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Motivations for CSR in the Norwegian maritime cluster: stakeholder perspectives and policy implications

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ABSTRACT

The goal of the paper is to explore the motives for firms' engagement in CSR and to find out what underlines the CSR stakeholder choice. We integrated both qualitative and quantitative approaches and addressed the research questions by using the Norwegian maritime cluster as the research setting. The findings show that the concept of CSR differs among industry players even within the same industry. CSR may have different interpretations based on industry, firm, or even individual perception. Consensus over the meaning of CSR continues to be problematic while the lack of clarity is complicated by the multiplicity of stakeholders' interests and expectations. We found that within the maritime industry, important CSR initiatives are targeted at stakeholders such as the environment, sponsorship, charities, and safety. Intrinsic motivation was found to be highly related to CSR targeted at the community, shareholders, and employees while extrinsic motivation appears to be limited to concerns for the environment and suppliers. However, the weak association between motivation and CSR targeted at the environment could be explained by other factors (e.g. legislation).

1. Introduction

Corporate Social Responsibility (hereafter CSR) is a topic of high interest and importance in today's global and competitive business environment. Subsequently, many firms now take an active approach with regard to their social responsibility (Graafland and van de Ven 2006; Graafland and Mazereeuw-van der Duijn Schouten 2012; Nejati and Amran 2009; Scherer and Palazzo 2008; Svensson, Wood, and Callaghan 2010; Eriksen 2016; Eriksson and Svensson 2017). Contemporary CSR, also known as strategic CSR, refers to the voluntary practice of social and environmental activities with the intention to serve a firm's profits (Baron 2001; Fontana 2017). These activities mainly concentrate on the welfare of stakeholders, which consists of shareholders, charitable and community organizations, employees, suppliers, customers, and the environment (Sprinkle and Maines 2010; Yuen and Thai 2017). While we know that social responsibility is an important concept, there is not an abundance of literature on what motivates firms to engage in corporate social responsibility beyond the regulatory requirements.

In addition, there is a lack of knowledge within the maritime industry with regard to what informs small and medium-sized enterprises targeting a particular segment for CSR activities

among a range of other possible stakeholder segments. Subsequently, a better understanding of firms' motivation of particular CSR activities can give better insight to policymakers as to how best to influence firms to take greater social responsibility. There appears to be little literature on how a firm's motivation drives the choice of CSR activities targeted at a specific stakeholder. This is particularly important as SMEs lack resources and the efficient use of a firm's resources, which means they have to make a choice between the possible stakeholders. In view of the enormous sustainability challenges and responsibility brought to bear on shipping as a global industry, a better insight into firms' motivation towards CSR is vital. This has implications not only for policymakers but also for the individual firms on how best to allocate resources in CSR planning and implementation. Hence, the goal of this paper is to address the following research question:

- RQ: Which motives are related to which stakeholder segment and what underlines the CSR stakeholder choice?

The rest of the paper is organized as follows: first, we present a review of the relevant literature and theory, followed by the research method with a focus on the qualitative and quantitative approaches. We then present the results of both the qualitative and quantitative analyses followed by the discussion, and implications for theory and management. We end the paper with discussions on limitations and future research.

2. Literature review

2.1. Previous research and an overview of the CSR concept

CSR has received increasing attention from scholars, national and international governments, media, and various industries (e.g. Dabic et al. 2016; Eriksson and Svensson 2016; Yuen and Thai 2017; Jensen, Annan-Diab, and Seppala 2018). Appendix A shows a summary of recent CSR studies. Despite the increased focus on CSR in recent decades, CSR as a discipline is fragmented as a result of inconsistencies in definitions applied, terminology used, as well as in the choice of methodology (Aguinis and Glavas 2012; McWilliams, Siegel, and Wright 2006). There is still no common generally accepted definition of what CSR is (Carroll 1991, 1999; Clarkson 1995; Thomsen and Conyon 2012; Fontana 2017). However, it is argued that a lack of a clear paradigm for CSR research is not necessarily a weakness in a field that is still emerging (Crane et al. 2008). Although a multitude of definitions exist for CSR, it is reasonable to argue that the underlying theme of these definitions is similar and that they all imply that the firm has a commitment towards society and the environment, which goes beyond compliance with rules and legislation. Based on a meta-analysis of 588 journal articles and 102 books and book chapters on CSR, Aguinis and Glavas (2012) found that different theoretical frameworks are used depending on the level of analysis. At an institutional level of analysis, the institutional theory is usually applied; for an organizational level of analysis, the resource-based view of the firm is dominant, while the individual level of analysis consists of different sets of theoretical frameworks such as organizational justice, social influence, needs, and self-determination theories. Friedman (1970) argued that CSR was a signal of an agency problem within the firm because the task of the agent is to maximize profit for the principal, and that excess profit should be invested back into the company or paid to shareholders through dividends rather than be spent on philanthropy, no matter how worthy the cause might be. Freeman (1984) argued on the other hand, that the firm has an obligation to all its stakeholders, not just the shareholders, and that the firm cannot ignore this responsibility. Stakeholders are most often understood to be owners, suppliers, customers, employees, as well as the community in which the firm is operating. However, the question of who the relevant stakeholders are may itself be a challenge, as the answer to the question may be very different depending on who you are asking (Thomsen and Conyon 2012). Additionally, the stakeholders are not necessarily heterogeneous

