Caught in the middle - how retailers interpret and perform corporate responsibility related to consumers, supply chains, and employees

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In management research, studies on corporate social responsibility (CSR), or corporate responsibility, and sustainability have become common practice (Locket, Moon and Visser, 2006). A recent UN study shows that the focus on responsible behavior towards society and the environment is also increasing among companies; despite times of financial and environmental crises (Lacy, Cooper, Hayward, Neuberger, 2010). The general discourse, however, is still restricted in terms of how well the topic is applied to various types of business organizations and sectors. This paper focuses on retail – a major part of the service sector. Research is limited in terms of what corporate social responsibility signifies in retail contexts, how retailers relate to the concept, what actions they undertake to comply with its meaning, and why.

Contemporary approaches to corporate social responsibility imply that firms should take stakeholder management into account (Argandoña, 1998; Clarkson, 1995; Garriga and Melé, 2004; Marrewijk, 2003). The focus on stakeholders also shows in the wide range of available definitions of CSR (c.f. Moir, 2001). As an example, the European Commission describes CSR as *"…a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing "more" into human capital, the environment and the relations with stakeholders"* (Commission of the European Communities, 2001). This is the definition that guides this paper.

Retailers occupy an interesting position in the value chain; relating to many different stakeholders. There are the *store owners and employees*. Then there are other organizations in the supply chain, such as the *manufacturers* of the products sold in retail stores and the *suppliers* of these products (logistics and wholesale). On a micro level in these organizations are also the *employees in manufacturing*. In addition, retailers must consider their impact on *customers*, the *environment* and *civil society including the local community*.

Being visible and close at hand implies that retailers have a critical position in times where consumers' attention to corporate responsibility and sustainability increases. If consumers have specific requests and critique concerning products, these can be expressed directly to retailers. Retailer are then held accountable for the sustainable nature of, not only their store but also the products sold in the store. Most retailers neither own the manufacturing sites, nor control the supply chain. Hence, they can be seen as somewhat caught between the actors residing upstream (manufacturers and suppliers) and downstream (consumers and civil society). We ask ourselves which stakeholders retailers are concerned with and whether the retailers' value chain position influences their notion of and approach to corporate responsibility.

Research investigating the meaning and practices of corporate responsibility in the retail sector is growing but still limited. The current paper is part of a research project that aims to improve our knowledge about the perceptions and practices of corporate responsibility in retail[1]. Based on the results of a quantitative telephone survey, this paper explores *how retailers interpret their responsibility in relation to other actors in the value chain, and how they perform corporate responsibility in relation to upstream and downstream stakeholders*.

We employ stakeholder theory as a theoretical framework and to analyze our findings. First, though, we offer a brief introduction to research on CSR in the retail sector.

Corporate responsibility in the retail context

Researchers currently develop the links between corporate responsibility and retail. Likewise, findings related to CSR show up in retail research that is not focused on this issue. For example, in a study on retailers' response to the economic downturn, Sands and Ferraro (2010) find that sustainability is seen as one strategic measure to increase performance and competitiveness.

One stream of research takes the consumer in focus. It explores consumers behavior related to socially responsible factors and selection of products, stores (Williams, Memery, Megicks, and Morrison, 2010), and shopping centers (Oppenwal, Alexander and Sullivan, 2006), and also how consumers respond to cause-related marketing in retail (Barone, Norman and Miyazaki, 2007).

Another stream of research takes the retailer in focus. Part of this stream is descriptive, seeking to learn how retailers communicate CSR at the point of purchase, and also what they communicate to consumers (Jones, Comfort and Hillier and Eastwood, 2006; Jones, Comfort and Hillier, 2007; Piacentini, MacFadyen and Eadie, 2000; Shaw, 2006). Brashear, Asare, Labrecque and Motta (2008) introduce a framework for social responsible business practices in retailing. The framework exemplifies social responsible business practices based on a marketplace logic – distinguishing the supplier side and buyer side, and an organization logic – distinguishing external (society) and internal (company). In correlation to this framework, there are studies that take a wider perspective on retailers' CSR activities, also looking at

[1] The research project was made possible by financial support from The Swedish Retail and Wholesale Development Council, a foundation consisting of employers associations and national labor unions.

sourcing practices (e.g. Pretious and Love, 2006) and community engagement (Marques et al., 2010).

