

**Analysing and developing corporate social responsibility in
Merlin Entertainments Group and the Sea Life aquariums**

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<p>The title of the thesis Analysing and developing corporate social responsibility in Merlin Entertainments Group and the Sea Life aquariums</p>	<p>Number of pages and appendices 66 + 1</p>
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<p>The purpose of this thesis was to establish a theoretical base of corporate social responsibility within business environment and study it in practical context with a case study approach. The aim was also to provide a developmental framework of corporate social responsibility for the target organisation.</p> <p>The theoretical section covers a wide selection of the basic concepts within corporate social responsibility theory; main terms and definitions, aspects, relation to stakeholders, suggested reasoning and impacts and standards and measurement connected to it.</p> <p>Target organisation of the case study was Merlin Entertainments Group and the Sea Life aquariums operated by it. Merlin is an international visitor attraction company that operates over 60 attractions in 13 countries. Sea Life aquariums are a large part of those attractions with 32 units in the world, 31 of them in Europe. The case study was conducted in 2009-2010 and included a variety of methods and materials; the organisation's internal and external materials, policies and other information, a survey to Sea Life managers and participant-observation.</p> <p>Corporate social responsibility is a very current issue in the business and academic worlds alike. Although the issue as a whole is still much debated, and even without a clear, universally agreed definition, the interest and awareness are on the rise not only in the business and academic worlds but also amongst consumers and media. At its simplest, corporate social responsibility is about acknowledging and considering the impacts a business has on its environment and society and at least trying to minimise its negative impacts.</p> <p>The case study revealed that Merlin Entertainment Group has taken a positive start on the corporate social responsibility issue on the group level with some established ground work on creating responsibility strategies and plans and cooperating with related organisations. However, on the unit level the issue is still rather unknown and responsibility issues have not been addressed yet although some form of responsible thinking can be seen in unit level actions on the practical level. Developing responsibility further will require top management commitment, efficient communication and resources.</p>	
<p>Key words: corporate social responsibility, development</p>	

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<p>Tämän opinnäytetyön tarkoituksena oli tutkia yhteiskuntavastuun teoreettista perustaa liiketoiminta ympäristössä ja analysoida sitä käytännössä tapaustutkimuksen kautta. Tavoitteena oli myös koota yhteiskuntavastuun kehittämisen viitekehys kohdeyritykselle.</p> <p>Teoreettinen osuus kattaa laajasta yhteiskuntavastuuseen liittyviä perusasioita; tärkeimmät käsitteet ja määritelmät, näkökulmat, suhde sidosryhmiin, arvioituja syitä sekä vaikutuksia ja yhteiskuntavastuuseen liitettyjä standardeja ja mittaustapoja.</p> <p>Tutkimuksen kohdeyritys oli Merlin Entertainments Group sekä sen omistamat Sea Life yleisöakvaariot. Merlin on kansainvälinen käyntikohde yritys, jolla on yli 60 kohdetta 13 eri maassa. Sea Life akvaariot muodostavat ison osan näistä kohteista, Sea Lifeja on yhteensä 32, joista 31 sijaitsee Euroopassa. Tapaustutkimus toteutettiin 2009-2010 ja se sisälsi valikoiman erilaisia metodeja; kohdeyrityksen sisäisten ja ulkoisten materiaalien, ohjeistuksien ja muun tiedon analysointi, kysely Sea Life:ien johtajille sekä osallistuva havainnointi.</p> <p>Yhteiskuntavastuu on hyvin ajankohtainen aihe sekä liike- että akateemisessa maailmassa. Vaikka aihe kokonaisuudessaan on vielä varsin väiteltä eikä yhtä, universaalia määritelmää ole olemassa, kiinnostus ja tietoisuus aiheeseen on kasvussa sekä liike- että akateemisessa maailmassa että kuluttajien ja media parissa. Yksinkertaisimmillaan yhteiskuntavastuu tarkoittaa ympäristöön ja yhteiskuntaan kohdistuvien toiminnan vaikutusten tiedostamista ja huomioimista liiketoiminnassa ja vähintään negatiivisten vaikutusten minimoimista.</p> <p>Tapaustutkimus paljasti, että Merlin Entertainments Group on hyvällä alulla yhteiskuntavastuun saralla konsernitason, koska perustyötä on tehty ja aloitettu strategisen suunnittelun ja toimintasuunnitelmien osalta sekä yhteistyössä yhteiskuntavastuuseen liittyvien organisaatioiden kanssa. Kuitenkin yksikötasolla käsite on vielä varsin tuntematon eikä vastuullisuus asioita ole käsitelty vaikkakin yksikkö tasollakin on käytännöntasolla nähtävissä vastuullista ajattelua ja toimintaa. Yhteiskuntavastuun kehittäminen eteenpäin vaatii ylemmän johtotason sitoutumista, tehokasta viestintää sekä resursseja.</p>	
<p>Asiasanat: yhteiskuntavastuu, kehittäminen</p>	

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1. Introduction

Corporate social responsibility is the word of the day – it is a megatrend of which media reports every day in some form or the other. All the “hype” around responsibility issues – the good and especially the bad – would suggest that organisations all over the world are incorporating responsibility issues into their strategies. Especially environmental aspects seem to have risen to the top of strategic decisions. But are these decisions taken into operations – actions – as well? Many times these environmental decisions have been named vaguely negative “green-washing” suggesting that they are made only to create a positive image of the company in the public eye as environmental aspects are considered nowadays as “must-have” in the eyes of majority of the consumers. The same question can be raised surrounding issues of social aspects of corporate responsibility.

European Commission defines corporate social responsibility (CSR) as “a concept whereby companies integrate social & environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.” (CSR Europe).

This thesis aims to offer a wide view on corporate social responsibility and issues within in the literature. The purpose of the thesis is to analyse the stage of corporate social responsibility in Merlin Entertainments Group and the Sea Life aquariums: Does CSR show within the company as a whole and on individual unit level? Does CSR show on the practical, everyday operational life and on the other hand, at the top management level? And if it does, how and why? The thesis also aims to offer developmental ideas and thoughts and make an educated proposal for a CSR development framework for Merlin and Sea Lifes.

Merlin Entertainments Group is an international visitor attraction company that operates in 13 different countries across three continents. It operates for example several well-known branded attractions such as Legolands and Madame Tussaud’s wax museums as well as many individual attractions such as the London Eye. Merlin employs over 15000 people and attracts over 38 million visitors annually. Merlin also operates the largest public aquarium chain, the Sea Lifes. There are 32 Sea Lifes of which 31 are located in Europe. The Sea Life aquariums aim to offer a magical, unique experience surrounding the marine life and to raise awareness in the conservational issues. The Sea Lifes attract over 10 million visitors annually.

The thesis covers firstly the main definitions and terms on CSR, the aspects, levels and suggested impacts of CSR. The case study includes a stage analysis of CSR in Merlin

Entertainments Group and the Sea Life aquariums based on different internal materials, public records, a survey and participant-observation as the researcher herself works for a Sea Life in Helsinki, Finland. The last section covers different developmental suggestions and concludes them in a CSR development framework.

2. Corporate Social Responsibility

2.1. Corporate social responsibility – main terms and definitions

There are many terms connected to corporate responsibility (for example corporate citizenship, corporate responsibility, corporate social responsibility, sustainability, corporate governance, etc.) and they are many times used interchangeably. The history of corporate responsibility terms reaches surprisingly far back, for centuries in fact. However, formal writing in corporate responsibility has been prominent especially for the past 50 years. The definitional writing has begun with attempts to define the role and responsibilities of business in the society. Carroll (1999) considers Howard R. Bowen as the “father of corporate social responsibility” as he wrote about the businessmen’s responsibilities of their actions in his 1953 book ‘Social responsibilities of the businessman’ and Carroll also described 1950’s as the start of a “modern era of CSR definitions”. From the 50’s onward, the concept surrounding corporate social responsibility (CSR) has been basically about the extent responsibilities of companies should take considering their environment, the community. The 1950’ and 1960’s concentrated most heavily on defining the CSR concept. The concepts were mainly about fulfilling the expectations of the society and responsibilities beyond the legal and profitability obligations. In the 1970’s, the concepts begun exhibiting alternative themes and especially specifying the concept of society into smaller groups of interest which hinted on the concept of stakeholders (authors note: for example customers, media, employees, suppliers, society and environment). The 1970’s also saw a more prominent governmental regulation on certain issues surrounding CSR as well as interest taken more also on the corporate social performance which in turn made it also more strategic for businesses. This development continued to the 1980’s with more emphasis on the outcome, measurement, models and thematic frameworks of CSR. In the 1990’s differentiation within the field has continued with concepts such as stakeholder theory, business ethics theory, corporate social performance and corporate citizenship as well as with more practical issues such as operationalising CSR. (Carroll 1999.) Corporate social responsibility issues begun gaining more popularity in the 1990’s and the focus on the subject has really exploded in the 21st century – mostly due to numerous corporate scandals (Waddock 2008, 29-31).

There have been several different theories surrounding the issue of corporate social responsibility during past centuries. Nowadays main theories base on ethics theories - utilitarianism and deontological ethics which are quite opposite to one another. Utilitarianism aims to maximise the wellbeing of everyone while the deontological ethics teach to function only in a way that one would want to be also the general law. (Ketola 2005, 72-73.) The classic model of corporate social responsibility is basically about maximising the profit for the owners whilst operating within the law. This view has been greatly defended by f.ex. Nobel-prize winner economist Milton Friedman. The classic model has two perspectives; utilitarian which aims for the maximization of the overall good and the right of property which allows for the owner of the property to do whatever one wants with it. The bottom line nowadays is about what is the proper way to act in a business and the proper role of any business in the society. The basic question then is, does business management make decisions solely to serve the owners or should they be responsible for a larger community and stakeholders as whole and beyond the basic requirements of the law? (Desjardins 2002, 50-53.)

Haapala and Aavameri (2008) present another view of corporate social responsibility in their book – they call it the economies of consciousness. They imply that the economies of consciousness reaches further and wider than the corporate social responsibility - that it means more than just minimising the negative impacts of a company and more of thriving to produce good for the community and environment – but not forgetting the responsibility to operate profitably also financially. Haapala and Aavameri conclude that economies of consciousness combines the voices of the reason and heart and it can be described as free, wise, responsible, genuinely caring behaviour. An ethical company will know and face up to its responsibility and set an example on the market. Important aspects are also transparent and impeccable, proactive planning mechanisms. (11-163.)

European Commission defines CSR as “a concept whereby companies integrate social & environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.” (CSR Europe). Even though there still is a great variance in the concepts, nevertheless some consensus is found on some basic aspects:

- “CSR is behaviour by businesses over and above legal requirements, voluntarily adopted because businesses deem it to be in their long-term interests;
- CSR is intrinsically linked to the concept of sustainable development: businesses need to integrate the economic, social and environmental impact in their operations;

- CSR is not an optional ‘add-on’ to business core activities – but about the way in which businesses are managed.”

(European Commission 2002, 7)

Theory of CSR is not a unified, specific theory on its own, but rather a continuum of social and economical theory and as such a diverse subject. The theorist aim to explain what role businesses have in society and what responsibilities they have in acting in those societies. CSR theory is also a more practical approach in trying to examine the management and practice of it. Although there are many different definitions of CSR both officially and between organisations, the basic idea nevertheless is about “organisations acknowledging their interactions with the environment and society, and considering and responding to the implications of the decisions they make” on a wider scale – being concerned about more than just the financial profit. (Asbury & Ball 2009, 32-33; Epstein 2008, 20; Dawkins & Lewis 2003, 188; Blowfield & Murray 2008, 55.)

Sustainable development has been defined as “economic development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs” (Epstein 2008, 20). “Companies recognise and address their responsibilities to all their stakeholders for mutual benefit or even purely on ethical/moral grounds” (Katsoulakos & Katsoulakos 2007, 362).

Meehan, Meehan and Richards (2006) propose a 3C-SR model that includes three interconnected components in being a “good corporate citizen”; ethical and social commitments, connections with partners in the value network, and consistency of behaviour over time to build trust. The ethical and social commitments should be internally clear with profound commitment as well as externally communicated and transparent. The value network concept is an important one as no company can function solely alone and thus is affected by others in the value chain. Information flow, change in consumer values and social connections of today’s world bring forth new challenges for companies, as demands for sustainability from both consumers and activist organisations increase with the improved possibilities and widening scale of acting against undesired operations. This is also linked to the consistency component – companies are expected to “walk the talk” also in the long run and always stay consistent with words and actions. (392-395.)

One aspect of CSR is reaching beyond the legal, or minimum, requirements to further some social cause and “investing more into human capital, the environment and the relations with stakeholders”. CSR is nowadays mostly practiced by large companies, but it should nevertheless be a concern for all size businesses regardless of their sector or country. (McWilliams & Siegel 2001, 117; EU Green Paper 2001, 8.)

As it can be seen with the literature, the concepts and terms vary amongst the authors and academics and even the same terms can be used with a slightly different meaning depending on the author. In this project, the term corporate social responsibility (CSR) has been used because it is the term used by the European commission and the project is about European aquariums. The term corporate social responsibility also has the longest history dating back to the 1950's while the newer terms such as the corporate citizenship are products of the 1990's. Although there are some variation between the different terms and definitions, the basic idea is nevertheless similar enough to address the issue at large and in general; corporate social responsibility deals with issues of combining the business world and the society, the role and responsibilities of business in the society and especially the extent of those responsibilities. The important thing however is that what ever term is used within a single company, the term is defined and communicated in such a way that everyone understands it in the same way. It is therefore important to plan the communication thoroughly to enable efficient and coherent actions.

2.2. Different aspects of corporate social responsibility

Different academic writers define aspects of CSR in different ways;

Takis and Yannis Katsoulakos (2007) describe CSR by its impact which is also closely connected to the most used definitions. According to them, CSR aspects are;

- “Economic impact – Sustainability of the business and its “human capital” and engagement in sustainable wealth creation processes at global, national and local levels.
- Social impact – The impact of products or operations on human rights, labour, health, safety, regional development and other community concerns.
- Environmental impact – The impact of products or operations on environmental degradation including the company's related emissions and waste.”

(361)

Lehtipuu and Monni (2007) offer a similar division into three aspects;

- Financial responsibility is the basic responsibility and requirement of any business – without it there cannot be any other kind of responsibility. The business must meet the profit requirements of the shareholders and requirements of the community in providing welfare to it. Internally financial responsibility also requires effectiveness and long-term profitability.
- Social responsibility covers the relations with all stakeholders – employee satisfaction, skills and training, consumer protection and product safety and co-operation with outside stakeholders. Social responsibility deals basically with the ways of co-operating and communicating with stakeholders as well as other ‘for common good’ operations.
- Ecological responsibility means caring of the nature by means of taking care of natural resources as well as minimising the negative impacts of the operations. Ecological responsibility covers both local and global environments.

