priorities in terms of target group focus, as a clash of interest is most likely to occur. As this research only focused on the internal target group ‘employees’, further recommendations are only made in respect to the viewpoints of existing employees.

6.3.5.3 Strategic consideration of the effect of corporate citizenship on existing employees

This study intended to give German FMCG companies an idea as to what effect certain CC initiatives can have on the employer brand perception of their employees. This research discovered eight different CC dimensions from an
employee perspective. It is important to consider and differentiate the three altruistic dimensions: discretionary responsibility towards community, natural environment and employees. Businesses have to be aware that CC initiatives focusing on the community do have a limited effect on employee engagement. It only has a spill over effect due to a positive external image. It seems that the external image effect has a limited effect on the internal audience and cannot count towards a successful tool to enhance an employer brand. CC initiatives focusing on the natural environment are seen as essential, so it is relevant to consider this in CC strategy and communication. The environmentalism in Germany is deep-rooted in German minds, so a break in expectations might cause damage to employee/employer relationships.

Furthermore, businesses should be aware that employees see the responsible management of a company’s core business as another form of CC. CC initiatives with a link to the main business were discovered as having no potential to act as a catalyst for an improved employer brand.

The findings demonstrate that the most essential obligation of a corporate citizen lies in being responsible for its employees. The only potential for enhancing a positive employer brand image and offering tools to fight the ‘war for talent’ lies in CC initiatives in the form of employee benefits. Therefore, in order to build a positive employer brand, businesses should focus on the economic and discretionary responsibility towards their employees.

Lastly, companies need to be aware of the negative impact a focus on the CC dimension ‘economic responsibility towards owners’ can have on an employer brand. This research reveals a harmful pressure on employee/employer relationship when the strategic focus on a company is based on their shareholders.

6.3.5.4 Strategic focus on four employee benefit themes

This research identified four fields deemed to be highly relevant for employees within the area of employee-benefit-related CC initiatives, namely additional benefits, work-life balance support, employee development and work environment. Companies that aim to enhance their position as an employer of
choice in line with CC should aim to put their strategic emphasis on these four fields. Additional benefits ranged from a pension scheme offer to a metro card. Work-life balance support could range from elderly care to home office support. Employee development includes any support which encourages employees’ personal or professional development. Lastly, work environment comprises everything enhancing a good work atmosphere, sometimes as simple a concept as a modern office environment or areas and offers to socialise. It seems to be advisable to conduct an in-house survey of which benefits might be of highest interest to the employees.

6.3.5.5 Communication of CC initiatives focusing on discretionary and economic responsibility towards employees a unique selling point

This research discovered that both cases offered many different employee benefits, which can be categorised as belonging to one of the four preferred themes. Surprisingly, the awareness of these initiatives seemed to be very low, as employees suggested several initiatives as innovations without already knowing that these initiatives were offered by their employer. A practical recommendation of this research is to communicate these employee benefits as a USP of the company as an employer of choice.

6.3.5.6 Clear separation of private engagement and corporate citizenship initiatives

Another practical recommendation refers to the separation of private engagement and CC initiatives. This research discovered a clear differentiation in duties when it comes to CC in Germany. Employees felt there to be an individual duty for each employee to act as a responsible citizen in local society and this duty should not be mixed with the duty of FMCG companies to be responsible business partners. For example, corporate volunteering offerings were appreciated, but there was an urge not to treat it as something compulsory.

6.3.5.7 Corporate citizenship communication with care

This research discovered the difficulties in communicating the purpose of charity-orientated CC to internal stakeholders. Employees have become cynical
as to the aim of these company CC activities and have begun to presume that they are PR/marketing tactics to enhance the corporate image. Thus, companies should think carefully about a communication strategy and aim to promote this to internal stakeholders in a fact-focused and unemotional way. A social report seems to be the best format to talk about CC in more detail.

### 6.3.5.8 Strategic focus on employer brand drivers

The last recommendation refers to the employer brand drivers derived from this research. Companies that would like to enhance their employer brand should place a strategic emphasis on the financial package offered to their employees. They should strengthen their global culture and ensure job profiles have a high degree of autonomy, are less bureaucratic and have room for individual scope. Furthermore, companies should demonstrate and value their employees within their corporate culture. This should include a ‘downgrading’ of focus upon shareholders and a well-managed, future-orientated career path structure for employees.

