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**Company perceptions and responses to multi-level
Arctic institutional environment and its reflection
on their ECSR implementation practices**

A comparative case study of two expedition cruise operators

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ABSTRACT:

The Arctic region is warming rapidly, affecting the global climate and increasing commercial activities such as Arctic cruise tourism, which raises environmental concerns. The Arctic region has a multi-level institutional environment and similarly cruise ships are subject to different institutional arrangements. ECSR practices of companies are important in addressing environmental concerns and institutional pressures are linked to them.

The study aims to explore how companies perceive and respond to the multi-level Arctic institutional environment and how it is reflected in their ECSR implementation practices. The theoretical framework of the study is built on existing literature related to ECSR, ECSR implementation, institutional theory, formal and informal institutions, and institutional pressures and company responses. The study uses a qualitative comparative case study method with a deductive approach to theory development. The empirical part of the study focuses on two Arctic expedition cruise operators and a multi-method approach is applied using semi-structured interviews and secondary data. The data is analysed through a thematic analysis.

The findings suggest that the Arctic institutional environment is multi-level. The case companies perceive to be facing various institutional pressures when operating in the Arctic, respond to them with a combination of confirmatory and opportunity-seeking strategies, and these pressures and responses are reflected in their ECSR implementation practices in many ways. Both formal and informal external institutional pressures were identified and the informal pressures, coming especially from the local communities, were emphasized. Although the study focuses mostly on the external institutional pressures and drivers of ECSR, the importance of the internal pressures was also brought up by the interviewees. The case companies comply with the mandatory regulations, adapt to informal pressures as well as engage in other voluntary actions guided by internal pressures. The case companies have similar ECSR implementation practices, and the small differences may be explained by the differences in the institutional pressures and firm-specific characteristics. In relation to ECSR implementation the companies raise awareness by supporting research, educating guests, and partnering with NGOs and funding projects, communicate ECSR-related topics online and on board, embed ECSR by including ECSR-related topics to their guiding principles and mission and vision, and lastly evaluate ECSR for instance through a performance review using KPIs.

The study provides an overview and contributes to the knowledge of the Arctic institutional environment, ECSR implementation and the Arctic expedition cruise industry, offering insights for both academia and industry practitioners.

KEYWORDS: Institutional theory, formal pressures, informal pressures, ECSR implementation, Arctic region, expedition cruise industry

VAASAN YLIOPISTO**Markkinoinnin ja viestinnän akateeminen yksikkö**

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Tutkielman nimi:	Yritysten käsitykset ja vastaukset monitasoiseen arktiseen institutionaaliseen ympäristöön ja sen heijastus niiden ECSR implementaatio käytäntöihin: Vertaileva tapaustutkimus kahdesta tutkimusmatkaristeilyoperaattorista
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TIIVISTELMÄ:

Arktinen alue lämpenee nopeasti, mikä vaikuttaa globaaliin ilmastoon ja lisää kaupallista toimintaa, kuten arktista risteilymatkailua, mikä herättää huolta ympäristön tilasta. Arktinen institutionaalinen ympäristö on monitasoinen ja vastaavasti risteilyaluksiin sovelletaan erilaisia institutionaalisia järjestelyjä. Yritysten ECSR-käytännöt ovat tärkeitä ympäristön tilan kannalta, ja institutionaaliset paineet vaikuttavat niihin.

Tämän tutkielman tavoitteena on selvittää, miten yritykset näkevät ja reagoivat monitasoiseen arktiseen institutionaaliseen ympäristöön ja miten se näkyy niiden ECSR implementaatio käytännöissä. Tutkielman teoreettinen viitekehys pohjautuu ECSR:ään, ECSR implementaatioon, institutionaaliseen teoriaan, formaaleihin ja informaaleihin instituutioihin, sekä institutionaaliin paineisiin ja yritysten vastauksiin liittyvään kirjallisuuteen. Tutkielmassa käytetään laadullista vertailevaa tapaustutkimusmenetelmää deduktiivisella lähestymistavalla. Tutkielman empiirinen osa keskittyy kahteen arktisella alueella toimivaan tutkimusmatkaristeily-yritykseen ja hyödyntää monimenetelmällisyyttä käyttäen teemahaastatteluja sekä sekundaaridataa. Aineistoa analysoidaan temaattisella analyysillä.