(66)

Epstein (2008) on the other hand describes the aspects by the performance, and divides them into nine principles of sustainability performance;

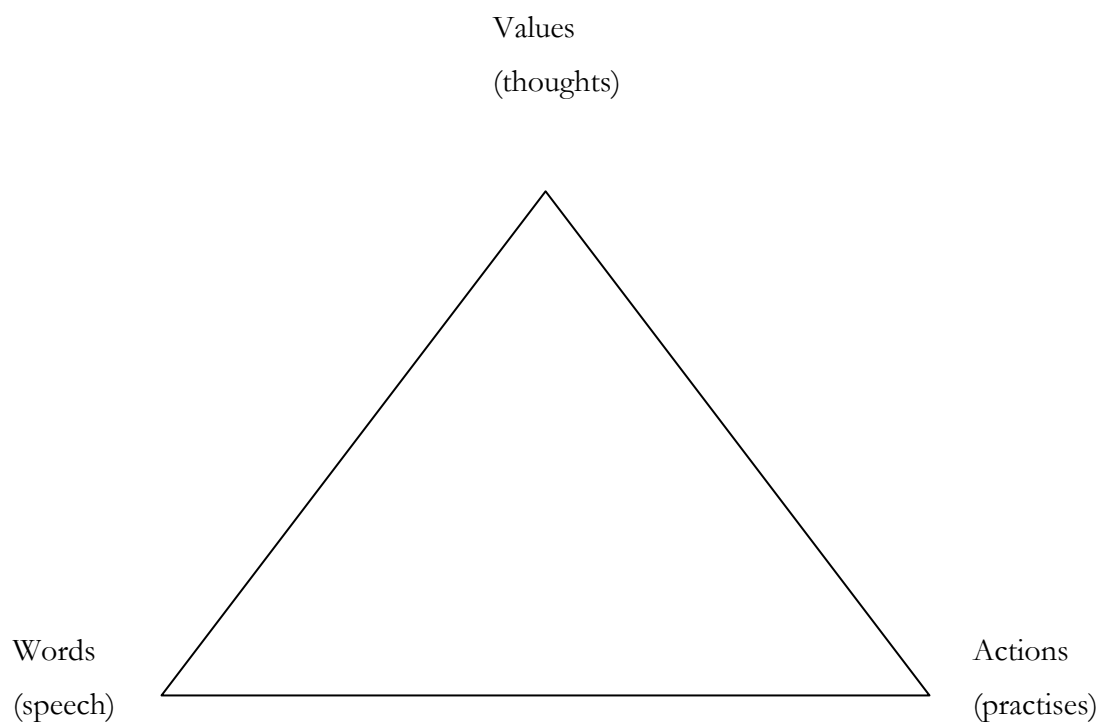
- | | |
|---------------------------|---|
| 1. “Ethics | The company establishes, promotes, monitors, and maintains ethical standards and practices in dealing with all the company stakeholders |
| 2. Governance | The company manages all of its resources conscientiously and effectively, recognizing the fiduciary duty of corporate boards and managers to focus on the interests of all company stakeholders |
| 3. Transparency | The company provides timely disclosure of information about its products, services, and activities, thus permitting stakeholders to make informed decisions |
| 4. Business relationships | The company engages in fair-trading practices with suppliers, distributors and partners |
| 5. Financial return | The company compensates providers of capital with a competitive return on investment and the protection of company assets |

- | | |
|--|---|
| 6. Community involvement
economic development | The company fosters a mutually beneficial relationship between the corporation and community in which it is sensitive to the culture, context, and needs of the community |
| 7. Value of products
and services | The company respects the needs, desires, and rights of its customers and thrives to provide the highest levels of product and service values |
| 8. Employment practices | The company engages in human-resource management practices that promote personal and professional employee development, diversity and empowerment |
| 9. Protection of
environment | The company strives to protect and restore the environment and promote sustainable development with products, processes, services, and other activities.” |

(37)

An important notion is that whatever the case, responsibility should not be a separate part of the business operations but integrated into every action taken, every value and every word spoken and every decision taken. Corporate social responsibility is present in every aspect of the business operations; Values, words (speech), and actions (deeds). (Ketola 2005, 42, 56.)

Ketola (2005) presents a triangle of the three levels of responsibility in organisations:



Picture 1. Triangle of three levels of responsibility (Ketola 2005. 57).

In many cases words, actions and values are not synchronised. Actions tell a different story than words. Practical situations truly portray the real values of a company – many decisions are made with a short-sighted view of gaining f.ex. financially while the long term view might bring the economical gain in a more responsible way. In practise, the three levels don't follow one another in a logical way, but the main aim is for all three to be consistent (Ketola 2005, 54,57.)

And there are also many other differentiation on the aspects of CSR. In some research, a distinction is made between operational (i.e. product quality, environmental protection, fair treatment of employees, ethical supply chain) and citizenship responsibilities (i.e. philanthropy, community investment). (Blowfield & Murray 2008, 101.) Corporate responsibility can also be defined according to corporate response to responsibility related issues – being either defensive or offensive. Defensive practioners view CSR as an external risk or vulnerability and their strategy lies in avoidance and actions focus on the problems they themselves have created. Offensive practioners focus is much wider, and they act on problems even though they had no doing in them. There has been also criticism that these two distinctions cannot cover all aspects, but a third distinction would be needed; “company’s corporate responsibility purpose is to respond to concerns in society that arise from the very success of the company’s strategy.” Corporate theories also include distinction in actions; instrumental acts that maintain or enhance shareholder value, either due to norms and customs of the culture or

legal requirements and intrinsic acts that are done for their own sake that are either beneficial to both the society and shareholder, or only to the society. (Blowfield&Murray 2008, 101-104.)

It is clear that not only are there just different terms and definitions connected to CSR but also there is great variety in the literature about the ingredients of it. In addition of variations in for example aspects or levels, there are more subtle nuances even within the same definitions by different authors. The applicable or useful aspects or levels of CSR can vary greatly between sectors of business, country of operation and even between individual companies. Therefore, as it is important to clarify the use of a term of CSR within a company, it is also important to clarify what the term means for the company – and communicate it well to all involved.

2.3. Corporate social responsibility and stakeholders

The International Finance Corporation, a part of the World Bank, defines stakeholders in the following way (in Asbury & Ball 2009); “Stakeholders are persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively. Stakeholders may include locally affected communities or individuals and their formal and informal representatives, national or local government authorities, politicians, religious leaders, civil society organisations and groups with special interests, the academic community, or other businesses.”

(Asbury & Ball 2009, 39-40)

Stakeholders naturally vary between organisations. Stakeholders are a large variety of individuals or groups, such as customers, employees, suppliers, neighbours (people as well as other organisations), competitors, shareholders, society at large, and the natural environment. Such a large group will also have varying needs and expectations as well as different means of applying pressure to organisations. Thus an organisation can hardly ever be able to satisfy all of the expectations at once. Stakeholder engagement is a term that is used to describe the management of stakeholder relations. By engaging stakeholders an organisation can proactively include their expectations and needs into the organisations operation. (Asbury & Ball 2009, 40-42.) Stakeholder engagement at minimum is acquiring feedback from the various stakeholders about the company’s products or services and practices and at best it is a two-way dialogue between the company and the stakeholders (Waddock 2008, 34; Dawkins & Lewis 2003, 189.)

Kujala and Kuvaja (2002) present a theory they call stakeholder view. This view considers businesses as organizers of basic communal production and service functions; businesses basically enable people to fulfil their needs – customers get products and services they want, employees get work, the state gets tax income and owners get profit. Main aspect is that all stakeholders and their needs are considered important, not only one single need - making profit - of one single stakeholder - the owners. Stakeholders are people or a group that has an impact on the operation of the business or to which the business has an impact on. Business operation's benefits are considered to be consistent with stakeholders' benefits and business goals can only be reached if stakeholders' goals will be reached as well. In practise, stakeholder goals many times conflict with one another – in these cases, businesses need to take a long term look into the operations, because then they can ensure that all stakeholders' needs will be fulfilled in one point or another. In business operations this view basically means that stakeholder values, expectations and needs have to be the basis of decision making – the management genuinely caring for the wellbeing of all stakeholders. It is viewed, that in long term, this will lead to financial gains. (21-83.)

Katsoulakos Takis and Yannis (2007) consider stakeholder engagement as a strategic approach to managing business. Stakeholders seen as resources that have the possibility to affect the business should then be systematically managed to gain competitive advantage. Developing trust between all stakeholders can then create the advantage to business, in forms such as employee motivation, customer loyalty and local license to operate. (359.)

Effective stakeholder management can lead to various benefits according to some theorists. Some consider stakeholders to have such a critical influence on business that unsatisfied stakeholder's reaction might seriously damage the business, even to the extent that it could not continue operating. Stakeholders are also viewed as resources in a sense that they can enable a company to create resources that are difficult to imitate and thus create competitive advantage. Competitive advantage can also be gained through long-term, trust-based relationship with stakeholders with mutual benefits. Also a financial aspect is seen possible, especially with reverse effect of irresponsible actions, as they would actually incur higher costs in something else. And the cost of responsible actions could also in some cases be very low compared to the benefits they bring. (Galbreath 2006, 1109.)

Galbreath's (2006) analysis based on statistics and data from Australia showed that internal stakeholders, especially employees, influenced business performance positively when actions

were responsible. “Employees can certainly be viewed as major stakeholders of any business and a firm who offers superior treatment to this internal stakeholder group is likely to enjoy strategic benefits. Our findings suggest that managing employees as a primary stakeholder group and that acting responsibly towards them might be a means of positively impacting firm performance.” (1115-1116.)

Stakeholder theory views managerial responsibility to lie with a much wider scope than merely the owners or shareholders. It suggests that managers should not make decision purely to maximise profits, as the opposite neo-classical theory suggests, but to take other stakeholder’s views into account as well. The interests of the owners and other stakeholders can be easily seen as conflicting. Stakeholder theory is based on the concept that a company should consider its impacts more widely. Considering the variety and scale of environments that companies operate in, management is faced with a real challenge in evaluating the different interests to base their decisions on. Some theorists point out though, that using stakeholder theory should not mean that owners’ interests are regarded any less valuable than other stakeholders, only that they are all included in decision making and research also indicates that poor stakeholder management would be harmful to the company. (Bird, Hall, Momentè & Reggiani 2007, 189-191.)

Businesses now face a new challenge with stakeholder management – businesses are no longer able to continue with the traditional one-way communication with stakeholders, but need to embrace a new interaction style with dialogue. Stakeholders will need to be listened to, and their opinions taken into account when making business decisions. The real challenge in stakeholder management comes through the great variety and multi-dimensionality of stakeholders even one small company can have – stakeholder demands are likely to vary and thus the company will need to assess how to respond to them. (Cramer 2002, 104.)

“‘Trust me’ no longer works; today’s creed is ‘Show me first and then I might believe you’” (Cramer 2002, 103).

The way a company does business will surely affect a great variety of other entities, stakeholders, which in turn can affect the company – in a positive or negative way. Thus it is not indifferent how the company does business. Acting responsibly and taking different stakeholders into account will enable a positive effect on the company – while irresponsible behaviour will surely show as negative effect at some point. License to operate in that respect is a good term to describe the relationship between a company and its stakeholders.

2.4. Reasoning behind corporate social responsibility

Although, most likely, there have always been companies that take other than merely financial aspects into account when making business decisions, CSR as a global trend has emerged only relatively recently. Cramer (2002) discusses some factors affecting the recent emergence of the trend in her paper 'From financial to sustainable profit'; she states that one major reason is the shift in the balance of power and globalization. Globalization has diminished the ability for nations to influence business, shifting more power to the market and businesses – and with power comes responsibility. As nations and political establishments find it increasingly more difficult to address many CSR challenges, increasing societal awareness drives people to turn to the establishments they believe can make a difference – the businesses and international institutions. The importance of such societal activism is also likely to increase even more in the future. Remarkable public figures (for example singers) are taking a stand to influence business leaders with active social networks. This will contribute to changing cultures of societies and possibly leading to a new type of regulatory system, “civil regulation”, forcing businesses to act according to the public opinion. Pressure from public opinion has become possible through the remarkable growth in possibilities in communication. Not only has the digitalization enabled easy networking and communication between people and networks, but also between businesses and consumers. Although the open communication has enabled people to access a much wider pool of information in unprecedented speed that has increased awareness and level of demands, it has also given businesses an efficient route to information about the consumers. This new “network society” thus offers businesses both opportunities as well as threats. The increased trend in demands for more responsible business is also related to basic human needs; as more and more people do get their basic human needs satisfied, the immaterial aspects of life will become more important. (99-102.)

Although there are very few laws concerning corporate responsibility issues as such, there are basic governmental regulations as well as industry codes of conduct that apply pressure on organisations to pay more attention to the issues. In some countries or industries, there might even be monetary penalties involved with noncompliance. Moreover, large variety of NGOs (non-governmental organisation) as well as the larger public are more aware of CSR issues, and thus are more interested in the impacts that companies have on society. CSR discussions many times include a concept of “gaining a license to operate from governments, communities, and other stakeholders”. This is not an official licence as such, but an expectation that the company will operate in such a way, that these stakeholders will be

satisfied and will thus allow the company to continue its operation. This however is mostly a reputation based “license”. Many CSR spokespeople argue that CSR is “just a good business decision”, as it is said to reduce costs and even increase sales. In general, all this can be said to be morally and ethically the right thing to do and organisations should also operate morally and ethically correctly. (Epstein 2008, 21-22.) Also different societal aspects affect the way that corporate responsibility is viewed and formed; legislative institutes, such as EU commission, industry or multi-industry collaborations, global trends, and local culture (Blowfield & Murray 2008, 101-102).

Interest in CSR in the business world has increased greatly after many CSR related issues have attracted a lot of public and media reactions (such as a boycott against Nike after its labour practises in Asia were reported in the media) and as the issues are also rising to legislative levels in some countries (for example UK). CSR is nevertheless still a much debated issue both in the business and academic worlds. CSR issues are mostly still considered as separate from the business strategy and also many times just as philanthropic acts that have no real connection to the business in question. Reporting CSR related issues has also increased together with the awareness, although there is no official reporting standard and the reports very often tend to emphasize monetary charitable actions or other non business-related activities at the same time leaving out the real impacts of such activities and as the reports are most often produced by companies themselves, it is obvious that only the responsible actions are included – not telling the whole truth about the companies actions. (Porter & Kramer 2006. 1-3.)