groups, and stakeholders' roles often overlap (Fassin 2008). However, Mitchell, Agle, and Wood (1997) made a sound contribution to the literature with regards to identifying important stake-holders, and they link this to three important attributes, namely stakeholders' power, legitimacy, and urgency. In business, the triple bottom line (TBL) (Elkington 1994) has been widely adopted with its focus on economic, social, as well as environmental measures. The TBL pushes firms to go beyond the traditional shareholder thinking of only creating economic value, but also to consider the value they create (or destroy) with regards to both social and environmental aspects (Elkington 2013). However, Elkington (2013) states that the TBL as we currently understand it is only the beginning to truly achieving a sustainable future. He claims that a more comprehensive approach involving a range of stakeholders coordinated across many areas of government policy is of utmost importance and that this will be a central governance challenge as well as an important market challenge in the time to come. The Global Reporting Initiative (GRI 2019), first established in 1997 has also gained significant foothold globally (GRI 2019). The GRI enables businesses and govern-ments worldwide to both understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance, and social well-being (GRI 2019). For our study, we have chosen to use the stakeholder theory as this is most suitable for addressing our research question.

2.2. Motivations for CSR

Throughout the literature, four reasons are widely cited for engaging in CSR: moral obligation, sustainability, 'license to operate' and reputation (Porter and Kramer 2006). Moral obligation refers to being a good corporate citizen and doing the 'right' thing. Sustainability is primarily associated with the environment. The Brundtland commission defined sustainability as: '*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*' (WCED 1987, 400). 'License to operate' is obviously mandatory for conducting business. It is, however, important to emphasize that both a formal license from the government and informal permission from the community in which one operates are necessary. Finally, CSR is perceived as a way of strengthening a company's reputation through image and brand building. An exploratory research of over 500 Norwegian managers investigating the primary reason why their companies engaged in activities that benefit society found that improving image, being recognized for moral leadership and serving the long-term company interest, were most cited. Avoiding regulation and solving social problems better were the least relevant motives (Brønn and Vidaver-Cohen 2009).

A company's social responsibility is not conducted by an organizational actor, but by individuals who work in the firm and who make decisions every day (Hemingway and Maclagan 2004; Wood 1991). Wood (1991) further argues that (a) managers exist in an organizational and societal environment full of choices, (b) managers` actions are not totally prescribed by corporate proce-dures, formal job definitions, resource availabilities, or technologies, and (c) managers are moral actors on the job as well as in other domains of their lives. Even though many firms have CSR guidelines or procedures within different areas, the manager always has a choice as to how to fulfill many of these responsibilities (Ackerman 1975). A greater insight into the underlying motivation of managers may therefore provide a good understanding of the CSR commitment within the firm, as exploring the orientation of motivation concerns the why of actions (Ryan and Deci 2000). Motivation is not a one-dimensional construct and is often understood as consisting of two different, but not mutually exclusive, types of motivation, that are intrinsic and extrinsic motivation (Ryan and Deci 2000).

Intrinsic motivation is understood as engaging in an activity for its inherent satisfaction rather than for some separable consequence. In the operational definition of intrinsic motivation, it has been perceived as the free choice measure. Extrinsic motivation on the other hand is a construct that relates to whenever an action is performed in order to achieve some separate outcome (Ryan and Deci 2000). Although intrinsic and extrinsic motivations are not mutually exclusive (Graafland and

van de Ven 2006), there is a concern that extrinsic rewards may crowd out intrinsic motivation (Benabou and Tirole 2003). Incentives can also serve as a signaling property, meaning that giving incentives signals that a task is not enjoyable and as such the intrinsic motivation may be undermined (Benabou and Tirole 2003).

3. Method

3.1. Research setting: the maritime cluster

In this study, we explore the nature of CSR in the maritime industry in Møre and Romsdal (M&R) county, Norway, an important maritime cluster with interconnections to the global maritime industry. The M&R maritime industrial network is characterized by both high and low geographical proximity of partners/actors in the cluster. For example, a ship contracting process entails interaction between the two major technologies of the maritime industry: (1) ship construction (production); and (2) shipping (services) (Hammervoll, Halse, and Engelseth 2014). The term cluster has different meanings depending on the sectors in which it is examined. It varies from geographical perspectives to socio-cultural factors and may even involve territorial dimensions (Pinto and Cruz 2012). Three main definitive features of a cluster are identified: (1) input-output model of an industrial complex with inter-industry links and transactions, (2) agglomeration of interlinked industries, showcasing a nation's innovativeness and competitiveness and (3) a community-based network with emphasis on the 'regional innovative environment' focusing on firms' knowledge, policy support infrastructure, and an institutional environment that stimulates innovation and entrepreneurial activity (Doloreux 2017). The maritime industry in M&R is a resilient industry cluster, in which many of the companies are global actors. The cluster survived the oil-price shock in 2014 by going through a tough transformation. It has reduced its earlier strong dependency on the offshore oil and gas market and is well positioned in key growth markets (Jakobsen, Baustad, and Melbye 2018). The cluster consists of ship consultants (13 firms), shipyards (14 firms), shipping (20 firms), and suppliers (169 firms). See Table 1 for more details. In total turnover, shipping is the largest, with shipyards not far behind, and they are perceived to be the core of the cluster (Oterhals, Hervik, and Bergem 2014).

3.2. Research design and data collection

The study uses a sequential mixed-method approach (Morgan 2014). The choice of this approach is advantageous because of the contribution that one approach makes to the other (i.e. qualitative and quantitative). The goal for us was to learn to use one method to enhance the other so that the qualitative data provided 'rich' insight into the quantitative data. The sequential mixed-method approach offers the most successful means of integrating results from both qualitative and quantitative studies (Morgan 2014; Mørkeset and Glavee-Geo 2016). Additionally, the use of mixed

Table 1. Overview of the maritime cluster in M&R, Norway.