The research initiatives are valuable as they apply the notion of corporate social responsibility on the retail sector. At the same time, the research mirrors a common practice in management research, namely to focus on the largest companies. Observations in practice reveal, though, that also small firms in retail are concerned with and/or adjust in various ways to comply with contemporary views on corporate responsibility. For example, smaller stores are now available that focus on fair-trade clothes and ecological food. This development does not make research on large firms uninteresting, but it reveals gaps in our current approach to and understanding of corporate responsibility in retail.

The research is so far mainly of descriptive character. Much is focused on grocery retail (i.e. primarily convenience goods) (e.g. Williams et al., 2010). Less attentions has been paid to explore a wider set of retailers (including shopping and capital goods). There is a tendency to distinguish stores according to what they sell; like clothes (Pretious and Love, 2006) or food (Piacentini et al., 2000). Alternative approaches to analyze patterns and behavior related to corporate social responsibility or sustainability reside in size of stores or firms, level of vertical integration, store manager characteristics, and stores' geographical position.

Stakeholder theory and corporate responsibility

Stakeholder theory (Freeman, 1984) proposes that companies should cater to the needs and behavior of stakeholders that are related to the business' performance. Since its introduction in the 1980s, stakeholder theory has been frequently cited, reinterpreted and debated. Suffice to say, though, there is no consensus in regards to what constitutes a company's stakeholders and what stakeholder management means (c.f. Mitchell et al., 1997). The theory has been so widely applied that it inspired an article on the subject of "what stakeholder theory is not" (Phillips, Freeman and Wicks, 2003). Phillips et al. (2003) in this article present what they perceive to be misinterpretations of the stakeholder theory. They clarify that management with a stakeholder focus implies more than managing for maximum shareholder monetary wealth, but also that there are boundaries to the meaning of stakeholder theory. At its core, "Stakeholder theory is a theory of organizational management and ethics" (Phillips et al., 2003, p. 480). It is not, though, to be seen as an all encompassing moral doctrine for society.

Freeman's original definition of stakeholder suggests that it defines: "any *group or individual* who *can* affect or is *affected by* the achievement of the organization's objectives" (Freeman, 1984, p. 46, italics added). This definition implies a limitation of stakeholders to represent human beings (c.f. Phillips et al., 2003). Similarly, Clarkson (1995, p. 106, italics added) suggests that "stakeholders are *persons or groups* that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future. Such claimed rights or interests are the result of transactions with, *or* actions taken by, the corporation, and may be legal or moral, individual or collective." These definitions also clarify that stakeholders do not have to be engaged in active exchange with the company; a point further elaborated on by Clarkson (1995) who distinguishes primary and secondary stakeholders.

Inspired also by other scholars (e.g. Driscoll and Starik, 2004; Starik, 1995), we adhere in this paper to a broader definition of stakeholder that, in line with the notion of sustainability, allows us to interpret the natural environment as a key stakeholder for business. A stakeholder in this paper, thus, is seen as *any naturally occurring entity, person, or group, that can affect or is affected by the achievement of the company's objectives*.

Based on the three characteristics power, legitimacy and urgency, Mitchell et al. (1997, p. 854) define a typology of stakeholders – "entities to whom managers *should* pay attention". According to their theory stakeholders vary in terms of their ability to influence the company's performance (power), the relevance of their relationship with the company (legitimacy), and the importance of their claims on the company (urgency). For example, actors that fulfill all three characteristics are called *definitive stakeholders*. In continuation of this classification, Mitchell et al. (1997) propose the dynamic theory of stakeholder salience, which predicts that companies will manage stakeholders differently depending on their position.

Stakeholder theory has been applied in different ways and for different purposes, which leads to the identification of at least three approaches to the theory: the descriptive, the instrumental, and the normative (Donaldson and Preston, 1995). In its descriptive use, stakeholder theory is applied to describe firms and how they behave. In its instrumental form, stakeholder theory explains how stakeholders are a means to reach good performance in the company. In contrast, the normative approach to stakeholder theory focuses on the creation of mutually supportive relationships with stakeholders. That is, doing good for the stakeholder, for the sake of the stakeholder, while also doing good for the business. This perspective, which justifies stakeholder focus based on moral legitimacy (Suchman, 1995), implies that stakeholders are managed regardless of their power vis-à-vis the focal actor.

When applying stakeholder theory to the corporate social responsibility phenomenon, all three approaches to stakeholder theory are possible and in use. That is, stakeholder theory is a means to describe why CSR happens, the business case for CSR, as well as a wider, ethical logic for CSR. However, given the basic objective of corporate social responsibility (to integrate social and environmental concerns in business), it would be misleading to claim that the normative version of stakeholder theory is not an essential foundation for the CSR discourse and activities.