In general, there are considered to be four main arguments for CSR; moral obligation, as in “doing the right thing”, which should of course be a normal course of business but business is nevertheless more difficult to operate in absolute terms as morality is often considered more flexible in balancing between “values, interests and costs”. Sustainability is about companies operating “in ways that secure long-term economic performance by avoiding short-term behaviour that is socially detrimental or environmentally wasteful.” Sustainable decisions are often smart business decisions even without the sustainability aspect, as for example saving energy will save the business money as being environmentally friendly. Licence to operate aspect is about stakeholder engagement. Last, the reputation argument tries to incorporate strategy into CSR but mostly to the outside public, showing mostly as marketing campaigns. The effects of CSR activities to reputation as well as the connection between reputation and consumer behaviour are however impossible to measure. Porter and Kramer argue that all of these four rationales have the same weakness; “They focus on the tension between business

and society rather than their interdependence. Each creates a generic rationale that is not tied to the strategy and operations of any specific company or the places in which it operates.” They also offer a framework for integrating business and society in their article. (Porter & Kramer 2006, 2-4.)

If companies view the stakeholders as having the power over their licence to operate, CSR activities can only be viewed as business as usual. The relationship with stakeholders needs to be managed and their interests incorporated into the decision making processes. Thus companies should view CSR as an investment, not merely a cost. (EU Green paper 2001, 5.)

“Sustainable development is proposed by governments and business leaders as a solution for a wide range of problems now racing up the international agenda [such as] global warming, ozone depletion, social problems” etc. And for many reasons, such as having the resources and needing a sustainable market, business is expected to contribute remarkably to sustainability. (Elkington 1999, 20.)

Haapala and Aavaveri (2008) say that ethical businesses can turn their responsibility into competitive edge. Ethical businesses will thrive better than the unethical ones as the image or reputation will lead to unethical businesses losing employees, customers and eventually investors as well. The ethical businesses instead will succeed as they will be more profitable, will retain good employees, are productive and achieve high loyalty and thus will be able to stand out from their competitors. Nevertheless we are soon coming into an era when it is important to realise that only doing the minimum requirements or even conducting business in the “way it should be” is not enough but to gain competitive edge businesses will need to be ahead of everyone else by more responsible and innovative means of doing business. (11-163.)

KPMG’s study in 2005 identified various motivational drivers for CSR, and the business-related drivers included for example good brand and reputation, attracting employees, strong market position, gaining trust in financial markets in increasing shareholder value, and innovations (Katsoulakos & Katsoulakos 2007, 362).

In a research conducted by MORI for CSR Europe in 2000 within consumers in 12 European countries, it was discovered that 70% of consumers thought corporate responsibility to be important when making the purchase decision and 44% would be willing to pay more for socially and environmentally responsible products and 37% have purchased a product which

was labelled as social, ethical or environmental. 58% of consumers feel that companies do not currently pay enough attention to responsibility issues. The study also concluded that most consumers feel that social issues such as health and safety at work, human rights and environmental issues such as doing no harm to the environment are more important than just charitable or community giving. Another noteworthy finding was that of the European public one in seven is actively seeking information on ethical activities and also do want proactive and voluntary communication from companies. (CSR Europe)

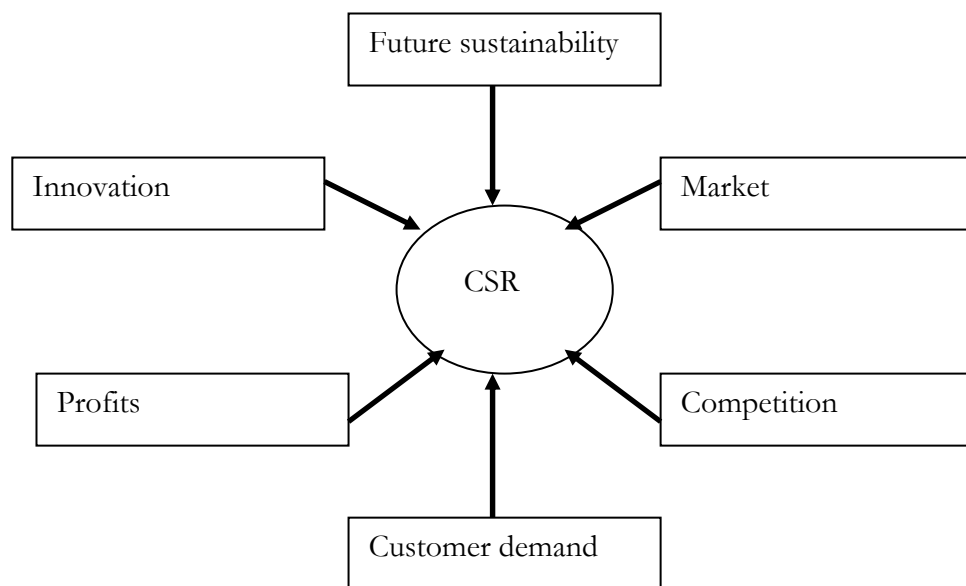
Supply and demand framework also offers some reasons why to engage in CSR activities. Firstly, “there is strong evidence that many (although certainly not all) consumers value CSR attributes” in products and services – and they are also willing to pay higher price for those products or services than a similar product without the CSR attributes thus allowing for CSR activities to be used as differentiating strategy (McWilliams & Siegel 2001, 119-124).

“Even the conservative Economist grudgingly admitted in a special issue in January 2008 that issues of CR were here to stay – and can be expected to continue to gain public attention” (Waddock 2008, 37).

As with terms and definitions of CSR, the motivation or reasoning varies a great deal – between academics and businesses alike. Inarguably, there are some more general reasons (such as moral obligation or climate change) and some more country, sector or even company specific reasoning for CSR. It is unclear however, whether there is a significant difference in responsibility according to the motivation or reasoning for CSR that a company for example uses. Would there be a different outcome in actions depending on whether a company acts purely on moral obligation reasoning or whether it acts to achieve competitive edge – or to fight climate change? The voluntary nature and company perspective are emphasized though as there are very few laws or government regulations concerning CSR directly. As nowadays irresponsible behaviour does seem to attract the attention of media and consumers rather easily, a negative impact seems like a natural outcome of irresponsible behaviour. If this leads to more companies being aware of CSR issues, it is working positively. In general, however, it would be a better outcome for all involved, if responsible behaviour would attract the same attention and cause the same effects – better for the companies, consumers, society and the environment.

2.5. Impacts of corporate social responsibility

CSR is about long-term and far-reaching implications and it reaches to all aspects of business operations. Thus CSR is mostly about future sustainability for any business, more over than only current short-term profits. The impacts of CSR actions differ according to many variables, such as country, sector, etc., and thus companies should consider the impacts to their own business and in their own environment. It is also important to realize that a company does not need to nor is it even sensible to address all the issues within CSR. According to Hawkins (2006), CSR related benefits could include for example improved financial performance in forms of reduced costs, better productivity and/or increased sales, brand enhancement, attracting employees, work satisfaction and safety, customer loyalty, increased market share, etc. CSR actions should be considered as adding value to the business and thus basically there is a focus on profit, which is business as usual for all companies. (190-195.)



Picture 2. Benefits of CSR (Hawkins 2006, 191)

Epstein (2008) as well as Blowfield and Murray (2008) list some documented benefits of CSR actions;

Financial payoffs

- Reduced operating costs (including lower litigation costs)
- Increased revenues / sales due to increased market demand

- Increased price due to quality and reputation
- Lower administrative costs
- Lower capital costs
- Stock market premiums
- Reduced future costs related to environmental clean-up, internal control and ethics breaches, and employee and customer problems related to lack of social sensitivity

Customer-related payoffs

- Increased customer satisfaction
- Product innovation
- Market share increases
- Improved reputation
- New market opportunities

Operational payoffs

- Process innovation
- Productivity gains
- Reduced cycle times
- Improved resource yields
- Waste minimization

Organizational payoffs

- Employee satisfaction
- Improved stakeholder relationships
- Reduced regulatory intervention
- Reduced risk
- Increased learning

(251-252; 145)

With CSR activities organisations can get benefits, such as “a more motivated and loyal workforce, greater productivity, reduced overheads and greater efficiency, more sales, greater access to capital, increased customer loyalty, improved reputation, reduced risk of prosecution, and access to investment and larger market shares. If an organisation can use less material and energy and create less waste, not only will it help the environment, but it will save the company money, which, if safeguarded, goes straight to the bottom line.” (Asbury & Ball 2009, 51-55.)

Reputation is also one benefit of good CSR practices listed by Meehan, Meehan and Richards (2006). Reputation will not only affect consumer behaviour but also other stakeholders, such as suppliers. With the ease and scale of today's information flow in for example the social media, problems in CSR performance can easily attract attention and thus alienate consumers as well as good suppliers. Consumers are constantly becoming more aware of CSR issues and are willing to focus their buying power to those operators that do act responsibly; an international survey in 2001 found that "CSR-related factors accounted for 49 per cent of a company's image while brands and financial management accounted for only 35 and 10 per cent, respectively". Benefits from CSR activities do however require that they are genuine and consistent throughout the activities of a company. Business cannot choose to participate only partially, attending to some issues while leaving others unattended. Good reputation amongst consumers, especially the ethically thinking ones, "translates into enhanced sales revenue". (393-395.)

There is some evidence that responsible actions in relation to employees would have a positive effect on financial performance. HR activities can be used to create competitive advantage through increased efficiency, lower turnover and absenteeism, improved productivity and increased motivation. There is also some clearer evidence that caring for the natural environment affects positively with for example decreased operating costs, improved product differentiation possibilities, improved reputation also leading to consumer and employee loyalty, and avoiding future environmental costs. Less clear evidence can be found with actions for the community, e.g. philanthropy. (Berman, Wicks, Kotha & Jones 1999, 489-490.)

Galbreath's research (2006) showed some negative affects concerned with environmental and social actions. Responsibility in these aspects seemed to affect performance negatively. Environmental responsibility can be seen as reducing profits as responsible actions many times require investments or incur higher costs. The same applies to social aspects when considering it to include charitable monetary donations which naturally reduce profit. There is though another side to this as well. If the company is not involved in any kind of environmentally or socially responsible actions, it might be viewed as acting irresponsibly by at least the local community which then can also lead to negative influence on the performance. (1115-1116.)

The research on benefits of CSR activities or even the relationship between CSR and financial performance are controversial. Many research results have indicated positive and negative as

well as neutral relationship. The research results and methodology as well as the data used have been under much debate, hence leaving the subject without any clear conclusion. (McWilliams & Siegel 2001, 117; Bird et al. 2007, 192.)

The impacts of CSR seem to be the most debated issue around the whole concept. It looks as if most attempts at defining the impacts can be criticised on some respect – and what impacts one researcher concludes on, another concludes on opposite results – depending on the situation, country or other variable in question. CSR as an issue per se is a vast and difficult issue to cover completely in any research – and variation will surely depend on the limitations of a research. The difficulty in evaluating the impacts arises from the fact that it is impossible to know exactly what is the cause and what is the consequence when it comes to CSR related impacts. Of course there are certain impacts that can be verified, mostly within the environmental activities, but even then measuring all the impacts is very difficult. Every business is different; situations within a business as well as outside it change constantly, making it difficult to identify the impacts of CSR related activities separately from other activities. However, if a business engages in CSR merely from moral perspective and if, as it should, the activities are just business as usual, is there even any need to identify the impacts activities separately? Nevertheless, when CSR issues are first brought up in a company, the impacts – and especially the claimed benefits – become important for making the business case of CSR.

“CSR can be much more than a cost, a constraint, or a charitable deed – it can be a source of opportunity, innovation, and competitive advantage” (Porter & Kramer 2006, 1).

2.6. Corporate social responsibility standards and measurements

With the increased awareness and interest in CSR, a need to measure and communicate business CSR activities has also risen. Although many standards and measuring systems have been developed, the business world is nevertheless still left with no single, universal, international, complete standard to use. Business and academic world together with other organisations are researching the subject continuously but as the CSR can be regarded as still a rather new subject, a standard agreed by all is still probably some time away. There are some varying standards available, for example; The Ethical Trading Initiative (mainly about labour practices), The AccountAbility 1000 (ethical performance), The Social Accountability 8000 (labour issues), Global reporting Initiative (sustainability reporting on social and environmental performance), ISO 14000 (guidelines for environmental standards), etc. In

addition, the European quality management foundation (EFQM) also takes some responsibility issues into account. (Observatory of European SME's 2002, 61-63.) ISO 14000 standard is currently the most used environmental standard, with over 110 000 companies in 138 countries being certified with it. EMAS is another standard, differing in focus in the Europe as it was introduced by the EU and the ISO being a global standard. The ISO 14000 standard does not require companies to meet certain performance levels, but to follow the process and commit to continuing improvements. The EMAS standard focuses more on the impact measurement. The SA8000 Social accountability standard is a certificate that focuses on human rights in the workplace and it is based on ILO (International Labour Organization) workplace norms and the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. A wider initiative is the United Nations Global Compact, which includes human rights, labour, the environment, and anti-corruption. Global Compact does not however monitor the participating companies in their compliance, and has thus been criticised for it. The Global Reporting Initiative (GRI), first released in 2000, aims to offer organisations guidelines for reporting economic, environmental, and social performance. GRI evolves through active participation from corporations, NGOs, accountancy organisations, business associations, and other stakeholders and is aimed at all organisations regardless of size, sector or location. (Epstein 2008, 73-77, 224-225.)

Most progress has been established with setting environmental standards, least with social. There is also a debate whether any standards or audits can give a realistic enough picture of what is really happening in a company in practise. Nevertheless there is a real need to set some international standards to responsibility because “no form of effective benchmarking is possible without proper, internationally accepted measuring and reporting systems” (Cramer 2002, 103).

The many voluntary standards and certificates in CSR field can be utilised to help in creating the frame of the issues and especially in communicating the actions and commitment to stakeholders. The standards can provide for a more structured, systematic method for developing and implementing CSR related actions, as well as bring other benefits such as enhanced brand reputation, cost reduction and improve stakeholder communication. Specific industries have also created their own codes of conduct (for example Responsible Care), to encourage their members to adhere to certain actions that have been identified as important to the consumers and other stakeholders. For any company, deciding which standard or codes to follow, is both an important as well as a difficult decision. No standard or codes by themselves are likely to address all the issues the company faces, nor can they all be adhered to in all

environments. Thus a company will need to plan carefully the participation to standards and codes and adopt only those that fit the business and the environment the company operates in. (Epstein 2008, 73-78.)

Although several different systems have been developed for CSR around the world, there is thought to be “no single best way to measure” it. The measuring systems include for example reputation indices and databases (for example the Fortune index), using single- and multiple-issue indicators (for example CEP’s pollution controls performance), content analysis of corporate publications, individual perception scales with perceptions differing from company manager to stakeholders (for example PRESOR). However, limitations to these systems include issues such as being suitable only for certain type of businesses or in certain countries, limitations in dimensions, restrictions and reliability of the available data as well as the scope, and the actual measured aspect (e.g. values vs. actions). (Turker 2008, 414-416.)