Ship Consultants	Shipyards
- 13 firms - Turnover: 0.98 billion NOK - Return on Sales: 18.1% - Man-years: 520	- 14 firms - Turnover: 16 billion NOK - Return on Sales: 3.4% - Man-years: 4640 (2560 hired/sub-entrepreneurs)
Shipping	Suppliers (Service and Equipment)
- 20 firms - Turnover: 14.9 billion NOK - Return on Sales: 13.8% - Man-years: 8080 (4750 Norwegians)	- 169 firms - Turnover: 22.8 billion NOK - Return on Sales: 3% - Man-years: 8540

Table 2. Sample characteristics for the quantitative inquiry.

Measure	Item	Frequency	Percentage
Type of company	Shipyard	4	6.2
	Shipping	10	15.4
	Supplier	51	78.5
Number of employees (Firm size)	Under 100	53	81.5
	Over 100	12	18.5
Turnover	Below 169 mill NOK	49	75.4
	Over 169 mill NOK	16	24.6
Export share	Under 30%	39	60.0
	Above 30%	26	40.0
International sourcing share	Under 30%	37	56.9
(Global sourcing)	Above 30%	28	43.1

methods has the added advantage of triangulation. The first phase of the study, qualitative inquiry, involved face-to-face interviews followed by the second phase, which involved an online survey. The interviews were essential due to the lack of knowledge regarding CSR in the M&R cluster and the ambiguity regarding the use of CSR terminology within the industry.

We had three informants, one with experience and knowledge of shipping, the second with a working knowledge of shipyards, and the third with long experience in the industry as a whole, acquired from different companies and from different positions within the industry. Input from the qualitative interviews was used in designing the survey questions for the online data collection. The survey was first developed in English, later translated into Norwegian, and back-translated. Items for the questions were adapted from previous research (see Appendix B). A professional English teacher and lecturer helped in the back-to-back translation. The survey questionnaire was pre-tested before it was used for the online survey.

The companies were purposively selected due to the limited number of companies in the cluster and email messages were sent to them to solicit their participation. The first wave of responses numbered 20, followed by 14 in the second round, finally totaling 65 completed responses. The first and second waves of responses were tested for non-response bias and no significant differences were found between early and late responses. Thus, out of 185 firms sampled, a 35% response rate was achieved. Considering the commonly low response rate of online surveys and especially B2B studies, 35% is considered acceptable. A greater proportion of sampled businesses are suppliers (78.5%) with the rest being shipyards and shipping companies. Most of the sampled firms (81.5%) have less than 100 employees and 75.4% have a turnover below 169 million NOK. The proportion of companies with export share under and above 30% of their turnover is 60% and 40%, respectively (see Table 2).

4. Results

4.1. Qualitative analysis and findings

The qualitative interviews were conducted in order to gain a deeper understanding of the maritime industry and how key employees of the firms in question made sense of the CSR concept. The main questions asked were: how do you interpret CSR?, what influences the company you represent to be active in CSR?, which topics within CSR do you see as most relevant in the maritime industry?, and what do you see as the main challenges and opportunities in the future with regards to CSR within the maritime industry?

It turned out that the three key informants from three different, large, local maritime firms had quite different understandings of the CSR-concept. Two out of the three were familiar with the term, but the third informant believed social responsibility was only relevant to internal issues, for example, how to treat their employees. This informant has long experience in the industry as an employee, owner and manager, and the informant admitted that this topic was not at the top of the

agenda during the informant's time as a manager. The period the informant referred to was the 1970s to 1990s. However, the informant now believed that things had changed for the better. The informant believed the awareness of social issues had increased, both in the maritime industry and in society at large. Still, the informant was somewhat pessimistic about the future and stated that most companies would only do the minimum that is required. This is in line with Andrews (1987), 'there is no hope of anticipating the ingenuity of the willful evader' (p. 77). Since rules and regulations will never completely catch up with the opportunistic 'evader', it is vital to build a culture in the industry that makes it a natural choice for managers throughout organizations to choose the path that leads to responsible choices.

Environment and safety were evaluated by all three informants as highly relevant CSR topics in the maritime industry. In addition, two of the informants mentioned sponsorship as a very important CSR area in the industry. The latter point is particularly prevalent in firms that are located in small communities, are family-owned and have been so for generations. Their existence is often seen as vital for the community in terms of both employment creation and survival. This line of argument is also true for the survival of many smaller local firms that serve as suppliers to the larger, keystone companies. Based on the literature review and our qualitative findings, we suggest the following propositions:

P1: The interpretation of the concept of CSR differs, even within the same industry.

P2: CSR initiatives towards stakeholders such as the environment, communities, charities and safety are important within the maritime industry.

P3: Intrinsic motivation is highly associated with CSR targeted at all the six main stakeholder segments (e.g. community, environment, suppliers, shareholder, employees and customers).

P4: The choice of stakeholder segments for CSR activities is explained by SMEs' specific motives.

4.2. Conceptual model development and quantitative data analysis

A conceptual model (Figure 1) for the quantitative inquiry was developed and estimated using variance-based partial least square (PLS) technique (Wold 1975; Ringle, Wende, and Becker 2015).
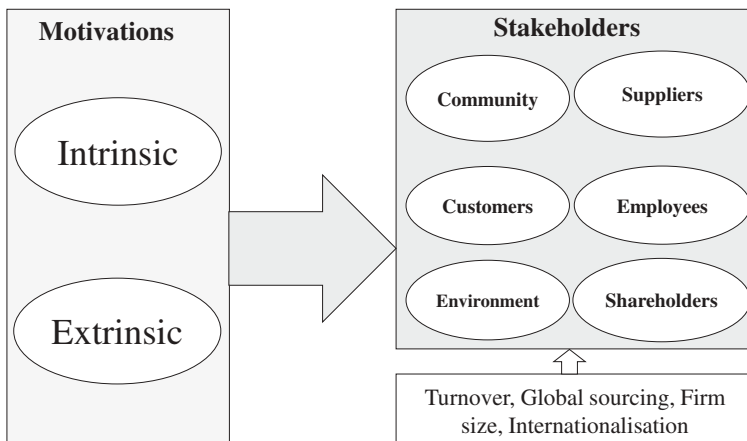

Figure 1. Conceptual model for the quantitative inquiry.