From a CSR perspective, the stakeholders who possess the legitimacy attribute but have no power or urgent claims towards the company are particularly interesting (defined by Mitchell et al. (1997) as the discretionary and dependent stakeholders). From the managers' perspective there is no immediate or strong pressure to act on these stakeholders' behalf. Still, companies might chose to do so. Scholars describe this as exercising philanthropy, discretionary CSR, or corporate citizenship (Carroll, 1979, Maignan et al., 1999; Schwartz and Carroll, 2003).

Stakeholder management was integrated with corporate social responsibility research as a means for researchers to frame the topic and the practice (Locket, Moon and Visser, 2006). From a theoretical point of view, stakeholder theory is described as a theory that enables the merge of business management and ethics (Phillips et al., 2003; Fassin, 2008). Since business

ethics lies at core of achieving corporate social responsibility, it is not surprising that stakeholder theory and management are currently key to analyses of the phenomenon (Fassin, 2008). The key questions still remain for each business actor, though. Who (or what) are the key stakeholders of the firm and how are their interests combined with a socially responsible, or sustainable business practice?

Method

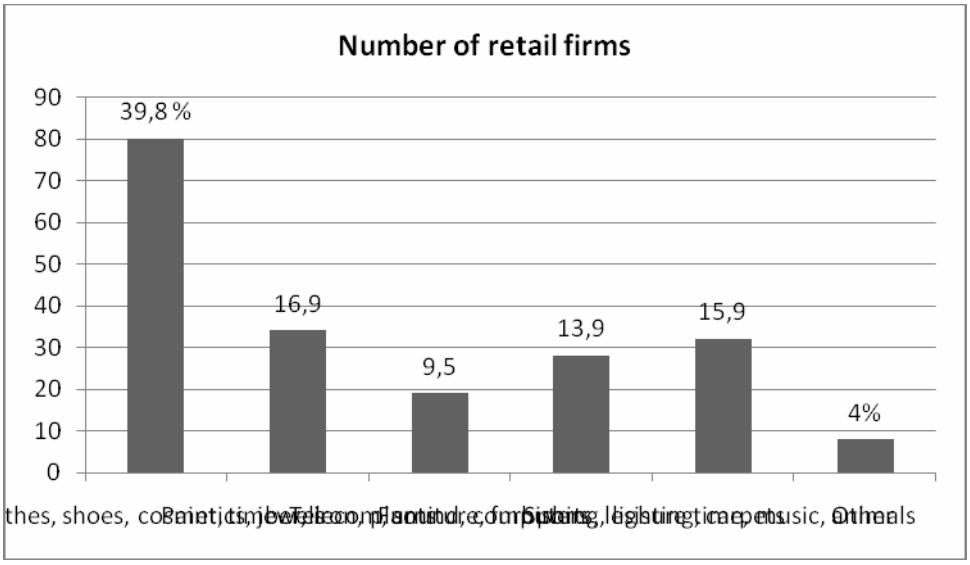
Generally speaking, our study covers shopping goods in the consumer market. We excluded groceries, vehicles, fuel, medical and optical articles, art, antiques and second-hand goods (ISIC-codes: 4711; 472; 473; 4773; 4774; 47781; 47783, 4779).

The study is based on a structured telephone survey, conducted in Sweden with 201 store managers. The sample was random based on a categorization of city size according to inhabitants (large>200 001, medium 100 000 - 200 000, and small 25 000 – 99 999). We sought a weighted sample, fulfilling 67 interviews in each category.

There are three large cities. In addition to these we randomly selected three middle-sized cities, and six small cities. As small cities have few retailers we needed a bigger sample to fill the quota of conducted interviews from this category. Retailers were randomly sampled in each city. A total of 988 retail stores were contacted. Our unit of analysis is the retail store. An overview of stores finally included in the study is presented in table 1.

The survey seeks to answer three key questions. 1) Which responsibility do retailers perceive that they have in regards to whom, and relative to other actors in the values chain? 2) What do retailers do in terms of CSR? 3) Why do retailers do what they do in terms of CSR?

Table 1: Overview surveyed stores - categories



Based on the assumption that retailers are caught in between end-users and the supply chain, *the survey was constructed to explore the stores perception of responsibility in relation to other actors and stakeholders in the values chain*. In view of previous research on CSR and the stakeholder theory, the survey specifically ask about: manufacturers, manufacturers'

employees, suppliers, the environment, in-store employees, consumers, and the local community.