Tutkielman tulokset viittaavat siihen, että arktinen institutionaalinen ympäristö on monitasoinen. Arktisella alueella toimivat tapausyritykset kokevat kohtaavansa monenlaisia institutionaalisia paineita, vastaavat niihin mukautuvien sekä mahdollisuuksia etsivien strategioiden avulla, mikä heijastuu yritysten ECSR implementaatiokäytäntöihin. Tapausyritykset kokevat kohtaavansa sekä formaaleja että informaaleja paineita toimiessaan arktisella alueella. Etenkin paikallisyhteisöiltä tulevat informaaliset paineet korostuvat. Vaikka tutkielmassa keskitytäänkin lähinnä ECSR:n ulkoihin paineisiin, haastateltavat nostivat esiin myös sisäisten paineiden tärkeyden. Tapausyritykset noudattavat pakollisia määräyksiä, reagoivat epävirallisiin paineisiin sekä osallistuvat muihin vapaaehtoihin toimiin, joita ohjaavat sisäiset paineet. Tapausyrityksillä on samankaltaiset ECSR implementaatiokäytännöt, ja pienet erot voivat johtua eroista institutionaalisissa paineissa ja yrityskohtaisissa ominaisuuksissa. Tapausyritysten ECSR implementaatiokäytännöt ovat monipuolisia, ne muun muassa lisäävät ECSR tietoisuutta tukemalla tutkimusta, kouluttamalla vieraita, tekemällä yhteistyötä NGO:iden kanssa ja rahoittamalla ECSR projekteja, viestivät ECSR:ään liittyvistä aiheista verkkosivuillaan sekä laivalla, juurruttavat ECSR:ää lisäämällä ECSR:ään liittyviä aiheita ohjaaviin periaatteisiin ja missioon ja visioon, ja lopuksi ECSR tavoitteiden saavuttamista arvioidaan esimerkiksi suorituskykyarvioinnin kautta käyttäen KPI-mittaria.

Tutkielma lisää tietoa arktisen alueen institutionaalisesta ympäristöstä, ECSR implementaatiosta sekä arktisesta tutkimusmatkaristeilyteollisuudesta tarjoten näkemyksiä sekä akatemialle että alan toimijoille.

AVAINSANAT: Institutionaalinen teoria, formaaliset paineet, informaaliset paineet, ECSR implementaatio, arktinen alue, tutkimusmatkaristeilyteollisuus

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Abbreviations

AECO - Association of Arctic Expedition Cruise Operators

CSI - Clean Shipping Index

CSR - Corporate Social Responsibility

ECSR - Environmental Corporate Social Responsibility

ESG - Environmental, Social and Governance

EU - European Union

GHG - Greenhouse Gas

IAATO - International Association of Antarctica Tour Operators

ICC - Inuit Circumpolar Council

IMO - International Maritime Organization

KPI - Key Performance Indicator

MARPOL - International Convention for the Prevention of Pollution from Ships

MNC - Multinational Corporation

NGO - Non-governmental organization

NMA - Norwegian Maritime Authority

NSR - Norwegian Sámi Association

Polar Code - International Code for Ships Operating in Polar Waters

SAR - Search and Rescue

SDG - Sustainable Development Goal

TBL - Triple Bottom Line

UN - United Nations

UNCLOS - UN Convention on the Law of the Sea

UNFCCC - United Nations Framework Convention on Climate Change

1 Introduction

This chapter serves as an introduction to the study. The background to the study is presented first. The research question, objectives and delimitations of the study are introduced second. The structure of the study is presented last.

1.1 Background of the study

The Arctic region refers to the northernmost region on earth, which includes the Arctic Ocean and the territories of eight countries (Hossain & Roncero, 2023, p. 16). The environmental conditions of the Arctic are unique, and the region heats up faster than other regions. Rantanen et al. (2022, p. 1) found that the Arctic is warming almost four times faster than the rest of the world, while other studies report a warming of two to three times faster than average. The region and its climate are of global importance as they help to keep the world's climate in balance; Arctic sea ice is an important global climate factor (Versen et al., 2022, p. 1). Climate change is one of the greatest societal and scientific challenges of our time (Wulff, 2021, p. 1124).