### 6.3.6 Section summary

This section transferred the academic findings from Chapter 5 into relevant recommendations for business practice. It was based on the academic model by Van de Ven (2007), which has been used to transfer research into practice. Nine practical recommendations were presented which aim to enhance a practical link to the organisational challenges of CC and the need to generate a positive employer brand. The first recommendation was the general advice to integrate CC as a corporate strategy for all companies that have not yet focused upon this area. The second suggestion for companies regarding this area was the awareness and consideration of different external and internal viewpoints. Different stakeholders have different expectations and these expectations have to be identified for each company and considered for a more personalised CC strategy. As this thesis only focused on the internal perspective, all other recommendations specifically focused on employees as internal stakeholders. Other advice for FMCG companies aiming to link CC with an employer brand process is the recommendation that they should be aware of and consider three
different CC dimensions that this research discovered: firstly, the discretionary orientated CC initiatives that consist of components from the CCM, secondly, the responsible management of a company’s core business with its legal and ethical responsibilities, and the economic and discretionary responsibility as another form of CC. Another input for practice was the strategic consideration of the effect of CC on existing employees. This study discovered that the central responsibility of a corporate citizen lies in being responsible for its employees. According to this thesis, any charity CC initiative seems to have a low impact on enhancing the employer brand for employees as internal stakeholders. It seems that the external image effect has a limited spill over effect for the internal audience. Therefore, it was demonstrated that this is not useful in enhancing an employer brand. CC initiatives with a link to the core business of a company were revealed to have no effect on an improved employer brand. Employer benefits were discovered to be recognised as a form of CC, but depended upon the format. CC initiatives with an economic and discretionary focus towards employees were revealed to have the potential to enhance a positive employer brand image and assist as tools to fight the ‘war for talent’. The dimension ‘economic responsibility towards owners’ was discovered to be negatively related to employer brands.

This study discovered additional benefits, work-life balance support, employee development and work environment as being relevant for employees. To support an employer brand in line with CC, businesses should place a focus on these four areas. It was also discovered that awareness of what the company offered in these areas was low, so a practical recommendation of this study is to communicate these employee benefits as USPs, to work for the company.

This research also revealed the desire of employees to have a clear-cut separation between an individual employee’s duty to act as a responsible citizen in local society and a company’s duty to act as a corporate citizen. This should be considered when creating new CC initiatives in future.

This thesis discovered a communication challenge when communicating CC to stakeholders as it is often recognised as a PR activity. A practical
recommendation of this study is to keep the communication channels and messages between the company and employees, factual and simple.

Lastly, this study discovered financial packages, global player positioning, job characteristics, people/culture, level of shareholder focus and career management as important employer brand levers. Without focusing in particular on a link between CC and an employer brand, according to this research, a company should place a particular focus on the identified levers.

6.4 Research limitations

This research has several limitations. One limitation concerns the scope of this empirical study. It focused on investigating employer attitudes regarding CC in the German FMCG industry using a comparative case study approach. The reasons for conducting this research in the German market were due to demographical differences across countries. These differences seem to place a high strategic focus on the positioning of an employer of choice. Cultural differences also require consideration, but a cross-cultural analysis of CC attitudes was not part of this research. Therefore, this research cannot draw any conclusions for other countries, where CC might have a different cultural position and history. Findings should not be generalised to other industries that are not consumer orientated or are less marketing-driven. It has to be taken into consideration that the results of this research only display findings from two cases. The last limitation in terms of the scope concerns the internal employee perspective. The rationale for this was the discovered gap in the literature, but it also means that no conclusions can be drawn in respect to other external stakeholders.

6.5 Future research

One fascinating aspect of conducting empirical research is that there is always more to discover. Whilst preparing and conducting this research, many new research directions emerged. This research discovered a relationship of discretionary and economic responsibility towards employees. It would be exciting to measure this impact on employer brands.
This study revealed that CC initiatives within the legal and ethical CC dimension have a limited image effect on existing employees. CC initiatives with a link to the core of the business were seen as compulsory with no proactive positive image effect. Here, it seems to be a necessary step to investigate a possible negative impact when a company does not live up to employees’ expectations.