There is also some other criticism concerning the external standards and reports. Blowfield and Murray (2008) depict some “truths” about CSR to be possibly only “half truths”; although adopting an external standard might offer credibility and systemacy to a company’s CSR activities, it might also constrain the company in building its own CSR vision that would be most suitable for them considering company specific characteristics. Social and environmental reporting can also be very time-consuming and bureaucratic, taking time away from the actual CSR activities, although also providing public records on performance. (117.)

Epstein (2008) writes about a survey made in 2005 that investigated stakeholder views on reporting CSR issues. The results showed that stakeholders consider for example human rights, energy-/eco-efficiency, health and safety, climate protection, environmental policy, waste treatment/recycling and social policy statements or guidelines as very important information. (229.)

Although quite a few of the large, multinational companies do publish reports covering some CSR issues, their focus is mainly on environmental, health and safety issues while some other aspects are still overlooked in reporting, mainly issues such as human rights and child labour. Due to the lack of any universally applied reporting standard, the information levied in the reports varies greatly. The need for such a standard as well as audit procedures is imminent for comparison and reliability reasons. Recommendations (e.g. EU) and even legal requirements (e.g. France) on reporting are increasing and a number of organisations have already developed frameworks for CSR related standards although there is vast variation in scope and

scale as well as standard requirements within them. Increasing reporting as well as the reliability of the reporting would require both guidance and tools for reporting, much needed especially within SMEs, and third party audits and verification. (EU Green Paper 2001, 18-19.)

Many theorists describe CSR development as a journey and different theorists have created differing models or stages of CSR development. However, yet again there is no single one universal development path for all companies. In their book 'Beyond Good Company', Googins, Mirvis and Rochlin (2007) describe the development of CSR (term used in the book is corporate citizenship) as "natural progression" building on behavioural psychology and they divide the levels into seven dimensions of management;

1. **Citizenship concept:** How is citizenship defined? How comprehensive? To what extent a company has a broad and inclusive picture of its role in society?
2. **Strategic intent:** What is the purpose of citizenship in a company? To what extent citizenship is embedded in a company's business plans, products and services, and culture and ways of doing business?
3. **Leadership:** Do top leaders support citizenship? Do they lead effort? How well informed top leaders are about citizenship, how much leadership they exercise, and to what extent do they "walk the talk"?
4. **Structure:** How are responsibilities for citizenship managed? Movement of citizenship from marginal position to its management as mainstream business activity.
5. **Issues management:** How does a company deal with issues that arise? How proactive a company is when engaging these issues and how responsive it is in terms of policies, programs, and performance?
6. **Stakeholder relationships:** How does a company engage its stakeholders? Development in terms of the increasing openness and depth of stakeholder relationships.
7. **Transparency:** How open is a company about its financial, social, and environmental performance? When and how companies adopt transparent practices and how much information they disclose?

(77)

Each of the dimensions can be seen to develop through 5 stages as depicted in the picture below.

	Stage 1 Elementary	Stage 2 Engaged	Stage 3 Innovative	Stage 4 Integrated	Stage 5 Transforming
Citizenship concept	Jobs; profits; taxes	Philanthropy; environmental protection	Stakeholder management	Sustainability / triple bottom line	Change the game
Strategic intent	Legal compliance	Maintain licence to operate	Make business case	Integration of value and values	Create new markets / social change
Leadership	Minimal	Supportive	On top of the issues	Ahead of the curve	Visionary
Structure	Marginal	Functional ownership	Cross-functional coordination	Organizational alignment	Integrated into mainstream
Issues management	Defensive	Reactive	Responsive	Proactive	Defines the issues
Stakeholder relationships	Unilateral	Interactive	Mutual influence	Alliances and partnerships	Multi – organizational
Transparency	Enough to protect flanks	Public relations	Public reporting	Assurance	Full disclosure

Picture 3. Stages of corporate responsibility (Googins, Mirvis & Rochlin 2007, 78)

As a company is faced with social and environmental challenges, organizational learning will carry a company from one stage to next. As CSR does cover a wide variety of acts and aspects, it is natural that a company could be on different stages in the different dimensions, and even within the dimensions – i.e. a company might be on elementary stage in for example community involvement but in innovative or even transforming stage in for example environmental aspects. Movement from stage 1 towards stage 5 will mean that CSR will become more comprehensive in a company and in the process it will require more capabilities and commitment. It is important to remember that there nevertheless is no fixed ending point for the development – the process can never be ended, but development will need to be continuous even after stage 5 is reached since the business environment and demands will also keep changing. (Googins et al. 2007, 76-78; Blowfield & Murray 2008, 104-106.)

On one hand, the great variety and also controversy surrounding CSR issues can also explain the fact that there are so many different standards and codes – on the other hand, the amount is nevertheless surprising. It is easy to imagine how overwhelming the different standards and codes can be to any company, let alone to SMEs. It is evident though that comparing companies and their CSR related activities is impossible without some form of a standard, code or standardised reporting. Besides the need to compare companies, an individual company will also benefit from using a standard or code as it will offer structure and systemacy and means to follow own progress as well as provides objective information to stakeholders. It is not however insignificant which standard or code is selected. The standard or code used has to be one that suits the sector, culture, needs and special features of the company. Making the selection carefully will ensure that no time is wasted on inefficient use of a standard that does not suit the company. The most suitable standard or code is most likely used also by other operators in the sector and will thus provide for a benchmarking opportunity. The company will therefore also be able to get the most help and support from the standard or code in question.

3. General information about corporate social responsibility in Europe and in the sector

3.1. Corporate social responsibility in Europe

On the 21st century, European Commission has included CSR related issues on the agenda more visibly and stronger than before. The commission aims to improve the competitiveness of European business and invites and encourages European businesses to take an active role in developing business in sustainable ways. Instead of developing laws and regulations the European Commission aims to reach better results via cooperation, partnerships and information sharing and emphasizes the voluntary commitment to CSR. It has supported the launch of European Alliance on CSR and the European Multistakeholder Forum on CSR that offer platforms to all entities in the EU to work together in developing CSR related issues and sustainable business operations. European Commission also aims to provide for a business environment that encourages CSR within Europe. The commission states that even though awareness, understanding and uptake of CSR have increased within past few years, implementation and strategic integration of CSR needs improvement. (European Commission 2006.)

CSR related activities are traditionally led by large international companies in Europe. The European Union has “played an important role in consolidating social and environmental practices of its member states and strengthening its cohesion through common values”. There is also some mistrust of the public in businesses and also variation between the Western Europe and Central and Eastern Europe in their approach to CSR. (csreurope.org; acceleratingcsr.eu).

A report of Observatory of European SME’s in 2002 (No 4), titled European SME’s and social and environmental responsibility, concludes that half of European SME’s are involved in CSR activities, donations and sponsorship to sport, culture and health/welfare activities being the most typical. The main driver for CSR activities is ethical. However, the activities are mostly occasional and not incorporated in to the business strategy and thus SME’s are mostly not able to clearly see benefits of their CSR activities. The constraining factor is mostly not lack of resources but attitudinal although the report shows also that awareness of the importance of CSR is increasing. (Observatory of European SME’s).

There are also several European NGOs that provide useful information and practical tools on CSR related issues. For example Envirowise has produced a leaflet about Scottish tourists businesses saving money by waste management, depicting three accommodation businesses in Scotland. The leaflet describes the actions these businesses have committed to and the estimated benefits of the actions; monetary cost savings of £570 - £9 239 per annum have been established. (www.envirowise.gov.uk/scotland). Envirowise, as well as many other similar organisations, also offer simple guides to for example reduce energy or water use or increase recycling.

3.2. Disney

As the object of this case study is Sea Life chain that is operated by Merlin Entertainment Group - which is considered to be the world’s second largest visitor attraction company second only to Disney - Disney was taken as a benchmarking target.

Disney includes corporate social responsibility reporting in its annual reports. The section is called corporate responsibility, and it includes a description of Disney’s actions in the various aspects of CSR. Although the report contains very little detailed information it nevertheless describes many concrete actions that Disney does; local community initiatives and employee volunteering donation were \$177 million in 2007 and \$209 million in 2008 in cash and in-kind

to several charities around the world, employees volunteered over 466 000 hours of service, reduced environmental impacts by installing new technology and spread awareness with educational programs, provided funding to nature and wildlife projects through Disney Wildlife Conservation Fund, and has a code of conduct for manufacturers of their products stating for example minimum working conditions and standards. Many different charities benefit from Disney's involvement, varying from culture to nature, but naturally for Disney the main focus are children and their families. Community involvement is a large part of Disney's operations and it has also as a separate Community Engagement Report in the annual reports. Although Disney describes having had an environmental program for 17 years in 2007, only in 2008 has it set formal goals on environmental issues and conducted its first greenhouse gas inventory and has set targets for decreasing emissions and introduced recyclable and reusable plastic bags in its stores and parks. (Disney annual reports 2007 and 2008).

Unfortunately information about Disney's corporate social responsibility actions were not found from other sources than Disney's own public records and therefore it is difficult to evaluate the exact stage of the CSR in Disney. Disney is a very large company and can utilise its resources to do much good but based on their own annual reports it is impossible to evaluate the real effects of their actions.

3.3. Public aquariums

3.3.1. Brief history

Having fish on display has quite a long history, reaching as far back as 4000 years. Originally fish were kept simply to preserve them for food consumption. Fish breeding begun in the 11th century in Far-East and fish as domestic animals started in Japan in the 16th century spreading around the world after that. (www.seaworld.org, www.e-aquarium.com.au).

Many cultural and scientific changes influenced the appearance of public aquariums. In the 19th century, attitudes towards the nature changed. Nature was no longer thought just as a surrounding, external thing but as an important thing connected to human life. At the same time, scientists noticed that plants could produce oxygen into water when submerged into it and thus fish could be kept in aquariums without changing water. Hence the increased appreciation for nature in general as well as increased interest in studying underwater life advanced the appearance of public aquariums. (www.neaq.org).

The first public aquarium in the world was established in London in 1853. A few years later opened the second aquarium, in New York USA and dozen other aquariums were opened during the following decades in Europe and the US. The scientific advancement has made aquarium keeping much easier, and with the modern technology fish can thrive in aquarium environments. (wikipedia.org, www.seaworld.org).

The first public aquariums' purpose was to portray fish and neither the natural environments nor educational aspects were considered at that time. New technology of the 1960's and -70's improved the aquarium conditions and the awareness of fishes' natural environments, living habits and underwater life evolution increased. The advanced technology in the acrylic industry enabled very big masses of water to be kept in see-through tanks and thus public aquariums also build the first underwater tunnels. Instead of individual fish, attention was now directed to bigger ecosystems, and the focus shifted more towards the educational aspects. (www.euac.org).

Nowadays increasing environmental awareness and environmental protection have become the main purpose of most aquariums. Most aquariums have conservation projects which aim in preventing extinction and advancements in preserving some species or ecosystems. Educating children and young people is considered very important to integrate environmental protection into their values. Activists within the industry suggest though that unfortunately the educational work has not proven efficient yet and thus the education, research and campaigning should be even more prominent to affect human behaviour. Many public aquariums nowadays withhold a vast amount of expertise and knowledge that should be put in use to educate and campaign for the underwater life. (www.euac.org).

3.3.2. Corporate social responsibility in the European aquariums

No official data or statistics on public aquariums in Europe was found, hence the information here has been gathered with internet searches and reading through individual aquariums websites.

Based on internet searches, there are about 160 public aquariums in Europe. They are partly independently located and partly within larger establishments, mainly zoos. They vary quite a lot both in physical size and number and variety of displayed species. Main concentration of public aquariums is found in Western Europe, mainly United Kingdom, France, Spain and

Germany which is natural considering both the large population as well as the tourism industry in these countries. Most of the aquariums are independent also as in not being a part of a chain and the largest chain of aquariums are Merlin Entertainment's Sea Life centres with 31 locations around Europe. Aspro also operates several aquariums (11) in Europe, although they are not all branded into one chain. Some of the aquariums do not have an internet site of their own and some internet sites did not have information available in English.

Based on the internet sites of the aquariums, CSR issues are far from recognised or used within these aquariums. There are hardly any mentions of CSR related issues on the internet sites – apart from the obvious marine conservation issues. The conservation issues are visible on about half of the internet sites, although the aspects and depth of the issues do vary a lot. Some sites describe conservation projects, research, partnerships and other forms of advancing conservation while others only briefly mention that they are committed to conserving the nature. Conservation issues were more extensive on the internet sites of zoos and thus the conservation issues were mostly wider than merely marine. Sea Life centres also have conservation issues mentioned on the internet sites, however the internet site is basically the same for all the centres.

Only nine internet sites were found that portrayed more information on CSR related activities than only conservation. This information also varied a lot, for example one mentioned using green energy (Boudewijn Seapark in Belgium) while another had information about ecological building and a committee for sustainable development (Universeum in Sweden).

While it is natural for aquariums and zoos to concentrate on the conservation issues as the business is about nature and animals, it is actually quite surprising that only so very few places give information on CSR related activities in general. Presumably there are a lot of people working for these places that have both the enthusiasm and the knowledge to ensure at least quite environmentally sustainable operations so it could be assumed that the information is just not portrayed publicly. This may be due to lack of any official policies or activities – the CSR activities may well be just business as usual.

Zoos and aquariums could well use their internet sites much more in CSR respect. As a couple of them already do, they could give out advice on how consumers themselves can help to preserve the nature. They could also start giving out detailed information about all of their CSR related activities as that would surely raise awareness amongst consumers as well as other businesses and create also some pressure for other companies to improve their responsibility.

Public aquariums and zoos are already functioning as very important educators on nature conservation and do surely have a positive impact on that. That could be used also to increase the positive impacts on CSR the whole industry can have.

4. The case study

4.1. Case study as research method

In his book “Case Study Research” (2009) Yin states the technical definition of case study research as follows;

“A case study is an empirical inquiry that

- investigates a contemporary phenomenon in depth and within its real-life context, especially when
- the boundaries between phenomenon and context are not clearly evident.

[and] the case study inquiry

- copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result
- relies on multiple sources of evidence, with data needing to converge in a triangulation fashion, and as another result
- benefits from the prior development of theoretical propositions to guide data collection and analysis.

(18)

Using several sources of information is one of the pre-requisites of case study research. Multiple sources of information will also improve the quality of the study. The gathered data will also need to be processed properly to establish reliability and validity of the study. One rationale of multiple source usage is triangulation. Triangulation means that multiple sources of evidence are used to approach the same phenomenon or issue and the evidence is used to view one conclusion. (Yin, 2009. 98-118).

In this research, case study was chosen as research method for several reasons; CSR is in general relatively new concept in business and concentrates still more on products than services. Public aquariums also have not been studied in CSR aspect and thus the issue needed to be studied in real-life context as well gathering data from several different sources and thus triangulation is also used in this research. Evidence has been collected from multiple sources; a survey, participant-observation, articles and literature, web pages, and company internal information and contacts, which are all described in detail in the following chapters.