Natural resource extraction, shipping, tourism, and fisheries are among the most important industries in the Arctic region, and climate change affects these industries either directly or indirectly (Crépin et al., 2017, pp. 341-342). Increased commercial activity in the Arctic region has resulted in increased environmental concerns. The Arctic cruise tourism is one of the fastest-growing industries of the region, because global warming has decreased the sea ice cover, which has opened new cruising areas and made the waters easier to navigate (Cajaiba-Santana et al., 2020, pp. 1-10; Neumann, 2023, p. 167). The cruise ships often stop in small communities in the Arctic, and although these cruises may benefit the communities economically, they may bring also various social and environmental issues (Ren et al., 2021, p. 1). Cruise ships may for instance cause marine pollution, and the increased traffic increases the risk of accidents which may cause environmental damage (Neumann, 2023, p. 167).

As environmental concerns increase, the environmental practices of companies become increasingly important. According to Jackson et al. (2023, p. 50) corporate social responsibility (CSR) is an effective means of achieving environmental outcomes. CSR is “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Commission of the European Communities, 2001, p. 6). CSR is advocated by many industries and used to gain legitimacy, especially by companies operating in controversial industries (Du & Vieira, 2012, p. 413). CSR implementation refers to the process and dimensions through which an organization implements its CSR practices (Fatima & Elbanna, 2023, p. 106). Due to CSR gaining a stronger stance in the strategies of organizations, the understanding of CSR implementation is becoming more important (Fatima & Elbanna, 2023, p. 105).

As the Arctic environment is fragile and commercial activities in the region have increased, there has been increased discussion about the region's institutional arrangements (Cajaiba-Santana et al., 2020, p. 10). Part of the reason for these discussions is that there is no central authority in the Arctic and the region is surrounded by eight countries, which makes the Arctic institutional environment complex and multi-layered (Cajaiba-Santana et al., 2020, p. 1). The Arctic institutional environment is influenced by various local, regional, national, cross-regional, and global institutions (Vammen Larsen et al., 2019, p. 691).

To the best of my knowledge, the perceptions and responses to institutional pressures and their reflection on the ECSR implementation practices in the Arctic expedition cruise context has not been explored, which advocates for the relevance of the study. Many components of the study have been studied, but they have not all been examined in one study.

There are prior studies which consider institutional theory in relation to CSR (see e.g. Marano & Kostova, 2015; Avetisyan & Ferrary, 2013; Tolmie et al., 2020). These studies

are however conducted in different contexts in terms of the industries and geographic concentration. The institutional constraints and gaps in the cruise shipping industry in the Arctic have been studied for instance by Cajaiba-Santana et al. (2020), but the analysis does not consider CSR-related topics. Also, the company responses to the pressures are not explored.

There are also prior studies that have examined formal pressures such as the governance and regulatory complexity of cruise ship tourism in the Arctic region (see e.g. Pashkevich et al., 2015; Dawson et al., 2017). These studies found differences in the bureaucracy of regulations and governance in the Arctic, depending on where the company operates. According to Dawson et al. (2017, p. 71) there are for instance around thirty permits needed to be able to operate in the Canadian Arctic, while the processes are more streamlined and less bureaucratic in the waters near Greenland and Svalbard.

Recently, scholars have begun to take notice of the complexity of institutional environments and started to study how companies respond to these complex pressures (Frynas & Yamahaki, 2016, p. 262). Company responses to institutional pressures in relation to CSR have been studied for instance by Pedersen and Gwozdz (2014), but in a different context in terms of the industry and geographic concentration.

Moreover, although CSR has been widely studied, the business-related research on CSR in the Arctic cruise tourism context is limited. There are some previous studies on the sustainability and CRS of cruise tourism companies (see e.g. Klein, 2011; Kulkov et al., 2023; Geerts & Dooms, 2022), however these studies are not Arctic region specific. In the Arctic region, CSR-related studies have mainly been conducted in different industries, such as the extractive industries (see e.g. Jackson et al., 2023; Henry et al., 2016; Loe et al., 2017). In relation to environmental corporate social responsibility (ECSR), Suska (2021, p. 3) mentions that there are many studies dedicated to the environmental characteristics of different industries, however they do not often measure the actions taken

by specific companies to lessen the environmental footprint of their operations. This study considers the specific ECSR-related actions of the case companies.