The first part of the questionnaire consists of background questions, partly about the store manager, and partly about the store, e.g. if it is part of a chain, if it is a franchisee, size of store, number of employees. Thereafter, the following six parts follow: (1) questions about the value chain of the retail firm and the products of the firm; (2) questions about the customers of the retail firm; (3) questions about the store and the employees; (4) questions about the local community; (5) questions about environmental issues; (6) questions about knowledge about CSR. Each part in the survey follows the same structure, to make it possible for the respondent to recognize the structure.

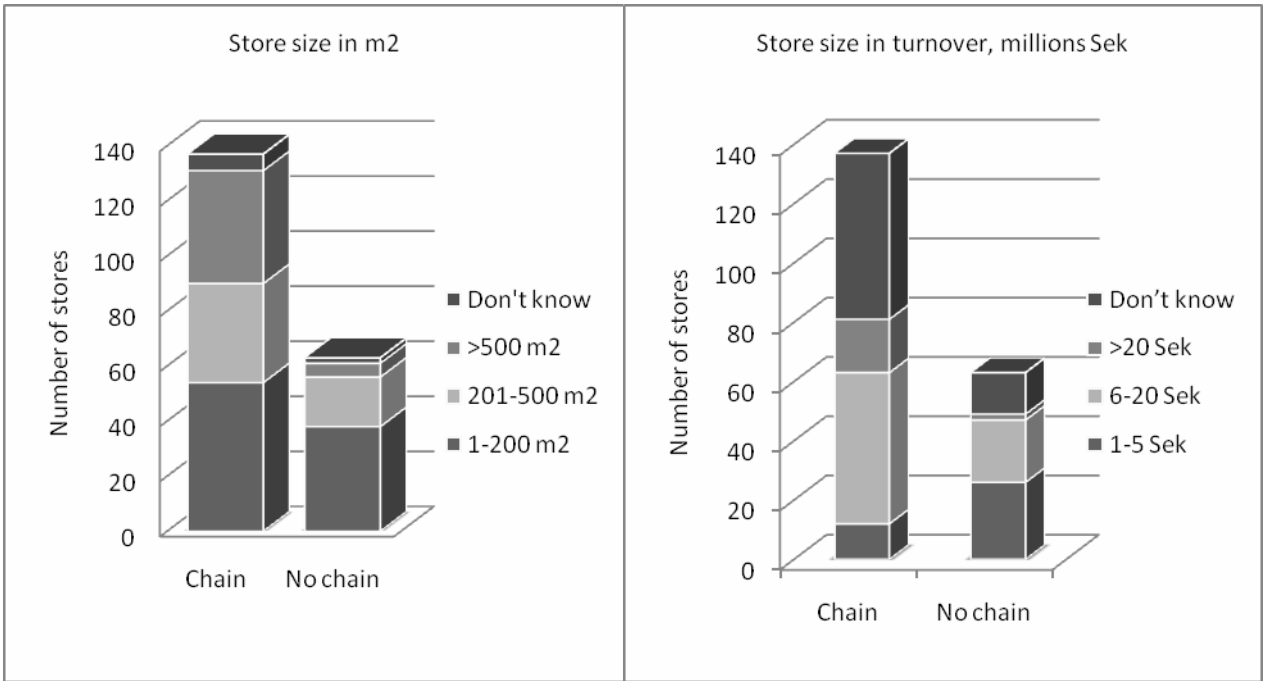
The survey consists of three types of questions. *The first type* asks respondents to answer according to a seven point likert scale, where 1-3 indicates that the respondents does not agree with the statement, 4 can be perceived as neutral ,and 5-7 represent agreement with the statement. This question type was used to explore the respondents' perceptions about their and other actors' responsibility (e.g. about child labor). The respondent responds to statements such as: This is something my store can influence; This is important for my store; This is the responsibility of the store; This is the responsibility of the supplier; This is the responsibility of the manufacturer; This is something our customers expect that we take responsibility for; This is the responsibility of the headquarter.

The second type of questions track actions taken by the store which are related to CSR (e.g. if they have actively searched for fair trade products). Respondents are asked to chose between the following alternatives: a) Yes, we have done that during 2009, b) We have not done that during 2009, but earlier, c) No we have never done that.

The third type of questions implies that respondents are asked to answer: Yes; No; or Don't know. This type of question is used to track the existence of particular guidelines (e.g. on environmental or equality issues).