Triangulation has been found useful in this case study specifically because the lack of broad official data on CSR in visitor attraction business and public aquariums.

The researcher being herself an employee of a Sea Life has both advantages as well as disadvantages. As an employee, the researcher has had the possibility to observe real-life practices both at her own work place as well as briefly in other Sea Lifes which has created a good understanding of the day-to-day operational life and distinctive features of the business. Access to the organisation's internal data has also been one advantage, as most data is not publicly available. One obvious disadvantage is to maintain objectivity in the research.

4.2. Reliability

In general, the reliability of the research is good but not excellent. The various materials and methods with triangulation increase the reliability. The data however is somewhat incomplete; the survey was not answered by all Sea Lifes and the received answers were also partially incomplete and answers short. Researcher's employment with the company can also be seen as both increasing reliability (access to internal materials) and decreasing reliability (danger of generalising results from own working place). Reliability in general would benefit greatly from observational method rather than a survey due to the terms and concepts being rather unknown affecting the answers and the language (English) used not being the native language of the respondents.

4.3. Transferability

Transferability of the research is rather broad. The research process itself could be used in many other sectors. Especially other small and distinctive service sectors and businesses could benefit from the research process used here. Case study as a research method has been well suited for the matter as the theory mainly still concentrates more on products and industrial production than services and even less theory is found on visitor attraction or public aquariums. This research concludes the findings in a CSR stage analysis and development plan for Merlin and the Sea Lifes which could also be used in many different businesses and sectors, and again, especially smaller sectors of businesses could quite easily use the development plan.

4.4. Basic information about Merlin Entertainments Group and Sea Lifes

Merlin Entertainments Group Ltd (referred later as “Merlin”) is a privately owned UK based, international visitor attraction company that comprises of 60 attractions, 6 hotels and 2 holiday villages in 13 countries across three continents. It is mainly owned by Blackstone Group, a US based investment firm. Other shareholders are KIRKBI A/S, a family-owned investment company in Denmark, and Dubai International Capital LLC, an international investment company, and the management team. Merlin is the market leader in Europe and worldwide second only to Disney. Merlin’s attractions were visited by more than 38 million visitors in 2009. Merlin employs about 15 000 employees worldwide. Merlin owns and operates many known brands, such as Legoland, Madame Tussaud’s and Sea Life aquariums as well as some unique attractions such as the London Eye. Merlin’s vision is “to become the world leader in branded, location based entertainment”. Merlin has been very successful in growing the business and has been able to deliver double digit EBITDA growth in 2000-2009. (www.merlinentertainments.biz).

The Sea Lifes are Merlin’s chain of public aquariums. The first Sea Life was opened in 1979 in Oban, Scotland. There are 32 Sea Life centres currently – 31 of them being in Europe and 1 in the USA – making Sea Life the world biggest public aquarium chain that welcomes well over 10 million visitors a year. Some of the Sea Lifes are located independently and some of them within a larger resort (for example Legoland). Sea Lifes are mainly owned by Merlin, but there are a couple of exceptions (for example Helsinki Sea Life is owned by Merlin and the Finnish Children’s Day Foundation with equal shares). Sea Life centres display a great variety of sea creatures and aim to increase the awareness in marine conservation by offering the visitors interesting and amazing experiences. (www.merlinentertainments.biz ; www.sealife.fi).

4.5. Materials, documents and evidence

Some internal documents have been used as evidence of CSR activities. As these materials are currently for Merlin’s internal use only and confidential as such, the materials themselves are not attached here nor are they directly quoted. However, as the materials have been used as evidence on CSR related activities within Merlin and Sea Lifes, they are described here briefly.

Merlin has started more comprehensive CSR related planning in 2008 and as a result, Merlin has created a ‘Merlin in the community’ -team with seven members, all being executive

managers within Merlin. Merlin community responsibility strategy document was produced late 2008. This document is the main CSR related Merlin document used in this case study. The document includes some background and motivation to CSR related activities within Merlin and describes cooperation with 'Business in the Community' (BITC), a UK organisation that encourages commitment in CSR activities within businesses and offers support and help to them (www.bitc.org.uk). The document also includes Merlin's CSR mission and strategy and the business case for CSR as well as a CSR action plan. In addition, the document lists some examples of CSR related activities in both individual units and main branded chains (such as the Sea Lifes). (Merlin 2008)

Other materials that have been used are Merlin Annual Reports 2007 and 2008, which are already public documents and a draft of the 2009 annual report's section on CSR.

In January 2010, Merlin collected information on CSR related activities across the company to collate information for the annual report. From this information, a summary of community, charitable fundraising and donations for the year 2009 has been used in conjunction with some best examples from individual sites (including both some from Sea Lifes as well as from other attractions).

Also Merlin's document on terms and conditions for suppliers, policy on care of animals as well as other documents from the ethics committee (the ethics committee handles issues related to animal welfare), and other internal policies (such as health&safety, recruitment, etc.) have been used as evidence.

In addition to the above mentioned documents, participant-observation has been an important part of the case study as the researcher works for Sea Life Helsinki as senior operations manager. The researcher also conducted a preliminary analysis of CSR issues in Sea Life Helsinki in early 2009. The analysis was made as a course work for CSR course which is a part of the researcher's master's degree.

5. Corporate social responsibility in Merlin and the Sea Life aquariums

5.1. Merlin Entertainments Group

This section describes Merlin Entertainment Groups CSR related activities and is comprised of both public information (for example from Merlin website) and internal information collected from different internal materials described above.

Merlin has started a CSR strategy process in 2008 and as a result a “Merlin in the Community” team was created. The team comprises of seven members, all being executive managers of Merlin. Already before this, Merlin joined Business in the Community (BITC) who helped Merlin in the strategy development work aiming to incorporate the CSR strategy into the overall business strategy. Merlin’s CSR mission and plan is to improve stakeholder relationships resulting in a positive and valued image of Merlin and enabling relevant and positive public information on CSR issues. The main CSR themes are the support of disadvantaged children through Merlin’s Magic Wand charity and animal welfare. Merlin aims to develop a company-wide CSR strategy with common values as well as allowing for local implementation. In 2009 Merlin has initiated a programme with Carbon Trust to analyse the carbon footprint of the company.

Merlin’s Magic Wand was established in 2008. It is registered in the UK as charitable trust. The charity is run by a board of directors. The aim of the charity is “to give children who are seriously ill, disabled or disadvantaged the opportunity to enjoy attractions that they may otherwise not have been able to”. Merlin made an initial commitment of £100 000 to the charity and together with 5000 free tickets the donation is worth about £300 000. Merlin as well as individual sites offer additional support to the charity via various fundraising activities which in 2009 raised nearly £150 000 for the charity. In 2009, the charity made 860 awards to deserving children and their carers, giving nearly 17 000 free tickets to Merlin attractions and over £40 000 in travel awards. In addition to Merlin’s Magic Wand activities, individual sites organise and participate in many local community activities. (www.merlinsmagicwand.org, Merlin annual report 2009).

In animal welfare and conservation year 2009 continued the success of breeding programmes with species such as seahorses, sharks and jellyfish, rescue and rehabilitation and release

programme that for example rescued and rehabilitated over 100 grey and common seal pups and significant progress was also made in conservation with for example cooperation with the Whale and Dolphin Conservation Society (WDCCS) and continued fund raising for a sea turtle rescue facility on Zakynthos, Greece. (Merlin annual report 2009).

5.2. Survey in Sea Life aquariums and results

The purpose of the survey was to establish how individual Sea Life centres view CSR concept and issues surrounding it. The main objective was to gather information on very practical level to ultimately analyse on what stage the Sea Lifes as a chain currently are on CSR issues.

The survey was conducted in December 2009 via web based survey form that contained 71 questions in different areas of CSR. An invitation to participate was emailed to main management in Sea Lifes, mainly attraction or general manager, operations managers and marketing managers with a wish of one participant from each centre. Out of the 31 Sea Life centres in Europe, 10 answers were received in addition to one face-to-face interview using the same survey (Finland) giving a total of 11 answers yielding a 35,5% return rate.

The survey answers were granted anonymity to enable participants to feel free to give truthful answers. As the answers do seem quite earnest and truthful, this target was achieved, but it does inhibit the comparison between countries though. Aim of the face-to-face interview was to establish some ground for the understanding of the survey questions and thus enabling analysis of the generalisation of answers. Main weakness of the survey was its length with the high number of the questions. Participants were thus allowed to fill in the survey in parts as well as allowing sufficient time span in answering. However, some respondents did not answer all questions, or answered several questions with one answer.

The survey had nearly only open ended questions to allow for respondents to use their own expressions as well as to analyse similarity in question understanding.

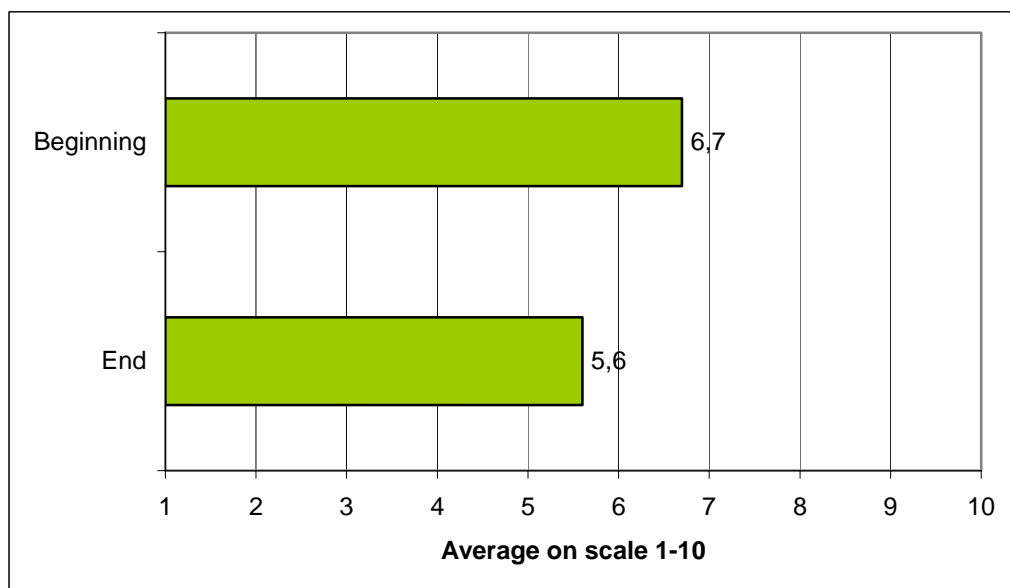
5.2.1. General

At first respondents were asked whether they had heard about corporate social responsibility (CSR) before in some form and to give a definition to it in their own words. Nearly all of the respondents had heard of the concept before (only one had not heard). If individual

definitions were looked at collectively, nearly all elements of CSR were included – however, no individual definition by itself was all inclusive. Main points in definitions were;

- environment
- people
- respect
- going beyond legal requirements
- charity

Respondents were then asked to rate their own site’s responsibility on a scale of 1 to 10 (10 being extremely responsibly), basing the rating on their own definition. At the very end of the survey, the same rating question was asked again. Respondents were now asked to rate the responsibility of their site having then learned more about the type of issues that CSR covers. The averages of both questions are shown in the picture below. In the beginning the answers varied between 4 and 10, and at the end between 4 and 7.



Picture 4. The average responsibility ratings at the beginning and the end of the survey.

In the beginning, as explanations of their ratings, respondents giving a higher rating referred to doing the things as they defined CSR and respondents giving lower ratings explained that more could be done and cited some examples of what needs improving. At the end, many respondents gave similar explanations to their rating, but since many gave lower ratings, it seems that the width of the concept was not very clear at the beginning of the survey. Quite naturally, when first asked to evaluate the responsibility of the business the respondent is running, one would naturally answer on the responsible end of the scale – and in this case, it

seems that respondents have really come to realize what CSR really means and includes after the survey and have then re-evaluated their own businesses. This would also indicate honesty in the responses.

Most important values were mainly site specific values, for example teamwork and environmental values, and Merlin official values were mentioned in two responses. Values are mostly also not communicated in any official or public matter, but mostly in the day-to-day work.

According to all respondents, CSR related issues are not reported in an official manner to anyone else but the owners, but the following question did bring up that financial aspects are reported to for example employees and the government.

In general, CSR is considered to be permanent and growing by all respondents. CSR is also mostly considered to be important on the site level, mainly because of the business we are in, but most respondents also stated that current circumstances do not allow for it yet (for example due to budgets or Merlin strategies or policies). Thus there is really no long-term CSR consideration at site level – three respondents also questioned whether there is CSR consideration even on the Merlin level either. Motivation behind CSR is thought to be mainly the demand from society. Most respondents are not able to specify what positive effect CSR could bring to the site, but a few respondents identify for example cost savings and reputation. Nearly all respondents state that they do not have enough of neither knowledge nor resources to operate responsibly. Money is stated to be the most important obstacle in more responsible operations and time as the second most important. Sea Life's are considered to have an important role in especially environmental aspects such as energy and water saving, recycling and animal welfare, also employee and customer safety were stated to be important aspects in Sea Lifes.

5.2.2. Purchasing

When asked about what aspects in general were considered when making decisions concerning purchases (products and services, small or large), the initial answers were mostly price and value for money or the price-quality relationship, but also two answers included environmental aspects. The following question about whether CSR related issues were considered, yielded more answers about social and environmental factors, however, most pointed out that they were still not considered to be the most decisive factors. Questions

relating to purchasing later on in the survey produced similar results. Price and price-quality relationship were mostly considered when choosing suppliers or cooperative partners. However, all respondents answered that they have in general considered the impacts of their purchases (some stating only yes, some stating more specifically which aspects or even concrete impacts, such as water use and recycling). When asked about consideration of environmental impacts, most responded that those were not considered which was partly conflicting to previous answers.

All respondents would avoid buying from companies that have received negative publicity in the media. In searching for new suppliers most do try to locate responsible companies, but many respondents also state that the individual site has little power over selection of suppliers as those decisions are made mainly centrally by Merlin.

Although price was considered the most decisive factor in purchasing decision, most respondents indicated that CSR issues could be a more imminent part of purchasing, but also stated that it needs both the leadership and management and budgets or financing from Merlin first. Sites and suppliers do not currently really communicate in CSR related issues, except for retail suppliers which have been sent a Merlin policy relating to terms and conditions. Respondents also felt that individual sites even could not affect suppliers, except maybe some local ones, in operating more responsibly, and felt that Merlin should be the main actor towards suppliers. The retail suppliers are also considered to be the most important suppliers by the respondents as well as being most likely to have a major CSR impact. Some respondents also identified some specific impacts that the retail suppliers have, mostly environmental such as use of PVC or plastic wrapping, manufacturing and distribution impacts.