CSR implementation is still emerging, and thus there are limited number of studies, however, some studies on CSR implementation have been conducted in the oil and gas industry (see e.g. Du & Vieira, 2012; Suska, 2021). There are also some studies that focus on specific dimensions of CSR implementation, such as communication (see e.g. de Grosbois, 2016), who studied CSR reporting from an institutional theory context in the cruise tourism industry. According to Fatima and Elbanna (2023, p. 109) multi-level studies of CSR implementation are rather rare. Multi-level studies are studies which include analysis from at least three different levels, such as individual, firm, institutional, industry, and country. This study considers many of the contextual variables such as firm, institutional, industry and country, making it multi-dimensional.

This study tries to raise awareness on the Arctic institutional environment, ECSR implementation and the Arctic expedition cruise industry. Examining the perceptions and responses to institutional pressures and their reflection on the ECSR implementation practices of companies operating in industries that have the potential to have an impact on the environment, especially when operating in the already fragile Arctic environment seems to advocate for the relevance of this study.

1.2 Research question, objectives, and delimitations

The purpose of the study is to raise awareness on the Arctic institutional environment, ECSR implementation and the Arctic expedition cruise industry. The study tries to answer the following research question:

- *How do companies perceive and respond to the multi-level Arctic institutional environment and how is it reflected in their ECSR implementation practices?*

The objectives provide steps to answer the previously mentioned research question. The objectives of the study are:

- *Define ECSR and identify the dimensions of ECSR implementation*
- *Explore institutional theory, informal and formal institutions and company responses to institutional pressures*
- *Analyze expedition cruise operator perceptions and responses to the Arctic multi-level institutional environment and its reflection on their ECSR implementation practices*

The study has various delimitations. According to Frynas and Yamahaki (2016, p. 258), there is no consensus on the most suitable theory for CSR-related research, which is why different theories such as the stakeholder theory, institutional theory, transaction cost economics and resource-based view have been used to explain CSR. Institutional theory was chosen as the theoretical framework for this study because it is one of the most dominant theories used to research the external drivers of CSR (Frynas & Yamahaki, 2016, p. 263). In addition, the Arctic region has a complex institutional environment, which is why it is important to look at the institutional context while doing analysis related to the Arctic economies (Vammen Larsen et al., 2019, p. 691).

Institutional theory also offers several insights on the reactions of companies in relation to institutional processes, when it is not assumed that the responses are similar in all institutional conditions (Oliver, 1991, p. 151, 173). Cajaiba-Santana et al. (2020, p. 9) stated that simply identifying the institutional pressures does not allow one to predict how organizations will behave, therefore there is a need to explore how organizations respond to the institutional pressures in the Arctic cruise tourism context. Therefore, in addition to exploring companies' perceptions of institutional pressures, this study also looks at how they respond to them.

ECSR was chosen as the main CSR pillar for the study as the study focuses on expedition cruise companies operating in the fragile Arctic environment, because companies in this industry can have various impacts on the environment. Because the study will mainly

look at ECSR, the institutional theory seems to be an appropriate choice and it has according to Wang et al. (2019, p. 16) already been used to study how corporations respond to various environmental issues. The focus on the ECSR implementation was chosen as it is still quite an unexplored framework and the theoretical basis is still emerging (Fatima & Elbanna, 2023, pp. 105-109). In this study ECSR implementation is based on the CSR implementation framework by Fatima and Elbanna (2023), which is divided into CSR awareness, CSR communication, embedding CSR, and evaluation of CSR. This framework was chosen because it shows the multi-dimensional nature of CSR implementation and focuses on the actual implementation practices rather than on design and post-implementation.

In the empirical part of the study the focus is on two Arctic expedition cruise operators. A single industry was chosen as the institutional pressures often vary from industry to industry (Escobar & Vredenburg, 2011, p. 41). The expedition cruise industry was selected because of its potential environmental impacts and because, according to Cajaiba-Santana et al. (2020, p. 6), cruise ships operate between national and international jurisdictions and are therefore subject to various institutional arrangements. The Arctic was chosen as the region under review because it has a complex institutional environment and a fragile ecosystem that plays an important role globally.