One salient background variable was if the store belongs to a chain or not. 68.5 % of the stores in the sample belong to a chain. Size has been identified as a mediating variable for retail companies' focus on sustainability as a strategic aspect (Sands and Ferraro, 2010).In view of this, we controlled the division of chain or individual store by means of the two background variables the store's size in square meters and store's turnover in millions of Swedish Crowns (1 000 000 Sek = 100 000 Euro). The results show that a majority of the stores with large sales area and high turnover belong to a chain. This partly supports the notion that belonging to a chain overlaps with being large. Given that a major part of the stores belonging to a chain are also small, though, the division primarily confirms that stores not belonging to a chain are generally smaller. Still, stores belonging to a chain can be seen as representing a larger entity, or at least as an entity that is strongly influenced by a larger entity, which could influence the approach and activities of CSR on a store level. Based on this, we present our findings distinguishing stores as belonging to chain or being individual stores.

Table 2: Store size - comparing chain and non-chain stores



The two questions in our purpose are partly entwined. Our analysis therefore combines the two questions in a discussion both on *how retailers interpret their responsibility in relation to other actors in the value chain* and *how retailers perform corporate responsibility in relation to upstream and downstream stakeholders*. Reviewing the survey results we look for patterns between store belonging to a chain and those not belonging to a chain. To understand particular results and any differences between the respondent groups, we apply stakeholder theory and previous research on CSR and retail.

Survey results

This part of the paper is structured in two parts. First we focus on stores' perceived and enacted responsibility for what happens upstream in the value chain (manufacturing and supply), and then downstream (consumers, employees). In the latter section we only use type two and three questions.

Upstream responsibility

Related to upstream responsibility we asked four "type one questions" (see above) regarding: (1) decreasing the occurrence of child labor in manufacturing of goods sold in the store; (2) conditions for employees in the manufacturing of goods sold in the store; (3) environmental effects during manufacturing of goods sold in the store; and (4) environmental effects related to transport and delivery of goods sold in the store. Overall, *the results on these questions were very similar!* We choose here to report one (decreasing the occurrence of child labor in manufacturing) as an indicator of all four questions (see table 3).

Table 3: Results on child labour in manufacturing

	Do not agree	**Neutral**	**Agree**	**Not relevant**
Decreasing the occurrence of child labor in the manufacturing of goods sold in the store is something my store can influence				
Part of chain (135)	49.6 %	3.7 %	41.4 %	5.2 %
Not part of chain (61)	41 %	13.1 %	37.7 %	8.2 %
Decreasing the occurrence of child labor in the manufacturing of goods sold in the store is an important issue for my store				
Part of chain (134)	11.9 %	3 %	***79.9 %***	5.2 %
Not part of chain (62)	4.8 %	14.5 %	***71 %***	9.7 %
Decreasing the occurrence of child labor in the manufacturing of goods sold in the store the responsibility of the store				
Part of chain (133)	39.1 %	6.8 %	48. 9 %	5.3 %
Not part of chain (63)	22.2 %	11.1 %	52.4 %	14.3 %
Decreasing the occurrence of child labor in the manufacturing of goods sold in the store is the responsibility of the suppliers				
Part of chain (137)	5.8 %	3.6 %	***85.4 %***	5.1 %
Not part of chain (62)	3.2 %	0.0 %	***88.7 %***	8.1 %
Decreasing the occurrence of child labor in the manufacturing of goods sold in the store is the responsibility of the manufacturer				
Part of chain (136)	1.5 %	2.9 %	***90.4 %***	5.1 %
Not part of chain (62)	0.0 %	0.0 %	***91.9 %***	8.1 %
Decreasing the occurrence of child labor in the manufacturing of goods sold in the store is something our customers expect that we take responsibility for				
Part of chain (136)	22.8 %	2.9 %	***69.9 %***	4.4 %
Not part of chain (62)	37.7 %	18.0 %	32.8 %	11.5 %
Decreasing the occurrence of child labor in the manufacturing of goods sold in the store is the responsibility of the head quarter				
Part of chain (136)	6.7 %	3.7 %	***77.0 %***	12.6 %
Not part of chain (62)	0.0 %	0.0 %	2.1 %	97.9 %

The respondents answer the questions presented above very similarly, regardless of their representing a store belonging to a chain or an stand-alone store. While the results indicate that store managers think of these issues as important, only 40 percent of them perceive that they have the power to influence the matter. Likewise, the results implies that store managers think of the upstream responsibility as something that other actors are primarily responsible for (i.e. manufacturers, suppliers, and head quarters - in stores belonging to a chain).