This research also discovered that employees do expect global players to act as responsible citizens within society. It would be interesting to investigate how employees from small or medium-size enterprises (SMEs) view this aspect and to test the new conceptual framework with SMEs. This study revealed that different employees have different values and interests and that the impact of the three different CC scopes depends upon personal values. It would be highly interesting to investigate whether it is possible to cluster certain employee groups by interest; for example, female employees aged between 30 and 40 and working part time are more engaged by charity-orientated CC initiatives than young male employees who have just started their career. This study briefly touched on important employer brand characteristics. It would be interesting to investigate why certain characteristics are more important than others.

6.6 Personal reflection

This research introduced the author’s personal story regarding both research areas, so it seems reasonable to close this research project with a personal reflection.

The author’s interest in conducting this research emerged through a personal incident when a friend gave birth to a baby girl with leukaemia. She applied for social help from her employer to support two large initiatives to find a suitable bone marrow donor. Furthermore, the company actively engaged in organising print material and additional support in promoting a large donation event in her home town. Over 25,000 new donors were found and it turned out to be very successful. It gave her a feeling of being understood by her employer and she appreciated the non-bureaucratic assistance of her employer to do something good. Out of this initiative, interest emerged in exploring how other employees...
feel about such initiatives and if this could be one tool in supporting a better employer brand positioning in the difficult labour market.

The first lesson the writer would like to comment on is the selection of the research topic. Both concepts are of high interest to the author and she is not tired of discussing them with peers and friends.

Another lesson the author would like to pass on is the contribution this research had on her personal life and personal development. Despite the intense effort of all friends and family members and the fact that a matching bone donor was found, the baby girl with leukaemia died after nine months of fighting. For the author this blow of fate was life changing and remained in her heart ever since.

The author started this academic journey after she became a mother herself, and it was an interesting experience to live up to the different roles in her life from autumn 2010 onwards: being a student again, exploring a new form of academic involvement, being a mum for the first time, experiencing the new dependency of a small child and the individual learning curves from a mother and her child, changing from an international brand manager role to a housewife and then back again to a working mother, always balancing the priorities of each role. The fulfilment of these roles was more than the academic journey the author originally wanted to embark upon.

The last five years have been fruitfully intense with many different interlinking contributions to personal life and the personality of the author, which can be stated as additional contributions from this research study. One aspect is certainly optimised time management and organisational skills. Having all of these different roles in life necessitated being as efficient as possible in every phase of this research. Luckily, the interview partners reliably stuck to the arranged meetings and a very structured childcare system and work schedule enabled longer periods to fully concentrate on this research project.

This research helped the author to continuously be involved in her business environment whilst being on maternity leave. All fieldwork enabled her to keep in contact with her company and other business partners without being
perceived as a housewife. These circumstances also facilitated re-entry back into the company after maternity leave.

Another contribution of this research to the author’s personal development is improved strategic thinking. The depth of academic research differed enormously from the author’s short-term, problem-solving day-to-day tasks. This research enabled the author to dig deeper into her field of interest than it would have ever been possible in her professional life. The chance to explore her field of interest from the academic and professional perspective certainly broadened her way of strategic thinking.

Another aspect was a new engagement with the academic world that might lead to an even more intense engagement in the future. The author discovered the richness of linking academia with the professional business world, and plans to start teaching in her field of expertise as an external lecturer. So, this academic piece of work might not be the end of her academic journey.
References


Bärnighausen, T., & Sauerborn, R. (2002). One hundred and eighteen years of the German health insurance system: are there any lessons for middle- and low-income countries? *Social Science & Medicine, 54*(10), 1559-1587.


Martin, G., Golan, P., & Grigg, K. (2011). Is there a bigger and better future for employer branding? Facing up to innovation, corporate reputations and


Appendices

Appendix I: List of analysed documents

Case A (Tobacco plc):
Annual Report 2011
Annual Report 2012
Annual Report 2013
Company Magazines 2011
Company Magazines 2012
Group stakeholder dialogue reports
International Marketing Standards
Sustainability Report 2011
Sustainability Report 2012
Sustainability Report 2013
Statement of Business Principles
Standards of Business Conduct
A Focus on Integrity Report 2013
A Focus on Harm Reduction Report 2013

Case B Home and Beauty plc:
Annual Report 2011
Annual Report 2012
Annual Report 2013
Company Magazines Q1-Q4 2011
Company Magazines Q1-Q4 2012
Appendix II: Sustainability Reporting Assessment Checklist

Q1 Is the report publicly available in appropriate languages?

Q2 Is the report written in a clear and concise way and readable by relevant stakeholders?

Q3 Does the company use an established reporting framework, such as the GRI?