1.3 Structure of the study

This chapter acts as an introduction to the study. It began by presenting the background of the study. Thereafter the research question, objectives, and delimitations of the study were presented. Finally, the structure of the study is introduced in this sub-chapter.

The second chapter is the theoretical part of the study. The theoretical background consists of a review of prior studies on environmental corporate social responsibility (ECSR) and ECSR implementation. In addition, prior studies on institutional theory, formal and informal institutions, institutional pressures and company responses are explored.

Finally, based on the review of previous studies, a theoretical framework is constructed, which is later used in the empirical part of the study.

The methodology of the study is explained in the third chapter. The chapter consists of the following subchapters: the qualitative case study, case selection and case company introduction, data collection and analysis, and quality and ethics.

The findings of the study are presented in the fourth chapter. Firstly, the Arctic institutional environment is examined using secondary data. Then the case companies are analyzed individually to see how they perceive the institutional pressures, how they respond to the pressures and how they implement ECSR by using primary data supplemented by secondary data. Lastly, the cases are compared to each other to identify common themes and differences.

Finally, the conclusions are drawn in the fifth chapter. The final chapter consists of the summary and discussion of key findings, theoretical contributions and managerial implications, and limitations and suggestions for future research.

2 Theoretical background

This chapter presents the relevant literature and provides the theoretical background for the study. The chapter consists of the following six sub-chapters: environmental corporate social responsibility (ECSR), ECSR implementation, institutional theory, formal and informal institutions, institutional pressures and company responses, and theoretical framework.

2.1 Environmental corporate social responsibility (ECSR)

This study focuses on environmental corporate social responsibility (ECSR), which is a concept that evolved from CSR and environmental management (Chuang & Huang, 2018, p. 993). As ECSR evolved from CSR and is closely related to the concept, this chapter begins with an introduction to CSR.

According to the European commission (2002) there are various definitions on CSR, but all of them include the notion that:

Corporate social responsibility is about companies having responsibilities and taking actions beyond their legal obligations and economic/business aims. These wider responsibilities cover a range of areas but are frequently summed up as social and environmental where social means society broadly defined, rather than simply social policy issues. This can be summed up as the "triple bottom line approach: i.e. economic, social and environmental".

The belief that businesses have social responsibilities is not new (Latapí Agudelo et al., 2019, p. 1). The first comprehensive book about social responsibility, titled "Social Responsibilities of the Businessman", was published in 1953 by Bowen, who is often regarded as the "father of CSR" (Suska, 2021, p. 2). While still in the 1970s Friedman stated that the only "social responsibility of business is to increase its profits" (Friedman, 1970, p. 1), many other scholars have recognized that companies have also many other responsibilities.

These days the prevailing understanding is that profit is not the only purpose of a business, and instead, other considerations such as the environmental, and social are seen as equally important aspects within a business (Bondy et al., 2012, p. 281). This “triple bottom line” (TBL) or 3Ps concept was first introduced by Elkington in the 1990s as a sustainability framework and the concept remains relevant in both the sustainability and CSR discussion to this day (Latapí Agudelo et al., 2019, pp. 8-9). The concept is divided into three factors: people (social), planet (environmental), profit (economic). According to Hilmi et al. (2021, p. 13), if a company wants to be responsible, it should take the three factors into account and find a balance between them.

There are also various other approaches and frameworks to CSR, one of which is Carroll’s CSR pyramid (Carroll, 1991, p. 43). The pyramid divides companies’ responsibilities into philanthropic, ethical, legal, and economic responsibilities. According to Carroll (1991, p. 42) the economic responsibility of a company is to be profitable, and this responsibility constitutes the base of the pyramid. The legal responsibility of a company is to follow regulations. The ethical responsibility is to do what is right towards the stakeholders while avoiding doing harm. Lastly, the philanthropic responsibility of a company is to “be a good corporate citizen”, which means that a company should provide resources to the community and society. In summary, according to Carroll (1991, p. 42), a company should aspire to be profitable, comply with the law, act ethically and contribute to society concurrently if it wants to be socially responsible.