In general, the respondents felt that responsibility issues should play a part in decision making, but nevertheless they felt that at this time, it is not possible for themselves due to for example price, budget, or central Merlin decision making reasons. Company-wide, longer term vision and strategies are again felt to be missing. Considering policies relating to the impacts of the purchasing, only the Merlin supplier terms and conditions was mentioned by three respondents, although one respondent felt that it is not CSR related.

5.2.3. Stakeholders

With a short definition of a stakeholder (as a person, group, organisation, or system who affects or can be affected by an organisation's actions), respondents were asked to name their stakeholders. Nearly all stated customers and employees, and also the owners were mentioned quite often. Suppliers were mentioned in three answers, and local community in two answers, and animals, schools/universities, media in individual answers. Employees were mentioned most often to be the most important stakeholder and customers second most often.

Respondents were then asked to describe the relationship between the different stakeholders (employees, customers, owners, suppliers, partners, local community, authorities, schools/universities, media and non-governmental organisations) and the site. Most respondents described communication to these stakeholders, focusing mainly on one-way informational communication, i.e. information about the site's operations to the stakeholders. Communication channels varied a lot between both sites and stakeholders, including mainly face-to-face, informal communication with employees and customers and more general, formal communication with other stakeholders (for example via website, press, email, telephone). Most regular communication was stated with the owners with mentions of daily, weekly, monthly, quarterly reporting of different issues, but mostly financial.

Concerning stakeholder expectations, the respondents stated nearly only employees, customers and owners (one mention of suppliers) and these are also the ones participating in the sites' operations as well as the stakeholders that are asked for feedback. All respondents had very similar answers in the forms of communication with the few stakeholders (employees, customers, owners), including face-to-face communication, satisfaction surveys (employees and customers), and reporting as well as audits (both internal and external).

In regards to local society impacts, respondents identified attracting visitors to the area, providing employment opportunities to local people, creating business for local suppliers of products and services and paying taxes. One respondent mentioned environmental impacts such as consuming a lot of water. On the society's impact on the site only a few mentions resulted, including for example local customers and employees and basic infrastructure (such as public transport and health care). Only a few respondents said they help or support the local community/society, for example providing free entrance or reduced prices for local charities, foundations and schools.

Question about cooperation with other companies in the area resulted only in mentions about joint tickets and marketing or promotional cooperation. Competitors were also mostly cooperated with, also in forms of joint tickets or discounts, although answers also included some mentions about following the competitors closely and adapting own operations accordingly if necessary.

5.2.4. Environment

Nearly all respondents identified negative environmental impacts of the operations, mainly water and energy consumption. Positive environmental impacts were far fewer, with three answers about increasing environmental awareness and one answer about the Sea Life SOS conservation projects.

With questions about environmental policies and practices, most respondents identified recycling, changing lighting and aquarium filtration system. Two respondents stated to use environmentally friendly energy (windmill and water), but the rest did not know the source of energy specifically – and one stated that it is definitely not “green” energy. None of the respondents had currently energy saving policies as such, but did identify some practices, such as switching off lights when possible and requiring energy efficient equipment. About a half of the respondents commented that the aquarium lightning system was due to be changed into led lights, but as no budget or central funding was provided for the project, progress was really slow or even impossible. The aquarium filtration system was mentioned by three respondents as a policy or practise in water saving, other mentions were also acquiring a new dishwasher that uses less water and having water saving toilets. None of the respondents could identify waste reducing or pollution preventing policies, although one mentioned that retail suppliers could use less packaging and another mentioned recommending employees to use public transport rather than own cars. All respondents stated to recycle, but only a few gave a more detailed answer with estimate of how much waste was recycled (40%, 60%, 80%) and what was recycled (all three stated paper, and one respondent stated altogether eight different recyclables). All respondents stated that employees are given training in recycling but no other environmental aspect. None of the respondents measure environmental impacts currently nor does anyone report environmental issues outside the site. Overall, environment is mainly not considered to play much of a role in the operations. One respondent does state that environmental aspects are considered in most decisions.

5.2.5. Employees

As with most Sea Life centres in general, the responding sites are also rather small, having fewer than 20 full time employees. Part-time employees form a larger group, as customer amounts do vary a lot seasonally. Most responding sites employ only native people, although a few respondents stated having (either currently or in the past) foreign employees, one disabled employee and one disabled and foreign trainees. The pay rate was considered to be mostly fair, although many stated that part time wages were not as fair and one considered pay rate to be in accordance to sector and national standards, but also stated that the pay rate in our industry is generally lower than many other industries. Full time employees are also mostly offered training but part-time employees not as much, although one respondent mentioned that all employees have same opportunities in participating in training. Within training, Merlin in-house courses, first aid and health and safety training were mentioned most often.

Motivating employees is mainly done with awards and competitions, although one respondent mentioned also providing for a healthy and safe working conditions and giving employees a chance to participate as means to motivate them. There are also some bonus schemes (mainly for full time employees) and other smaller employee benefits, such as discounts and free entry to all Merlin attractions. Employees working ability and welfare are looked after by all respondents in some form at least – for example health and safety, taking care of staff rooms, and open discussions were mentioned. One respondent stated also that as much as possible is done, but it should not cost anything extra. Employee satisfaction is considered to be good by all respondents and it is measured by all as well mainly with Merlin's centrally organised survey once a year, although one respondent measures satisfaction with own survey twice a year.

All respondents felt that employees have several means to participate in the business (for example meetings, daily briefings, email, intranet, etc.) and in general informal discussions and ideas are encouraged.

5.2.6. Customers

All respondents stated their sites to be accessible to people with special needs or disabilities, and most gave similar descriptions such as having wheelchair ramps and lifts, disabled toilets and places to rest in the exhibition. Customer health and safety is looked after mostly with regular checks and risk assessments and by following the company-wide health and safety processes and standards. Customer satisfaction is considered to be good by all respondents and most respond to all customer complaints as soon as possible. Truthful marketing is

considered to be standard by most respondents, although some respondents do state some questionable marketing actions (i.e. portraying small sharks as impressive, either with words or pictures, which causes disappointment).

5.2.7. Conclusions of the survey

As there are obvious limitations in the survey – answers were obtained only from 11 of the 31 Sea Lifes, and very short and limited answers to some questions – the survey cannot be seen to give a thorough and complete picture of CSR in Sea Lifes. Even though the survey was not comprehensive, the responses nevertheless indicate towards similar conclusions. As of now, CSR as a concept is not comprehended nor is CSR widely or systematically practiced. The respondents also seemed to underestimate their own understanding or the way of doing business; in many direct answers the respondents felt that they did not have much CSR related activities – but in other answers some activities came up nevertheless, as a part of the every-day running of the business. The results also indicate that the main reason for the lack of CSR related activities is not the lack of interest or value base but more the lack of leadership and strategic guidance from Merlin as a whole. CSR is not felt to be a valued concept by the leaders and thus individual sites are not willing to contribute their scarce assets – time or money - to the CSR agenda on their own. The main concern now would be to steer the company towards a comprehensive strategy on CSR and especially towards top management commitment which seems to be expected by the respondents.

6. The stage of corporate social responsibility in Merlin and Sea Lifes

Based on the case study of Merlin Entertainments group and Sea Life centres, the Googins's, Mirvis's and Rochlin's CSR stage grid was used to roughly plot down what stage Merlin and Sea Lifes are in CSR aspect. The estimated stages are depicted in the picture below.

	Stage 1 Elementary	Stage 2 Engaged	Stage 3 Innovative	Stage 4 Integrated	Stage 5 Transforming
Citizenship concept	Jobs; profits; taxes	Philanthropy; environmental protection	Stakeholder management	Sustainability / triple bottom line	Change the game
Strategic intent	Legal compliance	Maintain licence to operate	Make business case	Integration of value and values	Create new markets / social change
Leadership	Minimal	Supportive	On top of the issues	Ahead of the curve	Visionary
Structure	Marginal	Functional ownership	Cross-functional coordination	Organizational alignment	Integrated into mainstream
Issues management	Defensive	Reactive	Responsive	Proactive	Defines the issues
Stakeholder relationships	Unilateral	Interactive	Mutual influence	Alliances and partnerships	Multi – organizational
Transparency	Enough to protect flanks	Public relations	Public reporting	Assurance	Full disclosure

Picture 5. The stage of CSR in Merlin and Sea Lifes.

Citizenship concept

The citizenship concept can be viewed as being on the engaged stage as there is a group level CSR programme and strategy although based on the survey it does not seem to have reached the Sea Life sites yet. There is also company wide philanthropy (Merlin’s magic wand) as well as many local charitable donations and activities and environmental protection in the form of for example cooperation with the Carbon trust on the group level and educating visitors in marine protection and maintaining high level of animal welfare on the unit level. In most aspects, Sea Lifes have advanced from merely complying by the laws, although attention to CSR issues as a whole is still somewhat limited. Merlin is beginning to approach stakeholder issues more extensively as well, and surely the benefits will later show in Sea Lifes. On the

environmental issues, the Sea Lifes are showing signs of doing some of the basic CSR related things, such as recycling, but there is no evidence of such on the group level.

Group level

- CSR strategy, mission and plan
- Merlin's Magic Wand charity
- Commitment to animal welfare and conservation, for example partnership with WDCA
- Cooperation with Carbon Trust – carbon footprint analysis
- Cooperation with Business in Community (BITC)

Sea Life unit level

- Commitment to animal welfare and conservation
- Some CSR related activities, for example charity events, beach cleans
- Some examples of recycling, energy saving efforts etc.

Strategic intent

Merlin is in the process of advancing into the innovative stage in strategic intent as there is evidence of CSR related business analysis and plans as well as considerations of the possible benefits of CSR. Merlin is also gaining more knowledge on CSR issues with the help of for example Carbon trust and BITC. "It is when companies broaden their knowledge of and capacities to manage citizenship that they are poised to move into a stage of innovation" (Googins et al. 2007, 82). The advantages however are very much evaluated by the investment needed and thus implementation of actions is still ahead. The advancement and knowledge do not however show in Sea Lifes yet as the knowledge of CSR is neither wide nor deep. It is also obvious from the survey that as there currently are no resources – human nor financial – allocated to CSR, the individual sites mainly find it impossible to advance in CSR related activities even though there is willingness.

Group level

- CSR strategy, mission and plan
- Gaining knowledge and capabilities with cooperation and partnerships

Sea Life unit level

- Willingness and interest although CSR not really visible in strategies

Leadership

Leadership in CSR matter is still rather minimal from the point of view of an individual Sea Life site. The survey gives indication that the sites feel a lack in especially leadership concerning the CSR issues. Considering that there nevertheless are some group level CSR plans and objectives set for CSR related activities, the leaders can be seen at least as supporting the CSR approach.

Group level

- Creation of Merlin in the Community team by executive managers
- New values (2010) include environmental aspects

Sea Life unit level

- Leadership from Merlin felt to be lacking, local level leadership on a better level as there is evidence of CSR related activities.

Structure

In Merlin, there are no units solely dedicated to CSR issues nor are there specific people overlooking purely CSR related activities. CSR issues are a part of some senior managers' responsibilities and there is a CSR related team constructed of seven executive managers. Merlin can thus be viewed as being somewhere along the way of advancing from elementary to integrated stage.

Group level

- Merlin in the Community –team
- Some executive managers have CSR related responsibilities (for example Adrian Mahon, director of health, safety and risk management)

Sea Life unit level

- CSR responsibilities not dedicated to specific people nor shown in general responsibilities

Issues management

When it comes to issues management, some aspects Merlin has advanced further than in others. From Sea Lifes' perspective for example, there is an ethics committee that overlooks animal welfare and can be viewed in some cases proactive – or close to defining the issue as it

could well be thought that as Sea Life is the biggest aquarium brand in the world, the decisions made might well be adopted by other aquariums as well. This would however naturally require more public information on the committee's work. On the other hand, in some other aspects there seems to be only reactive approach.

Group level

- Retail suppliers ethical terms and conditions
- Independent Far East audit company doing audits on supplier's in areas of child labour, working conditions and environmental impact
- Ethical committee in animal welfare
- Cooperation with Carbon Trust and BITC

Sea Life unit level

- Some units participate in advancing for example conservation issues in the public aquarium field in general (via for example European Union of Aquarium Curators (EUAC)).

Stakeholder relations

In stakeholder relation again the stage varies a great deal between different aspects – and even between individual sites. For unit level, the survey pointed strongly towards the elementary stage on stakeholder relations as most respondents were not able to identify any real interaction with most external stakeholders and even one-way communication was not a standard. On the other hand, there are nevertheless other evidence pointing towards some interaction and even partnerships (integrated stage) with closer, internal stakeholders (e.g. employees).

Group level

- Some cooperation with NGOs (For example Carbon Trust)
- As the individual Sea Life units can be viewed as Merlin's stakeholders, communication has been weak considering the CSR aspect

Sea Life unit level

- Identification of the concept rather weak
- Mainly one-way communication with external stakeholders
- Employee and customer participation

Transparency

Merlin's stage in transparency varies somewhat around elementary to innovative. Neither Merlin nor the Sea Lifes report publicly CSR related issues via any formal reporting system or standard. CSR issues have however been added to the standard annual report for the past few years and the amount of information has increased a little to date. Annual reports can however not be seen as portraying the whole truth as they nevertheless can include any CSR related information the company itself wants to portray – nothing more. This is true also in Merlin's case. Many excellent aspects of CSR related activities have been raised to the report but that is only half of the whole story. Another, and more important, challenge to tackle at this point is internal communication and transparency. CSR in general as well as other business aspects are suffering from the lack of an efficient, open and two-way communication channel between all units and between units and Merlin.

Group level

- Data gathered from individual sites to compile a section about CSR in the annual report.
- As many group level CSR activities were unknown on the unit level, there seems to be a weakness in communication – both internal and external

Sea Life unit level

- Sharing information with external stakeholders is almost non-existent

As a conclusion, Merlin and the Sea Lifes are on average on the engaged stage of CSR. The organisation is starting to take an interest in the issues and gaining the knowledge and capabilities to tackle the issues. There are also already some CSR related activities and strategies, action plans and policies are drafted on the group level. On the unit level, regardless of the scarce resources, there are many well intended and positive activities, especially on the social aspects. On the positive side, there is an interest in the subject and actually a lot more has been done that would seem to at first sight. The biggest challenges lie within communication as well as locating resources to the subject which in turn will require a stronger commitment from the top leaders. The next section will describe development needs in further detail.

7. The way forward – developing corporate social responsibility

7.1. Development within the stage grid

Based on the previous analysis of the CSR activities in Merlin and Sea Lises, the CSR stage varies quite a lot between different aspects as well as levels (group vs. unit level). This section offers some suggestions on developing the CSR forward; divided first by the same areas of the Googins's, Mirvis's and Rochlin's stage grid and then combining the main aspects into a development framework in the second subchapter. The blue arrows here depict the possible development step from the current state which can realistically be made within the near future. There are naturally possibilities to advance even further but only with rather significant investment in resources (financial and human).