Q4 Is there an adequate description of how the company incorporates CSR and sustainable development into the formulation of its long-term organizational strategy?

Q5 Does the company discuss the sustainability issues of all relevant aspects of its operations?

Q6 Does the company provide adequate evidence (e.g. data) to support the claims it makes in relation to all indicators and/or topics being discussed?
Q7 Does the company identify all its stakeholders, explain how they are identified, and do they outline the expectations and interests of their stakeholders?

Q8 Does the company assess the sustainability issues associated with all upstream and downstream entities in its supply chain?

Q9 Does the company adequately discuss the impacts of its activities (both positive and negative) on all its stakeholders, including vulnerable groups and negatively-affected groups?

Q10 How does the company establish the credibility of its sustainability report, for example is there an independent assurance report?

Appendix III: Interview guide phase II

A) General questions
   1. How long have you been working in this company?
   2. Why did you decide to work for this company?
   3. What is your function/position?

B) Employer brand
   4. How would you describe your company as an employer?
   5. How do you feel working for your company?
   6. Do you enjoy working for your company?

C) Corporate citizenship
   7. What do you see as CC activities?
   8. What kind of CC initiatives do you know from your company?
   9. How did you find out about them?
  10. What do you think about them?
  11. Have you been involved in any CC initiatives?
  12. If so, what’s your motivation to participate?
  13. Do you do any social initiatives outside work?
  14. What do you think about other types of CC initiatives like xyz? (Name not mentioned CC types)

D) Corporate citizenship and Employer brand
15. Do you think that any form of CC initiatives can promote a shared value and common goal between you and the company?

16. Do you feel that CC activities enable you to be more engaged with your employer?

17. Do you think that CC initiatives can add to the uniqueness of your company as employer?

18. Do you feel that CC activities enable you to be more satisfied with your employer?

19. Do you think that CC initiatives can enhance your motivation as an employee?

20. Do you think you identify more with this company because of CC initiatives?
Appendix IV: Interview guide phase III

A) General questions
1. How long have you been working in this company?
2. Why did you decide to work for this company?
3. What is your function/position?

B) Employer brand
4. How would you describe your company as an employer?
5. How do you feel working for your company?
6. Do you enjoy working for your company?
7. What motivates you working for your company?
8. What has to be fulfilled for you to be satisfied with your job?
9. Have you ever thought about leaving the company? Why?

C) Corporate citizenship
10. What do you see as CC activities?
11. What kind of CC initiatives do you know from your company?
12. How did you find out about them?
13. What do you think about them?
14. Have you been involved in any CC initiatives?
15. If so, what’s your motivation to participate?
16. Do you do any social initiatives outside work?
17. What do you think about other types of CC initiatives like xyz? (Name not mentioned CC types)

D) Corporate citizenship and Employer brand
18. Do you think that any form of CC initiatives can promote a shared value and common goal between you and the company?
19. Do you feel that CC activities enable you to be more engaged with your employer?
20. Do you think that CC initiatives can add to the uniqueness of your company as employer?
21. Do you feel that CC activities enable you to be more satisfied with your employer?
22. Do you think that CC initiatives can enhance your motivation as an employee?
23. Do you think you identify more with this company because of CC initiatives?

E) Employer benefits
24. What do you see as employer benefits?
25. What do you think about a Cafeteria Plan in HR? (Explanation by researcher what it is)
## Appendix V: Example of coding process