There has been a general increase in interest in the theorisation of CSR over the last decade (Frynas & Yamahaki, 2016, p. 258). Theories such as stakeholder theory and institutional theory are often utilized to study the external drivers of CSR, while resource-based view and agency theory are often used to study the internal drivers (Frynas & Yamahaki, 2016, p. 258). The two most widely used theories in the CSR literature are stakeholder theory and institutional theory (Frynas & Yamahaki, 2016, p. 262).

The theories related to the external drivers focus on the relationship between the environment and the firm and CSR is thought to be the result of “social relationships and societal norms” (Frynas & Yamahaki, 2016, pp. 260-261). In contrast, the theories related to internal drivers focus on the processes inside an organization and CSR is thought to be the result of “managerial decisions and economic calculations or the outcome of ethical values and judgements” (Frynas & Yamahaki, 2016, p. 261).

In addition to the increasing studies conducted on CSR, more and more companies are carrying out different CSR activities and publishing CSR and sustainability statements around the world (Li & Wang, 2022, p. 1439). For instance, according to KPMG (2022, p. 9) more than 95% of the Global Fortune (G250) companies issue either sustainability or ESG reports.

As mentioned before, the TBL concept was first introduced as a sustainability concept, and to this day it is often considered that sustainability consists of social, economic, and environmental considerations. According to The World Commission on Environment and Development (1987) “sustainable development seeks to meet the needs and aspirations of the present without compromising the ability to meet those of the future”. ESG on the other hand refers to the environmental, social, and (corporate) governance practices and measures used to evaluate a company and its sustainability performance (Zhou et al., 2023, p. 1). Although not synonyms, CSR, ESG, and sustainability are related terms.

According to Ng et al. (2022) “CSR practices are one of the most influential factors affecting the sustainable development of a firm and the satisfactory fulfilment of stakeholders' expectations” (p. 879). Knowing why and when a company engages in CSR activities is important for the competitiveness of the company and the sustainability of society (Li & Lu, 2020, p. 2024).

As mentioned, this study focuses on environmental corporate social responsibility (ECSR). ECSR focuses on the ecological activities of companies and on how they limit and prevent negative environmental effects caused by companies (Chuang & Huang, 2018, p. 993). There is not a single universal definition for ECSR, but for instance according to Rashid et al. (2015) ECSR is a “concept where companies integrate environmental concerns in their business operations and the interaction with stakeholders, without compromising economic performance” (p. 705).

The awareness related to environmental concerns has been increasing since the 1960s and with global environmental awareness and public expectations of CSR on the rise, companies have started to consider environmental protection as an essential part of CSR (Chuang & Huang, 2018, p. 991). This has led to a corporate mindset that is increasingly concerned with protecting the environment (Chuang & Huang, 2018, p. 991). The growing concern about climate change and global warming among other environmental issues, has led to increased interest in ECSR (Wang, 2022, p. 6806). ECSR is also seen as one of the most important elements influencing sustainable development (Latif et al., 2022, p. 1).

Although ECSR is an important aspect of CSR, it has been found that a high CSR does not inevitably correspond to high ECSR (Chuang & Huang, 2018, p. 993; Rahman & Post, 2012, p. 307). This is because a company might for instance do well in terms of its social responsibility, and less well in environmental responsibility, or vice versa.

Although ECSR is often seen to be based on the voluntary actions taken by companies, some scholars divide ECSR into active and passive ECSR (Wolniak et al., 2021, p. 2). Active ECSR refers to the voluntary measures taken by companies to ensure environmental sustainability (Wolniak et al., 2021, p. 2). Passive ECSR, on the other hand, refers to enforcing ECSR rules to meet mandatory environmental regulations (Wolniak et al., 2021, p. 2). This study considers both active and passive forms of ECSR.

There are also various drivers and barriers related to ECSR. The main drivers of voluntary environmental actions include for instance competitive and reputation advantages, while barriers include missing legal requirements and lack of demand from other stakeholders (Studer et al., 2006, pp. 421-424). In addition, the costs related to implementing ECSR practices are often seen as one of the barriers (Studer et al., 2006, p. 424), however according to Chuang and Huang (2018, p. 992) the increased costs of complying with the environmental norms, are often balanced with associated cost reductions.