Our choice of PLS analytical technique is determined by the exploratory nature of the study and the small sample size (65).

In order to avoid method biases, we first used Harman's (1976) single-factor test. A single factor from unrotated factor solution or when one factor explains most of the variance (>50%) could lead to common method variance bias (Podsakoff and Organ 1986). However, a one-factor solution accounted for only 26% of the overall variance. Additionally, we used the marker variable method (Lindell and Whitney 2001; Malhotra, Kim, and Patil 2006), a variable that is theoretically distinct and unrelated to at least one other variable in the study. We used several marker variables (e.g. age of key informant), to estimate the loadings on every item in the PLS path model and observed each item's loading on its theoretical construct. We compared the estimated path model relationships with and without the marker. All theorized paths maintained their level of statistical significance. This shows that CMV bias is unlikely to influence the findings of the study.

We evaluated the measurement model in terms of factor loadings, item reliability, and convergent and discriminant validity. Although a rule of thumb that factor loadings greater than 0.7 are desired, a value of at least 0.5 is considered acceptable (Hair et al. 2016) (see Appendix B). Cronbach's alpha, composite reliability, and average variance extracted (AVE) (Fornell and Larcker 1981) were all above the acceptable range. Both Cronbach's alpha and composite reliability values were all greater than 0.70, while AVE was above 0.50 (except for the Shareholders = 0.41), demonstrating convergent validity. Discriminant validity of the latent variables in the PLS path model was performed using the heterotrait–monotrait ratio of correlations (HTMT) (Henseler, Ringle, and Sarstedt 2015). The HTMT values were all below 0.85, demonstrating discriminant validity.

We evaluated the significance of the path coefficients using the bootstrapping functionality in SmartPLS3. The results show that intrinsic motivation strongly drives CSR activity targeted at the community ($\beta = 0.64$, $P < 0.001$, $f^2 = 0.48$), employees ($\beta = 0.52$, $P < 0.01$, $f^2 = 0.20$) and shareholders ($\beta = 0.57$, $P < 0.05$, $f^2 = 0.25$), while for customers ($\beta = 0.18$, $P > 0.05$) this was insignificant. The association between intrinsic motivation and CSR activity targeted at environmental issues was weak ($\beta = 0.22$, $P < 0.10$, $f^2 = 0.04$), while we found no relationship between intrinsic motivation and suppliers ($\beta = -0.23$, $P > 0.05$). However, our preliminary analysis shows that extrinsic motivation predicts CSR activity targeting suppliers ($\beta = 0.37$, $P < 0.05$, $f^2 = 0.07$) and the environment ($\beta = 0.29$, $P < 0.05$, $f^2 = 0.10$). No significant association was found between intrinsic or extrinsic motivation and CSR targeted at customers as stakeholders.

We controlled for firm size, turnover, extent of internationalization and global sourcing. Firm size was found to be negatively related to CSR activities targeting employees ($\beta = -0.60$, $P < 0.05$, $f^2 = 0.13$). The empirical analysis also shows that turnover was related to CSR targeting the community, suppliers, and employees. In addition, we found positive and significant relationships between the degree of SME internationalization and CSR targeted at suppliers and between the extent of SME global sourcing and suppliers. Thus, SMEs in the cluster that are involved in

Table 3. Results of structural model (n = 65).

	Community R² =.53		Environment R² =.38		Suppliers R² =.35		Shareholders R² =.29		Employees R² =.27		Customers R² =.17	
	β	t-value	β	t-value	β	t-value	β	t-value	β	t-value	β	t-value
Intrinsic motivation	.64	6.04****	.22	1.52[a]	−.23	1.13	.57	2.08**	.52	3.01***	.18	.68
Extrinsic motivation	−.06	.40	.29	1.84*	.37	2.10**	.04	.17	−.24	1.08	.13	.38
Firm size	.02	.10	.24	1.11	.00	.01	−.18	.01	−.60	1.68*	−.02	.07
Turnover	.23	1.26[a]	−.02	.09	.39	2.01**	.03	.08	.54	1.55[a]	.18	.59
Internationalization	.03	.33	−.17	1.56[a]	−.16	1.93[a]	−.02	.19	.00	.02	−.17	1.07
Global sourcing	−.09	.68	−.11	.94	.21	1.98**	−.02	.11	.02	.18	.14	.76

t-Values are based on 1000 bootstrapping samples.
**** $p < 0.001$, ***$p < 0.01$,** $p < 0.05$ (two-tailed),* $p < 0.05$, [a]$p < 0.10$ (one-tailed).

international business (exporting and sourcing) are highly involved in CSR targeted at suppliers. Table 3 shows the results of the path analysis.