<table>
<thead>
<tr>
<th>Case A</th>
<th>Case B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Positive characteristics</strong></td>
<td><strong>Negative characteristics</strong></td>
</tr>
<tr>
<td><strong>Salary &amp; Incentives</strong></td>
<td><strong>Global player</strong></td>
</tr>
<tr>
<td>“We are very well paid in comparison to other tobacco players” (P4)</td>
<td>This company has a great culture on a global scale...” (E1)</td>
</tr>
<tr>
<td>Tobacco plc offers a good financial package... from the basic salary to the additional incentives” (P5)</td>
<td>“It offers me an interesting position in an international environment” (E2)</td>
</tr>
<tr>
<td>“At the end we all work to earn our living and this employer pays very well...” (E3)</td>
<td>“I personally enjoy working for a multicultural, international company...” (P9)</td>
</tr>
<tr>
<td><strong>Culture &amp; People</strong></td>
<td><strong>Career development</strong></td>
</tr>
<tr>
<td>“Tobacco plc is an interesting employer with a great culture...” (E1)</td>
<td>Work then I decided to work for Tobacco plc as I appreciated the focus on personal development and future career perspective” (P5)</td>
</tr>
<tr>
<td>“It feels good to work for this company...” (P1)</td>
<td>I was 15 when I started working... so very young... I had the chance to do A-levels next to my job... I appreciate the chance to develop... actually one reason to stay with company... I am able to do a lot of different job tasks within one company...” (P1)</td>
</tr>
<tr>
<td>“It has a great culture; I like the open door policy and the whole work atmosphere” (E3)</td>
<td>“I worked for a competitor before that, I totally fell in love because of the interesting product naming” (P7)</td>
</tr>
<tr>
<td>“It has a great culture with great people” (E2)</td>
<td><strong>Business environment</strong></td>
</tr>
<tr>
<td>“It is like working for a club! I have many friends and not only me, there are many friendships and also company couples...” (P2)</td>
<td>“Leaves are under review in the tobacco industry, so for me as in house buyer... many interesting projects emerge... this industry is a big playing field for buyers” (E2)</td>
</tr>
<tr>
<td>“Many of my colleagues are also my friends... that’s great” (P5)</td>
<td>“Everybody has an opinion about this, that’s interesting about it. Smoking and health is always in focus. I do not have an issue as my employer offers a clear position towards this topic” (E4)</td>
</tr>
<tr>
<td><strong>Job characteristics/ Meaningful job tasks</strong></td>
<td><strong>Job characteristics/ Meaningful job tasks</strong></td>
</tr>
<tr>
<td>“We have interesting brands and as a person working in brand marketing this engages me even more with my day to day job” (P6)</td>
<td>“We have interesting brands and as a person working in brand marketing this engages me even more with my day to day job” (E7)</td>
</tr>
<tr>
<td>“I like my job profile with my own responsibilities and my autonomy” (E3)</td>
<td>“The feeling that I can contribute and add something to the business” (E1)</td>
</tr>
<tr>
<td><strong>Market success</strong></td>
<td><strong>Location</strong></td>
</tr>
<tr>
<td>“I am working on an interesting project... it is a new challenge... I have the chance to build something new and will have a future impact... that is great” (P11)</td>
<td>“It’s important to me that my employer is located in a major city... and Hamburg is one of my most favourite places in Germany... so perfect...” (P4)</td>
</tr>
<tr>
<td>“I have an advisory role and it is nice to perform as a business partner and help our employees” (E6)</td>
<td>“It might only a small fact... but the location of the company is highly relevant to me... I love the city and the fact that we are based in the city centre makes it even better...” (P8)</td>
</tr>
<tr>
<td>“I am really not engaged with this employer... but that also might depend on my position... I feel unimportant...” (E13)</td>
<td>“The location of Tobacco plc is perfect for me... it is close to the station, so I can take the train and we do not need a second car...” (E3)</td>
</tr>
<tr>
<td>Negative characteristics</td>
<td>Difficult industry</td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td><strong>Well, it is a controversial industry, you always need to argue why you are working here... nobody has no opinion</strong> (E1)</td>
<td><strong>It has a difficult marketing environment...due to the black market we can only communicate in a few channels</strong> (E2)</td>
</tr>
<tr>
<td><strong>It has a difficult marketing environment...due to the black market we can only communicate in a few channels</strong> (E2)</td>
<td><strong>This business gets more and more margins driven...this means one price increase after another and a high demand for cost reduction...this also affects us as employees...</strong> (P2)</td>
</tr>
<tr>
<td><strong>One needs to justify to the outside why one is working for this company</strong> (E3)</td>
<td><strong>It is a critical industry... especially now as being a mum... now I have two roles, so I try not to talk about it in my private environment</strong> (P1)</td>
</tr>
<tr>
<td><strong>It is a critical industry... especially now as being a mum... now I have two roles, so I try not to talk about it in my private environment</strong> (P1)</td>
<td><strong>It is a critical industry... especially now as being a mum... now I have two roles, so I try not to talk about it in my private environment</strong> (P1)</td>
</tr>
<tr>
<td><strong>Well, I dislike the current HR planning... personally, I do not have any career paths...there is a constant change in company, which prohibits future planning</strong> (P2)</td>
<td><strong>Employees are only a number in this company...</strong> (E5)</td>
</tr>
</tbody>
</table>