2.2 ECSR implementation

This study uses a CSR implementation framework as a basis for analysing the implementation of ECSR; therefore, this chapter focuses mainly on CSR implementation. CSR implementation refers to the dimensions through which an organization implements its CSR practices. Fatima and Elbanna (2023) for instance see that CSR implementation is the process “that an organization undertakes to increase the awareness levels of CSR issues and CSR strategies, embed CSR values within the organization, communicate CSR initiatives internally and externally, and evaluate the progress of CSR strategies” (p. 106).

Although CSR implementation is a growing topic, it is still quite unexplored and thus the theoretical basis is still emerging (Fatima & Elbanna, 2023, pp. 105-109). Different companies have different implementation processes and different researchers see different dimensions as part of the implementation process. According to Hohnen (2007, p. 18) there is no universal method for CSR implementation as different companies have different qualities and circumstances.

Hohnen (2007) conducted a CSR implementation guide for companies. He divides the implementation of CSR into four phases and six tasks, as follows: plan (“conduct CSR assessment” and “develop CSR strategy”), do (“develop CSR commitments” and “implement CSR commitments”), check (“assure and report on progress”), and improve (“evaluate and improve”) (Hohnen, 2007, p. 19). More theoretically, scholars such as Maon et al. (2009), Baumann-Pauly et al. (2013) and Fatima and Elbanna (2023) have

developed different frameworks for CSR implementation, some of which are introduced in the following table.

Table 1. CSR implementation stages and dimensions.

Scholars	Stages	Dimensions
Maon et al. (2009)	Sensitize	<ul style="list-style-type: none"> • Raising CSR awareness inside the organization
	Unfreeze	<ul style="list-style-type: none"> • Assessing corporate purpose in a societal context • Establishing a working definition and vision for CSR • Assessing current CSR status • Developing an integrated CSR strategic plan
	Move	<ul style="list-style-type: none"> • Implementing the CSR integrated strategic plan • Communicating about CSR commitments and performance • Evaluating CSR-related strategies and communication
	Refreeze	<ul style="list-style-type: none"> • Institutionalizing CSR • Communicating about CSR commitments and performance
Baumann-Pauly et al. (2013)		<ul style="list-style-type: none"> • Commitment to CSR • Internal Structures and Procedures • External Collaboration
Fatima and Elbanna (2023)		<ul style="list-style-type: none"> • CSR awareness • CSR communication • Embedding CSR • Evaluation of CSR

Maon et al. (2009, p. 76) conducted a CSR implementation framework through Lewin's change model and case studies. They divide CSR implementation into four stages and nine dimensions. Baumann-Pauly et al. (2013, p. 695) on the other hand divide CSR implementation into three dimensions, as shown in the table above.

Fatima and Elbanna (2023, p. 107) developed their own framework on CSR implementation based on the previously mentioned frameworks by Maon et al. (2009) and Baumann-Pauly et al. (2013). Fatima and Elbanna (2023, p. 107) determined that CSR implementation consists of the four following dimensions: "CSR awareness", "CSR communication", "embedding CSR", and "evaluation of CSR". The other dimensions were excluded

from CSR implementation in this definition, as Fatima and Elbanna (2023, p. 107) see them to be part of CSR design or post-implementation rather than implementation. This study utilizes the CSR implementation framework conducted by Fatima and Elbanna, while focusing on ECSR. As mentioned, this framework was chosen because it shows the multi-dimensional nature of CSR implementation and focuses on the actual implementation practices rather than on design and post-implementation.

CSR awareness refers to the measures taken by companies to increase the organization's sensitivity to CSR issues; it can be brought about by either managers or employees (Maon et al., 2009, p. 78). CSR communication refers to communication to both internal and external stakeholders through for instance meetings, reports, and advertisements (Fatima & Elbanna, 2023, p. 107). Embedding CSR refers to the process of converting CSR values and visions into concrete commitments and guidelines within an organization (Maon et al., 2009, p. 80). Lastly, evaluation of CSR refers to the process of mirroring actual performance against expectations to see whether the CSR objectives have been achieved and how much progress has been made, conducting, and publishing such results often increases transparency (Maon et al., 2009, p. 83).