To provide an increased understanding of how motivations drive a particular CSR activity, we conducted an importance-performance analysis (IPMA). Importance-performance matrix analysis is useful in extending the findings of the basic PLS-SEM outcomes using latent variable scores (Hair et al. 2016). Most importantly, IPMA contrast the structural model's total effects (importance) and the average values of the latent variable scores (performance). This is useful in highlighting significant areas for improvement of management and policy decisions. A summary of the IPMA results illustrating motives for CSR targeted at the community, shareholders, and employees is shown in Figure 2 while motives for CSR targeted at the environment, suppliers and customers are shown in Figure 3.
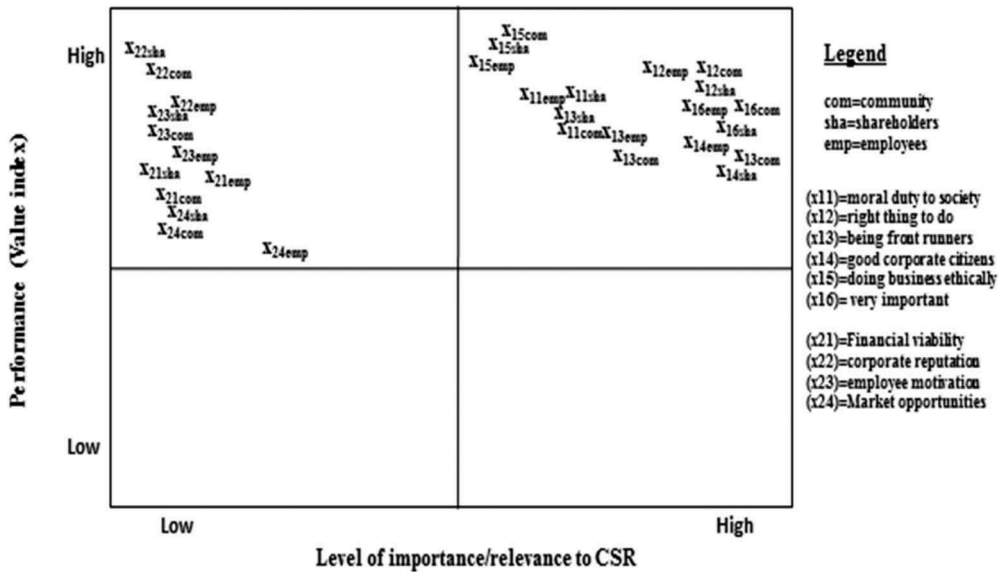

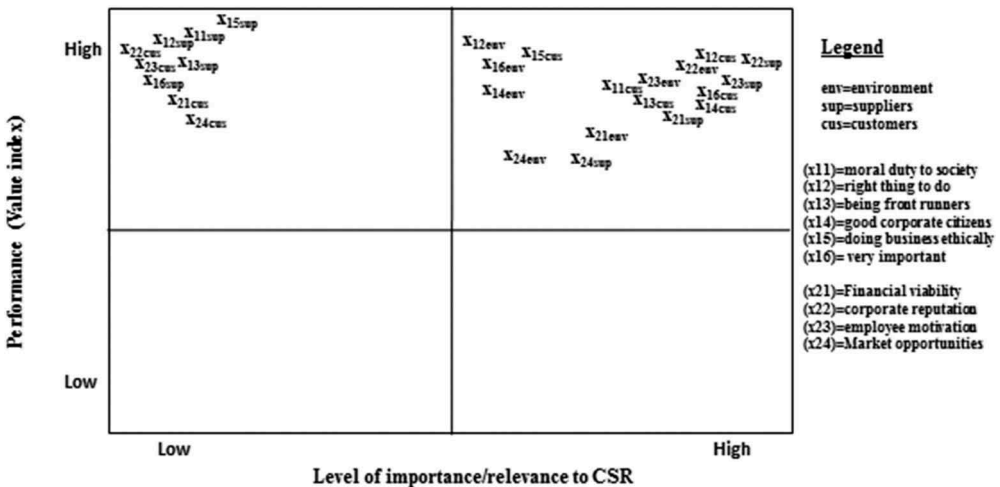Figure 2. Motives for CSR targeted at the community, shareholders, and employees.

Figure 3. Motives for CSR targeted at the environment, suppliers, and customers.

5. Discussion

The results show that CSR is of high relevance and importance to SMEs in the maritime industry. The choice of stakeholder segments for CSR targeting depends on specific motives. SMEs' main motive for implementing CSR targeting the community, employees, and shareholders is for the company to be seen as 'doing the right thing'. Another important motive for SMEs targeting the communities concerns 'being front runners' and 'leading the way'. SMEs also want to be seen as good 'corporate citizens' by their shareholders in addition to being seen as having 'a moral duty' to society. In terms of performance, a subjective assessment of how well the respondents perceived the SMEs that they represent was doing in the implementation of CSR, the results show that 'doing business ethically' as a motive or reason in implementing CSR targeted at the community had the highest 'performance/value index.' This suggests that most SMEs in this maritime cluster may be doing quite well in 'doing business in an ethical manner.' Of less relevance to most SMEs are motives such as the opportunities that CSR presents in terms of 'market opportunities,' especially when targeting CSR at employees, the community, and shareholders. This means that business opportunities are 'relegated to the background' when it comes to a focus on the employees, the community, and shareholders. Similarly, CSR targeted at the community, shareholders, and the employees shows that the SMEs place less importance on the 'profit motives'. Despite the low importance placed by SMEs in the maritime sector on 'corporate reputation' as a motive when targeting these three stakeholders (e.g. the community, shareholders, and employees), the results show that SMEs in the industry have performed well in using CSR to enhance their 'corporate reputation.'