There is, however, a major difference in the question about customer expectations. Stores belonging to a chain answer to a higher degree that they believe customers hold them responsible compared to those who are not part of a chain.

Table 4 presents results related to what the stores actually have done in terms of responsibility and the value chain upstream. As indicated above, we maintain that the activities an actor actually carries out tell us something about the actor's perception of responsibility.

Table 4: Action taken related upstream stakeholders

	Yes, during 2009	**No, not during 2009 but earlier**	**No never**	**Don't know**	**Total**
Have you removed products from shelves because child labor has been used when manufacturing					
Part of chain	3.6 %	3.6 %	***70.1 %***	22.6 %	137
Not part of chain	3.2 %	9.5 %	***79.4 %***	7.4 %	63
Have you removed products from shelves because of unfair working conditions for employees during manufacturing					
Part of chain	4.4 %	7.3 %	***67.2 %***	21.2 %	137
Not part of chain	3.2 %	4.8 %	***85.7 %***	6.3 %	63
Have you searched for products labeled with "fair trade" or other social standards					
Part of chain	31.4 %	4.4 %	36.5 %	***27.7 %***	137
Not part of chain	27.0 %	1.6 %	***66.7 %***	4.8 %	63
Have you actively looked for suppliers that offer goods that are certified according to one or more environmental standards (ex. FSC. KRAV. Ekologisk. Organisk bomull. Svanen etc.).					
Part of chain	***44.5 %***	5.1 %	31.4 %	***19.0 %***	137
Not part of chain	25.4 %	3.2 %	***69.8 %***	1.6 %	63
Have you removed products from shelves because of their influence on the environment?					
Part of chain	31.4 %	8.8 %	45.3 %	***14.6 %***	137
Not part of chain	22.2 %	3.2 %	***73.0 %***	1.6 %	63

Noteworthy, the results reveal that a great majority of respondents have never carried out any of the activities we asked for. The reason for this result can be multifaceted. Rather than indicating a lack of attention to environment and social issues, the results could also indicate that stores are very particular about what products are put on the shelves in the first place and, thus, see no reason to remove them. Further investigation is needed.

Still, the results indicate that there is a difference between environmental and social issues. A higher number of stores have taken action in regards to their assortment due to environmental issues. This could be interpreted as an indication that the environment, which is a dependent actor, currently has powerful spokespersons, successful in putting environment on the

societal agenda. The results also show that the fair-trade label has gained recognition, which could be interpreted as if spokespersons for social issues are managing to shift the focus also to such matters of corporate responsibility and sustainability.

Table 5 presents the results of questions concerning written guidelines related to environmental issues. child labor. human rights. and animals rights.

Table 5: Results on written guidelines - upstream stakeholders

	Yes	**No**	**Don't know**	**Total**
Written guidelines regarding environmental issues				
Part of a chain	***61.3 %***	23.4 %	***15.3 %***	137
Not part of a chain	15.9 %	***81.0 %***	3.2 %	63
Written guidelines regarding child labor				
Part of a chain	***49.6 %***	29.9 %	***20.4 %***	137
Not part of a chain	7.9 %	***84.1 %***	7.9 %	63
Written guidelines regarding human rights (including working conditions and employees' rights)				
Part of a chain	***51.1 %***	29.2 %	***19.7 %***	137
Not part of a chain	9.5 %	***84.1 %***	6.3 %	63

The results show that stores which are part of a chain to a much higher degree have written guidelines in regards to upstream stakeholders. The reason for this discrepancy is not necessarily that stand-alone stores care less about the upstream actors. Written guidelines are a matter of different governance and management control systems and the current results can be a reflection of size; where larger organizations feel a need to administer and formalize in a different way than smaller ones.

In a large chain of stores, it is not uncommon that the headquarters take full or the main responsibility for sourcing and codes of conducts. In this situation, the individual store could end up being somewhat of an "island". That is, distanced from the discourse on corporate responsibility related to the upstream value chain. If written guidelines are administered by headquarters in a chain of stores, they might also be interpreted as the headquarters are taking responsibility (away) from stores. In this case, they do not necessarily say much about how the stores work. In relation to this, the fact that a higher proportion of the respondents representing chain stores answered that they do not know whether there is a guideline or not, is interesting.

Downstream responsibility

Related to downstream responsibility, table 6 presents results on questions concerning what activities the stores have carried out related to store employees.