Developing the citizenship concept

	Stage 1 Elementary	Stage 2 Engaged	Stage 3 Innovative	Stage 4 Integrated	Stage 5 Transforming
Citizenship concept	Jobs; profits; taxes	Philanthropy; environmental protection	Stakeholder management	Sustainability / triple bottom line	Change the game

Financial aspects are included in the values (making the business successful and profitable), words (strategy, objectives) and actions (targets, measurement). However, the financial responsibility is too much emphasised over the other responsibilities (ecological and social). Basically running a business naturally is about making a profit, but the important issue is that how we make that profit. Where do the boundaries lie on what we can and cannot do – the ethics of making profit? As this aspect is weaker in Merlin on the group level – the impacts of decisions made with only the financial view point are not always considered also on the unit level. There should be some form of official code of ethics that would set the boundaries on all actions in all levels and departments.

Due to the size an organisation that Merlin is nowadays, it can really have a major impact on many CSR issues, especially the environmental issues – both concrete actions as well as attitudes across the company and the industry – and thus there should be an official strategy to minimise the negative impacts and maximise the positive impacts we have on the environment both on the existing operations and for future investments and operations. There already is evidence of some positive steps towards gaining a deeper knowledge on the

issues and developing strategies but a more comprehensive and integrated view on the subject is yet lacking.

Developing the strategic intent

	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
	Elementary	Engaged	Innovative	Integrated	Transforming
Strategic intent	Legal compliance	Maintain licence to operate	Make business case	Integration of value and values	Create new markets / social change

Values form the basis for all decisions and operations of an organisation and thus should be the kind that all involved can fully commit to. Only commitment to the values will make them realise in the operations – actions of people involved in and with the organisation.

Responsibility will need to be incorporated into the values for it to show in the actions. It might prove to be beneficial to have two sets of values; ethical and operational. The ethical values – such as honesty – will bring true ethical tones into the basis of the operations, but since these are very difficult to be measured, operational values will also be needed (Kujala & Kuvaja 2002, 162-163). Operational values – such as staff welfare and customer orientation – will form the basis for the daily strategical operations and their measurement.

It is essential to involve employees in the process of value definition. The more traditional top-down method of presenting values formulated by the management will more likely be resisted and commitment to values even close to non-existent. It is more likely that the prevailing values, even if non-written, will continue to override any other values. (Ketola 2005, 146). The Sea Life survey indicated also that the main values driving the units are not Merlin’s currently stated values, but more their own values. The responsibility aspects are also more visible in the units’ values than in the Merlin values. If employees are involved in the process, the values will be true and commitment strong.

In evaluating the organisation’s values, one will analyse how do the values reflect the three dimensions of responsibility; ecological, financial and social. Basically the analysis is focused on which aspect or aspects of the three dimensions is / are emphasised or are they all considered equal. (Ketola 2005, 125.) It would be important to have a good balance between all of the dimension presented in the values – or implied by them. The financial aspects are as important as the others, and it is worth keeping them strongly present as not to alarm owners since their expectations will always be more on the financial aspects.

The function of the Merlin values could be to guide each unit's own values process as to ensure that the unit values will not conflict with the Merlin values. The values created by units themselves, would most likely include many – even all – of the same things as the Merlin values, but put into their own words and more importantly with the emphasis that they feel closest to. And employees having themselves been an essential part of the process, the values would be their own and commitment would evidently be much greater. Written values, that the unit's employees construct themselves, would help all individuals in their everyday work and help everyone by giving a framework on which they can all base their decisions on to achieve consistency. As Merlin operates in many different countries and cultures, a single set of values suitable for all can be difficult to achieve. The challenge then is to achieve values, that all can commit to also on the local level but that nevertheless help the business to function and develop in the intended way.

In addition to integrating CSR into the values, it should also be integrated into the mission and vision statements and both in the group level as well as the unit level strategies. Responsibility aspects should be incorporated into the normal business strategies rather than developing a separate CSR strategy.

The core of Sea Lifes operation is ecologically responsible; environmental – more precisely marine – issues are the “soul” of their being. It is thought to be the reason for being for the units. Sea Lifes' reputation as a business and the image that consumers have on them is surely affected by the level of responsibility of the actions. A study states that a surprisingly big part, 49%, of a company's image is constructed by evaluating the corporate social responsibility factors while brands accounted for 35% and financial management only 10% (Meehan, Meehan & Richards 2006, 396).

In general, operational objectives will be drawn from the strategy. If responsibility aspects are covered in values and strategy, they will be present also in the operational objectives. Here too, all the three dimensions – economical, ecological and social - of responsibility should be present. Merlin's CSR strategy is a good base for further development, although it has not been communicated well enough yet, and individual units could use it to formulate their own plans that include local key areas, targets, roles and responsibilities, training needs and practical action plans. For some aspects of the business, such as financial aspects, there already exists sound systems to measure and evaluate performance and such systems could be amended to include also CSR related aspects. It is important, however, to ensure that

operational levels will first be introduced well to the issues to raise awareness and commitment.

Developing the leadership

	Stage 1 Elementary	Stage 2 Engaged	Stage 3 Innovative	Stage 4 Integrated	Stage 5 Transforming
Leadership	Minimal	Supportive	On top of the issues	Ahead of the curve	Visionary

Even though the initial sparkle and passion for CSR issues can come from any level of the company, senior management commitment becomes essential at some point. Senior management commitment will send a strong signal to the whole company that CSR issues are valued and thus they will be valued throughout the company. Senior management commitment will bring legitimacy to the CSR agenda and will increase the likelihood of successful adaptation of CSR actions. (Blowfield and Murray 2008, 111.)

Although based on the current plans and developments, there seems to be some leadership and commitment from the senior management, the communication about it has been too weak to reach the unit level. One of the most important things to develop in Merlin would be the communication on CSR aspects as it would easily bring the whole company into the next level in CSR. Communication to build awareness and understanding would increase both motivation and commitment throughout the company and developments in CSR related activities would surely increase – even without significant financial investments at first. The other important area in leadership is Merlin’s allocation of financial resources for CSR. Some aspects of CSR do require also investments (for example energy efficient equipment) and commitment to these investments does require a long-term view to make them viable in business terms.

Developing the structure

	Stage 1 Elementary	Stage 2 Engaged	Stage 3 Innovative	Stage 4 Integrated	Stage 5 Transforming
Structure	Marginal	Functional ownership	Cross- functional coordination	Organizational alignment	Integrated into mainstream

Merlin's CSR team (Merlin in the community –team) is again a very good base for CSR work within the company. However, to increase the efficiency as well as communication and impacts on all levels and aspects of the company, there should be representation from all departments (marketing, displays, retail, etc.) as well as all the sectors (aquariums, amusement park, hotel etc.) and different organisational levels. The main objective of the team would be to review CSR aspects and analyse what issues are relevant and significant to the operation in the business Merlin is in. In addition to a CSR team, CSR related responsibilities should be integrated into the job responsibilities in all departments as well as all levels of the organisation.

In general, although Merlin and the units do act responsibly in many ways and aspects, there are many things also where all the three levels – values, words and actions – do not correspond or are not on the same level. This causes some problems in taking some responsibility aspects into actions. In general, it seems that responsibility is somewhat present in the values and words, but the actions do not seem to follow up. However, this is not to say that Sea Lifes or Merlin do not do responsible things. The things that are done just seem small, isolated and without the “red line” of comprehensive responsibility – and it also seems that efforts are wasted when just one or few individuals alone try to achieve something. There are nevertheless very good and concrete things that are done, but due to lack of efficient communication and clear and visible leadership, not all sites or people are committed to and involved in the responsibility activities.

Merlin's and Sea Lifes' current weakness lies also on objectives and measurements – currently the main objectives or measurements are financial. There are some objectives surrounding the other aspects, like health&safety, employee satisfaction etc., but there are for example no objectives or measurements related to the environment. Although there are some individual objectives, which include other aspects of responsibility, they nevertheless are only individual level measurements, not company wide.

Developing responsibility will definitely require re-building the company-wide strategy to include all aspects of CSR and creating objectives and measurements for all of the aspects as well. The strategy for ecological and social issues can be built in conjunction with all sites to benefit from the knowledge that they have as well as increase commitment. After having a consistent and comprehensive responsibility strategy incorporated in the strategy, the actions will also be more consistent and then even the individual sites' responsibility steps will lead into something more valuable. It is important to remember, that individually a single site can

only do very little – but all joined together will definitely bring about good changes and Merlin has a possibility to become the world leader in attraction business CSR and set the standards for the whole sector.

Developing the issues management

	Stage 1 Elementary	Stage 2 Engaged	Stage 3 Innovative	Stage 4 Integrated	Stage 5 Transforming
Issues management	Defensive	Reactive	Responsive	Proactive	Defines the issues

Based on the development of strategies as well as the action plans, objectives and measurement, Merlin has a possibility to be the leader in its field in CSR aspects. Sea Lifes especially can transform the business by setting an example for others. Public aquariums in general have great potential in environmental aspects. Marine conservation as well as environmental protection in general can benefit greatly from the work of public aquariums and the field in general can have a lot of positive impacts both within other businesses as well within consumers.

Developing the stakeholder relations

	Stage 1 Elementary	Stage 2 Engaged	Stage 3 Innovative	Stage 4 Integrated	Stage 5 Transforming
Stakeholder relationships	Unilateral	Interactive	Mutual influence	Alliances and partnerships	Multi – organizational

In developing the strategy, all the stakeholders should also be taken into consideration. Stakeholders play an important role especially in the responsibility aspects and thus should be included in the processes of strategic planning. Stakeholder analysis should be performed to see what kind of values they have and evaluate the responsibility in their operations (Ketola 2005, 126). Some stakeholders are naturally easier to involve – employees and owners for example have a strong interest in the organisation. Other stakeholders – like e.g. customers, suppliers and community – might be more difficult to involve and thus require some efforts from the organisation’s side. One major part of corporate responsibility is developing active, open and two-way relationships with all stakeholders.

For learning and developing purposes, feedback from all the stakeholders will be crucial. Genuine and open two-way interaction with stakeholders is thus required. Feedback should then be fed back into the process of evaluating how the operations match the values and developing the strategy onwards.

Sea Life as whole chain and especially the whole Merlin, exchanging and sharing information is almost non-existent between different units or brand chains. There are about 15 000 employees all together and thus there is a vast amount of information, skills, ideas and thoughts, but there is no system where these could be shared. This leads into inefficient operations, as each site or unit struggles many times with same or similar problems that some other unit might have already resolved but others will not benefit from this. There are a lot of highly educated experts of different departments and every single employee has a vast amount of knowledge on the operations which they would probably be more than happy to share, but this is unfortunately not used as much as it could and should. In this era of information technology, the possibilities to share information within large companies are abundant, easy to access and inexpensive considering the potential benefits. And as the lack of communication is felt to be one of the major constraining factors, developing efficient communication channels is even more important.

There are many stakeholders that Sea Lifes could cooperate more with which would benefit both Sea Lifes and the stakeholder. Although as individual sites, one Sea Life is a small organisation, and thus some larger organisations might not see their benefit in cooperating with just one unit. It would require a lot more active role from Merlin and all the Sea Lifes together to achieve a real two-way connection with these stakeholders. There are for example many good NGOs that could benefit Sea Lifes and would also benefit themselves from the cooperation. The NGOs can provide for an efficient and inexpensive way to increase knowledge, skills and capabilities concerning CSR for Sea Lifes and Merlin as well and the NGOs can have support and visibility to their cause.

Merlin as a very large buyer of for example retail products and services could cooperate with the suppliers much more to achieve more responsible actions from their part as well. The impact that Merlin could produce via these suppliers could be really significant – both financially as well as environmentally. F.ex. Wal-Mart believes it can save \$2, 4 million, 3800 trees and a million barrels of oil merely by reducing the amount of toy packaging (Lehtipuu & Monni, 2007. 72). This type of clear and very concrete measures should be a good motivation for Merlin to engage into deeper cooperation with its suppliers as well. Significant

improvements can be made in for example reduction of waste, increasing recycling and decreasing the use of environmentally unsustainable materials with the suppliers.

Developing the transparency

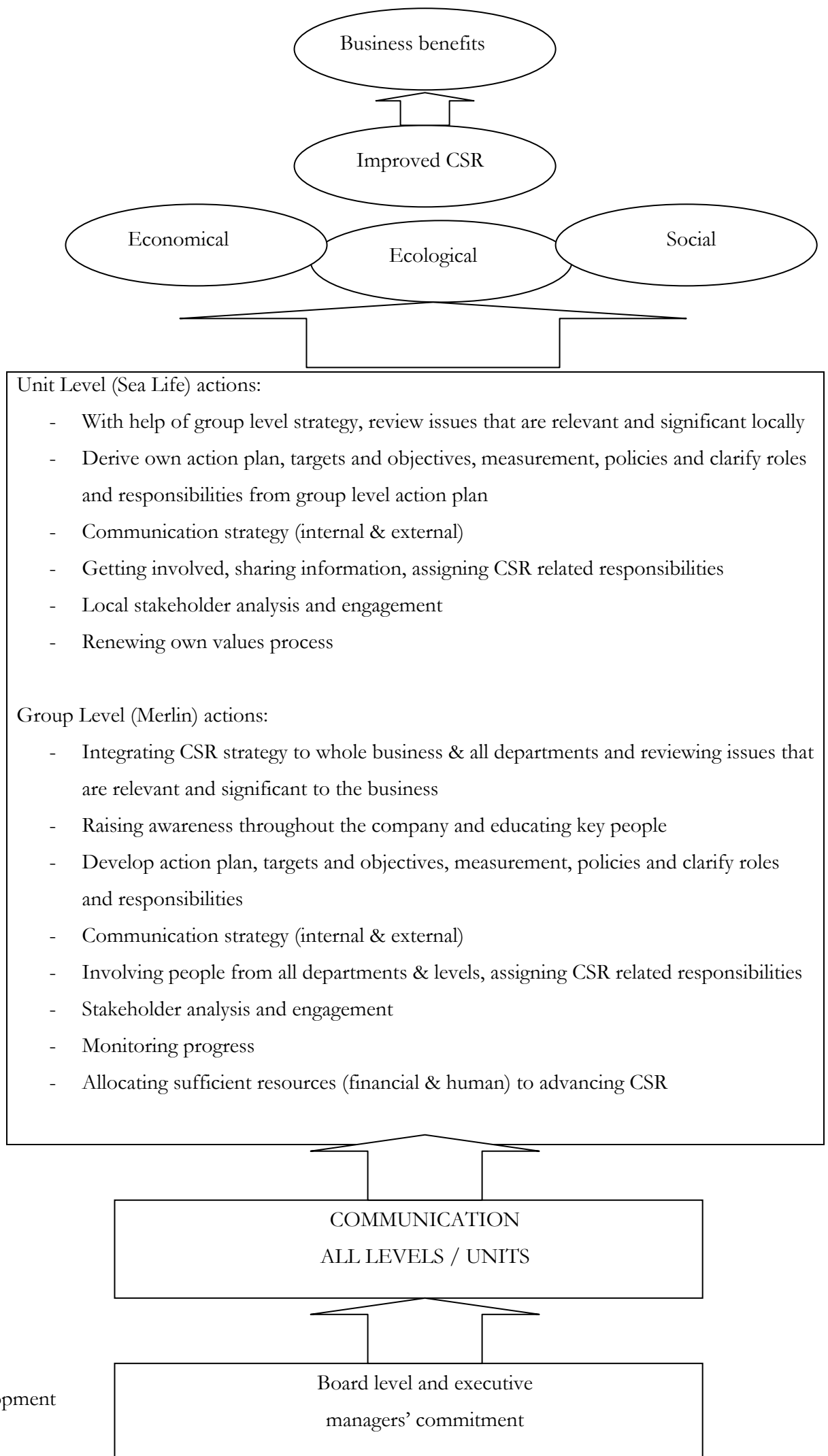
	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
	Elementary	Engaged	Innovative	Integrated	Transforming
Transparency	Enough to protect flanks	Public relations	Public reporting	Assurance	Full disclosure

Typically organisations form their values, vision and mission, strategy and objectives into written / spoken documents and communicate them to all involved. Communication with both internal and external stakeholders is important and it will be the essential part in the formation of the organisation’s image especially in the eyes of the external stakeholders. Communicating corporate responsibility will create a certain promise of how the organisation intends to operate. Words as such are not enough however. Stakeholders will evaluate the actions of the organisation based on the image they have created and thus it is vital that the organisation will redeem its promises by operating in the intended way.