The motives of SMEs for using CSR targeted at suppliers show high relevance concerning 'corporate reputation' and 'employee motivation' while for customers, the aim is for the SMEs to be seen 'doing the right thing,' having 'high reputation' in regards to environmental issues and a 'moral obligation to society'. In terms of performance, the SMEs have the highest 'performance/value index' for 'doing the right thing' when implementing CSR concerning environmental issues and 'doing business ethically'. Though motives such as 'market opportunities' and 'financial profitability' are of less importance when targeting suppliers and customers for CSR activities. The SMEs in the industry ranked very high in terms of performance in 'doing business ethically', 'having a moral obligation' and doing the right thing when they relate to their suppliers.

6. Research contributions

6.1. Contributions and implications for theory/research

The purpose of the paper was to explore the motives for firms' engagement in CSR within the maritime cluster and to find out what underlines the CSR stakeholder choice. Based on the qualitative and quantitative analyses and findings we conclude that: (1) the interpretation of the concept of CSR differs, even within the same industry. (2) Within the maritime industry, CSR initiatives are targeted at key stakeholders such as the environment, communities, charities, and safety. 3) Intrinsic motivation is strongly associated with CSR targeted at the community, shareholders, and employees compared to extrinsic motivation, which is associated with the environment and suppliers. 4) The choice of stakeholder segments for CSR activities is explained by SMEs' specific motives. To elaborate further, the concept of CSR differs among industry players and may thus be quite ambiguous (Aguinis and Glavas 2012). Consensus over the meaning of CSR continues to be problematic while the lack of clarity is complicated by the multiplicity of stakeholder's interests and expectations (Fontana 2017). Important CSR initiatives within the maritime industry, such as those concerned with the environment, sponsorship, charities, and safety are targeting stakeholders. We argue that intrinsic motivation is highly related to CSR targeted at the community, shareholders, and employees, while, on the other hand, extrinsic motivation appears to be limited to concerns for the environment and the business case of how the firms relate to their suppliers. The

emphasis on the environment is not surprising since improving environmental performance is in line with the growing regulations on reducing the emissions of greenhouse gases (Yuen and Thai 2017).

In addition, we found that firms 'discriminate' among the various stakeholders concerning the motives for targeting a particular stakeholder with CSR. The choice of stakeholder segments for CSR targeting depends on specific motives. This is an important contribution of our study to the literature. This is the case because of the varying levels of resources of the firms and differences in 'need' of the stakeholders. In addition, firms attach different levels of importance to why they target a particular stakeholder with CSR, and therefore firms focus on certain stakeholders at the expense of others.

6.2. Implications for policymakers/management

Based on the qualitative findings, we found that the interpretation of the concept of CSR differs even within the same industry. One of the respondents had a rather narrow view linking CSR to social responsibility towards their employees; one related it primarily to sponsorship while the third had a view more in line with the current literature. This implies that the industry needs to take a proactive approach in institutionalizing CSR practices within the industry. The industry should clearly define what constitutes CSR, as this will help managers responsible for CSR to be able to develop, implement, and monitor CSR activities with a clear set of criteria and key performance indicators. For public policy implications, a clear interpretation of the concept within an industry or sector will contribute to the efficient formulation of regulatory policies without ambiguity. The strong focus on the environment in this industry is natural since the maritime industry has quite an impact on the environment in terms of both use of resources and pollution/emissions. The implication is that a new business model should be considered to reduce the maritime industry`s footprint. Recent advances in the industry regarding the design and manufacture of hybrid vessels, autonomous vessels, and electric vessels are innovations that can significantly reduce the environmental footprint of shipping and increase energy efficiency sustainably. The substitute with renewables and natural processes, where the firms that move from nonrenewable to renewable energy sources have a huge impact since the maritime industry depends so much on fossil energy. This is also in line with Porter and Kramer (2006) and Karlsen (2010) arguments that to prove that a firm is genuinely into CSR, the firm should focus on making a difference (e.g. in innovation) in areas that relate to the firm`s core business.

The findings revealed a strong focus on community, which is typical for firms that are family-owned and located in relatively small communities. An implication of this finding is that there is no need for external incentives to make the firms contribute to the community. We see from the quantitative analysis that there are strong internal motivations for doing so. When it comes to the lack of internal motivation for focusing on the environment, this could be due to the managers considering it a task for the government to regulate through laws. This is in line with Matten and Moon (2008) argument of implicit CSR being prevalent in societies with a high degree of solidarity and policies providing obligations for the firms to be more responsible to society. This is very common in Norway as it is part of the 'make-up' of society: it is customary to do so and hence part of the cultural milieu. As extrinsic motivation appears to be mostly linked to concerns for the environment and suppliers, this is where policymakers and societal groups may have the most impact in stimulating increased CSR activity. The implication is that when extrinsic motives dominate, policymakers should implement institutional reforms that increase financial incentives, according to Graafland, Kaptein, and Mazereeuw (2010).

The EU depicts CSR as … *'companies taking responsibility for their impact on society. The European Commission believes that CSR is important for the sustainability, competitiveness, and innovation of EU enterprises and the EU economy. It brings benefits for risk management, cost*

savings, access to capital, customer relationships, and human resource management' (ec.europe.eu 2018). In the last few years, the EU has given SMEs special attention, because it considers CSR critical to global sustainability. The EU recognizes that large multinational firms have influenced the CSR debate. The term should be adjusted when addressing SMEs, personal values, and ethics are important and support for CSR should *seek to build on and respond* to these value-based motivations and not replace or ignore them. Further, CSR in SMEs is more customized to each firm's context and political environment. Policy formulation at the sub-regional level and institutional level should take into consideration the peculiarities and the unique nature of each industry and the CSR stakeholder choice process of firms, as input into the formulation of CSR policies. It is only by so doing that these policies can stimulate the growth and the innovative potential of the firms and the industry.