Table 6: Actions taken related downstream stakeholders (employees)

	Yes. during 2009	**No. not during 2009 but earlier**	**No never**	**Don't know**	**Total**

Have you offered employees further education					
Part of chain	***73.0 %***	11.7 %	13.1 %	2.2 %	137
Not part of chain	54.0 %	7.9 %	***30.2 %***	7.9 %	63
Have you offered employees money for health and wellness training					
Part of chain	***62.8 %***	6.6 %	28.5 %	2.2 %	137
Not part of chain	42.9 %	3.2 %	***47.6 %***	6.3 %	63
Have you offered employees medical examination					
Part of chain	27.7 %	8.0 %	**56.9 %**	7.3 %	137
Not part of chain	27.0 %	6.3 %	**58.7 %**	7.9 %	63
Have you taken diversity of sex into account when employing new people					
Part of chain	***45.3 %***	8.0 %	42.3 %	4.4 %	137
Not part of chain	14.3 %	9.5 %	***66.7 %***	9.5 %	63
Have you taken diversity of age into account when employing new people					
Part of chain	***51.1 %***	11.7 %	35.0 %	2.2 %	137
Not part of chain	22.2 %	14.3 %	***57.1 %***	6.3 %	63
Have you taken diversity of ethnicity into account when employing new people					
Part of chain	***38.0 %***	7.3 %	51.1 %	3.6 %	137
Not part of chain	11.1 %	9.5 %	***68.3 %***	11.1 %	63
Have you offered flexible working hours. taking their family circumstances into account					
Part of chain	53.3 %	8.8 %	37.2 %	0.7 %	137
Not part of chain	49.2 %	9.5 %	33.3 %	7.9 %	63

Again, the results reveal some discrepancies between stores depending on whether they are part of a chain or stand-alone. Chain stores to a higher degree offer and support employees in terms of further education, physical condition and healthiness. The chain stores also to a higher degree actively consider diversity of employees in employment. Similar to guidelines, this result could be related to size and governance. The individual chain store might be supported or restricted in employee matters due to regulations on headquarter level. Still, the discrepancies are there and need further investigation.

The fact that a majority of all respondents have never offered employees medical examinations. This might be a reflection of tradition in the sector but could also imply that the view on social responsibility nearby in retail is underdeveloped compared to other industries.

Table 7 reveals a similar pattern as above in regards to written guidelines. Stores belonging to a chain to a higher degree work with written guidelines. Overall, though, a higher proportion of chain store managers do not know whether there are guidelines or not.

Table 7: Written guidelines related to downstream stakeholders

	Yes	No	Don't know	Total
Written guidelines regarding equal treatment of men and women				
Part of a chain	***53.3 %***	40.1 %	6.6 %	137
Not part of a chain	15.9 %	***82.5 %***	1.6 %	63
Written guidelines regarding equal treatment of people of different religions and of different ethnicity				
Part of a chain	***52.6 %***	40.1 %	7.3 %	137
Not part of a chain	7.9 %	***90.5 %***	1.6 %	63
Handbook for employees regarding how to handle environmental issues				
Part of a chain	***56.2 %***	38.0 %	5.8 %	137
Not part of a chain	17.5 %	***81.0 %***	1.6 %	63

Table 8 exemplifies results on questions asked to reveal the stores' perception of responsibility, and actions, in relation to the store customers.

Table 8: Actions taken related customers

	Yes. during 2009	No. not during 2009 but earlier	No never	Don't know	Total
Have you excluded products because they had a negative impact on equality					
Part of chain	3.6 %	3.6 %	***73.0 %***	***19.7 %***	137
Not part of chain	3.2 %	0.0 %	***93.6 %***	3.2 %	63
Have you excluded products because they had a negative influence on children or youths					
Part of chain	16.1 %	9.5 %	***56.2 %***	***18.2 %***	137
Not part of chain	9.5 %	7.9 %	***79.4 %***	3.2 %	63
Have you informed your customers about goods that are good choices for the environments					
Part of chain	***67.9 %***	3.6 %	27.7 %	7.3 %	137
Not part of chain	***49.2 %***	3.2 %	***47.6 %***	0.0 %	63
Have you made changes in your assortment to offer more eco-friendly alternatives					
Part of chain	***58.4 %***	10.2 %	27.7 %	3.6 %	137
Not part of chain	31.7 %	4.8 %	***60.3 %***	3.2 %	63
Have you offered the customers to handle their wrapping?					
Part of chain	44.5 %	2.9 %	***48.9 %***	3.6 %	137
Not part of chain	49.2 %	0.0 %	***50.8 %***	0.0 %	63

The results imply that stores belonging to a chain do more to aid customers responsible (adding eco-friendly products to assortment and informing consumers about "good" products). That is, they appear to accept responsibility to educate consumers. Once more,

though, it is noteworthy that almost 20 percent of respondents in stores belonging to a chain answer “Do not know” on questions related to assortment.