As of now, communication is the factor constraining CSR the most within Sea Lifes and Merlin. As described earlier, the benefits of improving communication can be significant for Merlin but also for the sector in general. Transparency in all aspects would be the key in setting the standards for the field and bringing about the positive impacts.

7.2. Corporate social responsibility development framework

As a conclusion of the development ideas on previous chapter, a collective framework is depicted below. This picture aims to give a quick and simple view into the main issues that need developing for Merlin and the Sea Lifes to move forward with the CSR agenda.



Picture 6. CSR development framework

8. Conclusion

Even though corporate social responsibility (CSR) already has a long and varied history, it nevertheless is a very current, although much debated, issue in society in general as well as in the business world. Both academics and practitioners alike are trying to define the issue in detail and connect all involved – business, society, environment, people etc. around the subject. The awareness of and interest in CSR has increased in the academic and business world as well as in the media and society at large. However, integration of CSR into the normal business strategies and day-to-day life is still generally rather weak and philanthropy can be considered as the most visible form of CSR. Reporting CSR has also increased, although there is currently no global, uniform form of reporting or measuring CSR. There are cases for and against the whole concept as well as a vast variety of dimensions, levels and aspects of the concept. At its simplest, CSR is about acknowledging and considering the impacts the business has on its environment and society and at least trying to minimise its negative impacts and at best increasing the positive impacts. To do this, businesses need to consider the expectations and needs of a large variety of involved groups and people – the stakeholders. Important factors in CSR are commitment, transparency and building trust with “walk the talk” actions. Currently a business operating in almost any industry will have an opportunity to set an example for the whole industry – and possibly gain competitive edge at the same time.

The purpose of this thesis was to research CSR concept in general and more specifically in public aquariums and Merlin Entertainments Group’s Sea Life aquariums. The main objective was to analyse the CSR in Merlin and the Sea Lifes and to form an educated CSR development framework for them. The case study consists of different methods and materials; internet search on public aquariums in general, web based CSR survey for Sea Life unit managers, Merlin’s internal and external materials related to CSR issues and also participant-observation as the researcher herself works for a Sea Life in Helsinki, Finland. Although there are many materials and information from different sources, the information is not however complete. The survey was not answered by all Sea Lifes and the answers were also partially limited. The analysis could still benefit from direct observation, more detailed face-to-face interviews with different people at different levels of Merlin and the Sea Lifes and perhaps a survey or interview conducted to other public aquarium representatives. Nevertheless, the materials and information has been sufficient to make suggestions for development on general level.

Public aquariums have a long history; the first public aquarium was established in London in 1853. The environmental and conservational focus has however become the main purpose of public aquariums around 1970's with emphasis on education and increasing awareness surrounding the environmental issues. Although the conservational issues are rather visible, the near to complete lack of any deeper or broader CSR related activities has been very surprising. The conclusion has however been drawn from afar using the public information put available by the aquariums themselves on their internet homepages and therefore is limited and at least hopefully not the whole truth.

The biggest public aquarium operator in the world is Merlin Entertainments Group that operates the Sea Life chain aquariums. This research aimed to analyse CSR in Merlin and the Sea Lifes. Analysing CSR from Sea Life unit perspective was conducted with a survey as well as through participant-observation of one unit. The Sea lifes do currently stand at similar phase as other public aquariums. Conservational issues are upfront and visible and raising awareness and educating the public are emphasised. Beyond that, there are not much more than unrelated, separate, uncoordinated activities that some individual sites are doing on the CSR agenda. Most of the CSR terms and aspects are also not very well known at least in depth although there were responses indicating that CSR related activities are embedded in the day-to-day lives in some units but they are not perhaps comprehended as CSR activities. The greatest weakness was felt to be the lack of leadership from Merlin and the lack of both human and financial resources. Analysis on the group (Merlin) level reveals a more positive picture. There are much more CSR related activities on the group level that is known of at the unit level and the process of integrating CSR into the business has taken a positive start in Merlin. There are drafts of CSR related strategy, mission, action plans and also cooperation with CSR related NGOs such as Carbon Trust and BITC. Merlin also has a CSR team that aims to advance the CSR within the whole group. Emphasis in Merlin is on social philanthropy via Merlin's Magic Wand charity and on animal welfare. However, a great weakness is revealed in the communication and information sharing. CSR also still is to be integrated into the business strategy.

The most important development phases at this stage include leadership and commitment by the top leaders, increasing awareness and efficient and proper two-way communication, stakeholder analysis and engagement and transparent activities. When CSR issues are integrated into the business strategy on the group level, it will be easy for the units to follow and business benefits will surely follow. The CSR agenda would also benefit from a renewed values process with more emphasis on local, unit level values. Merlin's CSR team could

advance CSR better with a wider representation from different departments and levels of the whole company. Official CSR related responsibilities also need to be assigned to people on different departments and levels. CSR related activities will also require some resources to be allocated to it – both human and financial – although many good changes can also be made with very little resources, such as improving communication and information sharing.

Merlin and the Sea Lifes have a great opportunity now to really tackle the CSR agenda and become the industry leader which can definitely bring benefits to the business, the industry and the whole society and environment alike.

Hopefully this is a beginning of a process that will lead us into the next level of responsibility. In the words of Haapala and Aavameri (2008), ideally reaching a situation of win-win-win – sustainable success for the company and people, environment and community (11).

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Appendix

CSR Survey for the Sea Life aquariums

1. Have you heard about corporate social responsibility (CSR) before (could also be referred with many other terms, including local/native language terms)

2. What is corporate social responsibility (CSR) in your opinion? Please give as detailed an answer as possible, with your own words.

3 a. Considering your own description of CSR, on a scale of 1 to 10, how responsibly would you say that your site is operating currently??

(1 = not at all responsibly, 10= extremely responsibly)

3 b. Please explain your rating shortly.

4. Please describe what you feel is/are the most important value/-s at work at your site. I.e. What do you feel is/are the most important "driving force/-s" for all people working at the site.

5. How is/are the value/-s communicated (to employees, customers, other stakeholders)?

6. Are you currently reporting CSR related issues (any issues within CSR, i.e. financial/economic, ecological/environmental and/or social) in an official manner to others than owners?

7. Are the site's financial aspects communicated to other stakeholders (i.e. other than owners)? If so, please describe briefly how, what and to whom?

8. What aspects in general are considered when making decisions concerning purchases (products and services), small or large (i.e. investments as well as everyday/operational purchases)?

9. Are responsibility issues (ecological, economic/financial and/or social) taken into consideration when making decisions on purchases (products and services)? If so, please describe shortly how and what aspects?

10. To what extent do you feel that responsibility issues could/should influence decisions? I.e. where should the balance between for example price and responsibility lay?

11. How do you ensure that your site is operating profitably and meets the needs and wishes of the owners/shareholders?

12. Who would you say are your stakeholders? (Stakeholder = a person, group, organization, or system who affects or can be affected by an organization's actions). And which of these would you say is/are the most important stakeholders and why?

13. How would you describe the communication between the following stakeholders and the site (i.e. how, when, what, etc.):

- a) Employees
- b) Customers
- c) Owners
- d) Suppliers
- e) Partners (cooperative or other)
- f) Local community
- g) Authorities, political entities/individuals, etc.
- h) Schools, colleges, universities etc.
- i) Media
- j) Non-governmental organisations (e.g. charities, foundations, etc.)

14. What would you say that are the main expectations of the previously mentioned stakeholders concerning your site's operation? Have any of the stakeholders specifically expressed their expectations to you?

15. Do you ask for or get feedback from any stakeholder groups about the site's operations? If so, please, describe (who, how, what type feedback is received, how is it handled/by whom, what actions have followed, etc.).

16. How, if at all, do the different stakeholders mentioned previously participate in the site's operation?

17. Have there been some impacts of the stakeholder communication (negative or positive)? If so, please describe briefly which stakeholder and the impacts.

18. What impact does your site have on the local society as a whole (positive and/or negative)? And what impact does the society have on your site's operation?

19. Does the site (or the employees) help/support etc. the local community/society? If so, please describe.

20. Is there any cooperation with other companies in the area/country? If so, please describe what type and how does it benefit the site and other companies.

21. How do you deal with competitors?
22. What criteria do you consider when choosing suppliers or cooperative partners? Please describe briefly.
23. Who are your key suppliers? Which of these is most likely to have a major CSR impact (i.e. ecological, economic and/or social)?
24. What type of policies, if any, do you have concerning the impacts of the purchases (ecological, economic, and social)?
25. How could CSR be integrated into current purchasing policies? Are there some specific information, skills or training that your organisation would need to be able to integrate CSR into the purchasing policies?
26. Do you communicate to and/or interact with any of the suppliers concerning CSR issues? If so, please describe briefly with whom and how.
27. Do you think you could help your suppliers in improving their CSR performance? If so, please describe briefly which supplier/ -s, and how. How far do you think that a company should go in managing the impacts of its suppliers?
28. Have you considered the impacts of the purchases (ecological, economic and/or social)? If so, please describe briefly.
29. Do you avoid buying from companies that have received negative publicity in the media?
30. When searching for new suppliers/partners, do you try to locate companies that operate responsibly?
31. What do you consider to be the positive and negative impacts on the natural environment that the site has?
32. Do you have any policies/practices etc. to minimise the negative environmental impacts and/or increase the positive environmental impacts? If so, please describe.

33. How is the energy you use produced (if there are many sources, please state them all)?
34. Do you have any energy saving policies/practices in place/planned? If so, please describe.
35. Do you have any water saving policies/practices in place/planned? If so, please describe.
36. Do you have any waste reducing policies/practices in place/planned? If so, please describe.
37. Do you recycle waste? If so, please describe briefly what type and state approximately the amount (in percentages) of total waste that is recycled?
38. Do you have any pollution preventing/reducing policies/practices in place/planned? If so, please describe.
39. Do you consider the environmental impacts when making purchasing decisions? If so, please describe briefly what impacts do you consider.
40. Do you measure any environmental impacts on regular basis to follow progress? If so, please state what impacts do you measure and for what purpose.
41. What role does the environment play in planning the operations? Are there any strategies/policies etc. about environmental issues? If so, please describe.
42. Are environmental issues reported/communicated to some entity outside the site? If so, please describe to whom, what, how, etc.?
43. Are employees trained in environmental issues (for example recycling)? If so, how, what, by whom etc.?
44. How many employees do you currently have (total)? Please also state separately how many are full-time and part-time?
45. Do you employ foreigners (i.e. people that are permanent residents of some other country)? Or people with special needs / disabilities? If so, what type of experiences have you encountered with these groups of people?

46. Is the pay rate on the average considered to be fair and reasonable (i.e. sufficient for an employee to pay for their basic needs and also to have some extra money after the basic needs are covered)?
47. Do you offer employees any training possibilities? If so, please describe briefly (what, where, to whom, etc.).
48. Please describe how you motivate your employees? What type of actions have you felt work the best? And what, if any, have not worked well or at all?
49. Do you have any bonus schemes, prizes, competitions etc. to employees? If so, please describe.
50. Do you have any other employee benefits? If so, please describe.
51. How is employees' working ability and work wellness looked after?
52. How would you describe the work satisfaction amongst your employees? How is it studied/surveyed? And what steps are taken after studies/surveys?
53. Do employees participate in decision making? If so, please describe briefly how, when, what decisions, etc.?
54. How is communication with employees looked after? i.e. how, when, where, by whom etc.
55. How do you ensure equality in recruitment as well as at work amongst employees?
56. Is your site accessible to people with special needs / disabilities? Please describe briefly
57. How do you ensure customers' health & safety?
58. How would you describe your customer satisfaction (in general)? How is customer feedback handled and taken further?

59. How do you ensure that marketing is always truthful and conducted as required by the law as well as the local culture?

60. Do you feel that CSR is something permanent and ever growing or is it more of a seasonal/fashionable trend that will pass?

61. Do you have some CSR related policies, operational systems etc.? If so, please describe briefly.

62. Does CSR seem to be an important thing considering the operations at your site? If so, please describe why?

63. Are CSR issues considered in the long term strategic management plan? If so, please describe briefly what and how.

64. What do you feel is the motivation behind CSR?

65. What do you feel that CSR can/will bring, if anything, to your site (positive and/or negative)?

66. Do you feel that you have enough knowledge about CSR?

67. Do you feel that you have enough resources to operate responsibly? If not, please describe what resources would be necessary. If yes, please describe what resources are specifically helpful/necessary in operating responsibly.

68. What do you feel are the most important CSR related issues in SEA LIFE's currently? How do you think customers and other stakeholders view it?

69. Do you have any plans to develop your site's CSR related actions? If so, please describe briefly.

70. Please describe what, if any, type of events, functions, actions, operations etc. (everything and anything) your site has done that are connected to CSR issues (for example charity events, helping local community in cleaning, etc.).

71 a. In a scale of 1 to 10, how responsibly would you say that your site is operating currently??
(1 = not at all responsibly, 10= extremely responsibly)

71 b. Please explain your rating shortly.