7. Conclusion, limitations, and future research

In interpreting the findings of this paper, the following are important considerations. First, the paper used a specific setting, which is the maritime cluster of Norway, and therefore the findings may have limited generalizability. However, it is possible that the findings from this specific context can be transferred to industries, countries, or settings with similar characteristics. Second, the concept of CSR is understood differently in different regions of the world. This means that the activities and practices constituting CSR can be conceptualized differently in other contexts. For example, this paper suggests that there is no need for external incentives to make the firms contribute to their local community. However, it may be that in other contexts (e.g. with less regulations), firms require incentives to stimulate CSR. Third, the paper focused on six main social (e.g. community, suppliers, customers, employees, shareholders) and non-social stakeholder (e.g. environment) segments. There are many other stakeholders that could be included, such as the government and regulators, civic societies, the media, and the public (Lozano, Carpenter, and Huisingh 2015). Fourth, the paper finds a weak association between motivation (intrinsic and extrinsic) and CSR targeted at the environment. Other factors not considered by the study could better explain the stakeholder choice for the environment (e.g. legislation). Moreover, the study used a limited number of case interviews and data points, future studies involving large-scale studies and multiple research settings can provide a more generalized overview of the CSR phenomenon.

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Appendices

Appendix A. Summary of recent CSR studies

Article	Purpose of the study	Major findings
Feder and Weißenberger (2019)	This paper examines top-level managers' intentions to engage in CSR-related activities.	The results show that attitude towards CSR-related activities has a strong impact on the intentions to engage in certain activities. Furthermore, perceived behavioural control also influences top-level managers' intentions to engage in CSR-related activities. However, the influence of subjective norm was not supported.
Hafenbrädl and Waeger (2019)	The authors used two experiments to find answers to the research question: why do many companies use a business case frame when referring to their Corporate Social Responsibility (CSR) activities?	The findings revealed that using a business case frame makes for a better impression management strategy than moral frames. By signalling that CSR activities are driven by instrumental reasons, and therefore, not diagnostic of a company's moral character, a business case frame (and also a hybrid frame) suppresses accusations of hypocrisy.
Ortiz-Avram et al. (2018)	This study reviewed 118 published papers/articles using systematic literature review methodology. The purpose was to uncover a growing conceptual and terminological fragmentation of the CSR literature concerning SMEs.	The review shows that research on the integration of CSR into strategies of SMEs is highly fragmented. 56 different terms are used in this academic literature as an alternative to CSR. The review identified 19 individual issues categorized into 4 overarching topics.
Yuen and Thai (2017)	This study examines whether the implementation of corporate social responsibility (CSR) and provision of service quality (SQ) to satisfy shippers result in financial synergies or trade-offs for shipping firms. An internet survey was administered to 156 shipping firms in Singapore.	The results indicate that CSR complements SQ and provides additional but modest financial contribution to shipping firms via customer satisfaction. In addition, synergistic interactions between SQ and CSR were found. Although there are financial synergies from the implementation of CSR and provision of SQ, the analysis suggested that CSR should only be engaged when a shipping firm is fairly competent at delivering quality shipping services.
Eriksson and Svensson (2016)	This study assesses elements that affect social responsibility in supply chains and beyond. The elements were classified into drivers, facilitators and inhibitors.	Sixteen elements were identified and presented in a framework along with their proposed constituents. The elements capture structures and management principles of supply chains that are important for social responsibility. The elements provide a basis to better understand how social responsibility in supply chains is related to contextual factors.
Khojastehpour and Johns (2014)	This study investigates the effect of environmental corporate social responsibility (CSR) (climate responsibility and natural resource utilization) on corporate/brand reputation and corporate profitability.	The study highlights that environmental CSR has a positive effect on corporate/brand reputation and corporate profitability.
Kim (2014)	This study examined stakeholder responses toward two communication strategies of CSR motives: stating both self- and society-serving motives or only society-serving motives. How the effect of stated motives differs by corporate reputation was studied as well.	The study found that acknowledging a self-serving motive reduces sceptical attribution and enhances stakeholders' favourable intent to support, seek employment with, invest in, and purchase from the company. Possible backlash effects were detected when companies with poor reputations emphasize only society-serving motives and omit self-serving motives.

(Continued).

Article	Purpose of the study	Major findings
Graafland and Mazereeuw-van der Duijn Schouten (2012)	This study examined the motives of executives to take responsibility for the labour, environmental and social aspects of their business. The authors identified three motives: one extrinsic (financial) and two intrinsic (ethical and altruistic) motives and empirically investigated the influences of these motives on Corporate Social Responsibility (CSR) by means of a sample of 473 executives.	The estimation results show that for social aspects of CSR, executives are significantly more driven by intrinsic motives than by the extrinsic motive. But also, for environmental aspects of CSR intrinsic motives provide stronger stimulus than the extrinsic motive.
Groza, Pronschinske, and Walker (2011)	Prior research has addressed the direct influence of proactive and reactive CSR on consumer responses. This research hypothesized that consumers' perceived organizational motives (i.e. attributions) will mediate this relationship. It was also hypothesized that the source of information and location of CSR initiative will affect the motives consumers assign to a firms' engagement in the initiative.	Two experiments were conducted to test the hypotheses. The results of Study 1 indicate that the nature of a CSR initiative influences consumer attribution effects and that these attributions act as mediators in helping to explain consumers' responses to CSR. Study 2 suggests that the source of the CSR message moderates the effect of CSR on consumer attributions.