The social dimensions of responsibility, in terms of products’ effects on gender equality and youth, appear to have very low attention among the respondents. Again, this is an aspect of our results that requires further attention as the low response could also indicate meticulous focus in the choice of products.

Discussion and conclusion

How do retailers interpret their responsibility in relation to other actors in the value chain. Through this question our aim was to explore towards whom retailers perceive that they have a responsibility. To fully answer this questions it is not only necessary to understand if the retailers perceive that there is a responsibility to take related to stakeholder x and/or y. It is also necessary to explore what responsibility retailers perceive they have relative to what responsibility other actors in the value chain have.

The current study is exploratory (and in progress). Still, the results indicate that questions issues related to manufacturing are perceived to be important also on a store level. At the same time the results imply that the respondents do not feel that it is their responsibility. For stores belonging to a chain, great responsibility for seeing to the situation in manufacturing is placed with the headquarters. A plausible interpretation of these results is that store managers neither perceive themselves as accountable, nor powerful enough to change the situation. The responsibility is rather attributed to suppliers and manufacturers. Something that we feel should be further investigated is how stores develop their sense of and limits of responsibility.

To answer the question about how retail stores perform corporate responsibility in relation to upstream and downstream stakeholders we focus on detecting which activities carried out. We contend that actions reveal something about the responsibility stores see themselves as having.

In terms of interpreting responsibility, our initial analyzes indicates that retailers correspond to Mitchell et al.’s (1997) theory of stakeholder salience; which suggests that a stakeholder’s power, legitimacy, and urgency towards the company will predict the company’s behavior. A majority of the store managers appear to define their responsibility primarily related to so-called definitive stakeholders, who possess all three features. That is, the employees in the store, the headquarters, and the consumers.

The debate concerning corporate responsibility in general, and sustainability in particular, has already clearly evoked interest and focus within the sector to care for the environment and fair working conditions in developing countries. From the point of view that stakeholder characteristics (power, legitimacy, urgency) are socially constructed and transitory (Mitchell et al., 1997), we might assume that retailers’ orientation towards CSR in the value chain is continuously undergoing change.

We find that retailers, although answering that the issues are of great importance for their stores and brands, ascribe responsibility to manufacturers, suppliers and to headquarters (when chain). They appear to think of themselves as subordinate (unable to exert power)

towards upstream stakeholders. They perceive that consumers are more interested in the product's price than its impact on society or environment, and not much concerned about how retailers' employees are treated. CSR activities, thus, are not clearly a result of consumer pressure.

Limitations and further research

The current study is limited to a Swedish context. Given possible differences in culture and industry development further research on this sector in different countries would be of interest. As in most research methods, a limited number of questions had to be selected. Our study therefore is built on questions that function as proxies for key question (e.g. Key question: *do the retailers perceive that they have a responsibility for stakeholders upstream in the supply chain*? Survey item: child labor; workers' conditions in suppliers' manufacturing sites. Key question: *do retailers perceive that they have a responsibility for stakeholders downstream?* Survey item: do retailers care about informing consumers). Due to this limitation, our conclusions are at best indications of retailer's perception of down and upstream responsibility.

Nevertheless, this study adds to our understanding on diversity in CR, by taking a specific industry into account. Although retail involves countless firms and represents a large part of western economies, the research on CR in retailing is still limited. Commendable research efforts exist (e.g. Jones, Comfort & Hillier, 2007; Shaw, 2006) but knowledge is still scarce about what CR entails in the retail context at large, how retailers relate to the concept, and what actions they take to comply with its meaning. This study makes such a contribution. Further, it adds understanding on how firms' interplay with stakeholders creates CSR agendas.

Previous research on retail and CSR has focused primarily on the most obvious stakeholders; stores and consumers. The current study seeks to explore and interpret corporate social responsibility in retail from a wider stakeholder perspective. In contrast to most previous studies, it focuses on shopping rather than convenience goods and includes small and medium-sized firms. Our study facilitates multidimensional analyzes of activities as well as attitudes towards responsibility. We believe that a development in this direction is necessary to advance the debate and practices of corporate social responsibility in the sector. More sophisticated analyses will be made to discover patterns and explore relationships in the available data.

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