Appendix B. Measurement model

Construct	Indicators	M	SD	Loadings#
Community $\alpha = 0.86$ CR $= 0.90$ AVE $= 0.60$ Fatma et al. (2014), Martínez et. al. (2013), Maignan and Ferrell (2000).	Our company:			
	Is concerned with improving the general wellbeing of society (y_{11})	4.75	1.33	0.811***
	Engage in philanthropy contributing to such cause as the art, education and sport (y_{12})	4.40	1.82	0.851***
	Gives adequate contribution to charities (y_{13})	4.51	1.63	0.638***
	Encourages its employees to participate in voluntary activities (y_{14})	3.74	1.59	0.671***
	Is committed to improving the welfare of the communities in which we operate (y_{15})	4.34	1.56	0.862***
	Plays a role in society that goes mere beyond profit generation (y_{16})	4.98	1.43	0.784***
Customer $\alpha = 0.85$ CR $= 0.86$ AVE $= 0.55$ Turker (2009), Fatma et al. (2014), Maignan and Ferrell (2000).	Our company:			
	Respects the rights of our customers beyond the legal requirement (y_{21})	6.25	0.81	0.767***
	Provide full and accurate information about its products to our customers (y_{22})	6.51	0.71	0.732**
	Has established procedures to comply with customer complaints (y_{23})	6.05	0.99	0.873***
	Treats our customers honestly (y_{24})	6.66	0.59	0.600*
	Considers satisfaction to be highly important (y_{25})	6.69	0.58	0.694**
Employees $\alpha = 0.77$ CR $= 0.84$ AVE $= 0.52$ Turker (2009), Håvold (2005), Perez et.al (2013).	Our company:			
	Encourages our employees to develop their skills and careers (y_{31})	5.65	0.87	0.698***
	Is primarily concerned with our employee`s needs and wants (y_{32})	5.25	1.13	0.744***
	Implement flexible policies to provide a good work & life balance for our employees (y_{33})	5.82	0.86	0.701***
	Provides a fair treatment of employees (regardless of gender, race, origin or religion) (y_{34})	6.45	0.71	0.696***
Environment $\alpha = 0.89$ CR $= 0.92$ AVE $= 0.70$ Fatma et.al (2014), Turker (2009), Maignan and Ferrell (2000).	Our company:			
	Exploits renewable energy in a productive process compatible with the environment (y_{41})	4.26	1.60	0.797***
	Participates in activities which aim to protect and improve the quality of the natural environment (y_{42})	4.40	1.72	0.827***
	Makes investment to create a better life for future generations (y_{43})	4.54	1.61	0.895***
	Implements special programs to minimize its negative impact on the natural environment (y_{44})	4.65	1.69	0.897***
	Has set goals to reduce our consumption of natural resources (y_{45})	4.40	1.72	0.758***

(Continued)

(Continued).

Construct	Indicators	M	SD	Loadings#

Shareholders
α = 0.70
CR = 0.77
AVE = 0.41
Fatma et al. (2014), Martínez et. al. (2013), Maignan and Ferrell (2000).
	Our company:
	  Has been successful at maximizing our profits (y_{51})
	  Keep a strict control over the costs (y_{52})
	Is concerned to fulfil its obligation vis a vis its owners (y_{53})
	Obtains the greatest possible profit (y_{54})
	Is committed to ensure its survival and success in the long-term (y_{55})
		
		5.95
		6.29
		4.74
		6.14
		4.68
			
			1.04
			0.85
			1.29
			0.86
			1.25
				
				0.687**
				0.643**
				0.509*
				0.795***
				0.527*

Suppliers α = 0.80 CR = 0.87 AVE = 0.62 Gallardo-Vazquez et al. (2014).	Our company: Controls the quality of suppliers' products (y_{61}) Controls labor standards of suppliers and ensures they follow legal requirements (y_{62}) Controls the environmental standards of the products and production processes of suppliers and ensure they follow legal requirements (y_{63}) Strives to enhance stable relationships of collaboration and mutual benefit with our suppliers (y_{64})	 5.69 4.54 4.68 5.72	 1.17 1.70 1.64 1.25	 0.765*** 0.833*** 0.835*** 0.706***
Intrinsic motivation α = 0.90 CR = 0.92 AVE = 0.68 Roy et al. (2013).	To behave in a responsible way is a moral duty of businesses towards society (x_{11}) Our company engages in CSR because it is the right thing to do (x_{12}) As a Norwegian company, we see it as our moral duty to be front-runners of CSR activities (x_{13}) Our company engages in CSR because we are committed to being good corporate citizens (x_{14}) Our company believes in ethical ways of doing business (x_{15}) In our company, CSR are very important (x_{16})	5.92 5.45 5.09 5.05 5.65 5.28	0.97 1.23 1.37 1.29 1.33 1.36	0.745*** 0.860*** 0.868*** 0.899*** 0.652*** 0.895***
Extrinsic motivation α = 0.91 CR = 0.94 AVE = 0.79 Ofori et al. (2014), Roy et al. (2013).	Our firm's effort with respect to CSR will: Have a positive influence on our financial result in the long term (x_{21}) Have a positive influence on our corporate reputation (x_{22}) Have a positive influence on employee motivation (x_{23}) Help our company to explore new customers and new markets (x_{24})	 4.40 5.28 4.97 4.09	 1.48 1.29 1.49 1.47	 0.914*** 0.883*** 0.918*** 0.830***

Note: # Based on 1000 bootstrapping samples.
α = Cronbach's alpha; CR = Composite Reliability; AVE = Average Variance Extracted; M = Mean;
SD = Standard Deviation *** $p < 0.001$, * $p < 0.05$ (two-tailed)