According to Fatima and Elbanna (2023, p. 106) previous studies related to CSR implementation have often only focused on certain dimensions of CSR implementation. CSR communication has been the most researched dimension of CSR implementation, and the interest towards it has been constantly growing over the years, while the other dimensions have been growing unevenly or even decreasing (Fatima and Elbanna, 2023, p. 110). This study considers all four dimensions.

Although CSR implementation is still relatively unexplored, a few studies have been conducted to examine CSR and ECSR implementation practices, for example in companies operating in the extractive industries. Du and Vieira (2012) for instance studied the CSR strategies and CSR communication of six oil companies. They found that the ECSR activities done by the companies included actions such as "enhancing energy efficiency,

promoting biodiversity, fighting climate change by reducing greenhouse emission, and the preservation of natural resources". They also found that the ECSR strategies of the oil companies were mostly reactive instead of proactive (Du & Vieira, 2012, p. 420).

Suska (2021) on the other hand analyzed the ECSR initiatives of the leading Polish oil, mining, and gas companies based on the following categories: "(1) water and wastewater management, (2) air emissions, (3) waste management and circular economy concept, and (4) energy management" (p. 1). She found that the companies implement the system of circular economy and use various tools in their ECSR implementation, including "environmental reporting, reduction of emissions of waste, pollutions and greenhouse gases, as well as environmentally responsible initiatives" (Suska, 2021, p. 14).

2.3 Institutional theory

Institutional theory focuses on how the institutional environment affects companies and their behaviour. The theory is thought to help with understanding modern societies better (Lepsius & Wendt, 2017, p. 1). Institutional theory has an extensive history, and the origins of the theory can be traced all the way back to the ideas of scholars such as Max Weber (Lepsius & Wendt, 2017, p. 1). Since then, various scholars such as Meyer & Rowan, DiMaggio & Powell, Scott, and North have expanded the theory in different directions. Various institutions such as educational systems and market economies have been analyzed through institutional theory (Lepsius & Wendt, 2017, p. 3).

There is no one universal definition for the theory, however according to Frynas and Yamahaki (2016) the main assumption of institutional theory is that a "firms' survival and growth depend on acquiring legitimacy within institutional environments" (p. 264). On the other hand, Scott (2004) states that institutional theory is concerned with social structures, and it examines how the structures, such as "schemas, rules, norms, and routines, become established as authoritative guidelines for social behavior" (p. 2). According to him the theory also examines the processes by which the elements are formed,

disseminated, taken on, and altered across different places and times, as well as reasons for their reduction and non-use (Scott, 2004, p. 2).

Institutional theory has become one of the important theoretical frameworks when studying the behavior of organizations and individuals. It is also one of the most dominant theories used to research the external drivers of CSR (Frynas & Yamahaki, 2016, p. 263). Institutional theory has evolved over time and there are various approaches to it. The three dominant international business-related approaches; new institutional economics, new organizational institutionalism, and comparative institutionalism are introduced next. The three approaches are complementary in that they all explain the behavior of organizations, but they focus on different aspects of it (Frynas & Yamahaki, 2016, p. 266; Hotho & Pedersen, 2012, p. 3).

The first dominant institutional approach, new institutional economics, has its roots in microeconomics and the approach considers the role of institutions in relation to economics (Hotho & Pedersen, 2012, p. 6). According to new institutional economics rules and regulations influence the behavior of organizations and thus the overall productivity of the whole economy is affected (Hotho & Pedersen, 2012, p. 7). North (1990) is for instance one of the scholars, who developed a framework for explaining how institutions affect the performance of economies.

The second dominant approach, new organizational institutionalism or neo institutionalism has its roots in sociology and organization theory (Hotho & Pedersen, 2012, p. 11). The approach concentrates on how informal and formal rules affect the behavior of organizations. This approach to the study of institutions was first introduced by John Meyer and his colleagues starting from 1977 (Scott, 2008, p. 427). According to Scott (2008) the approach offered a new “explanation for formal structure, as well as for the privileged position of organizations as legitimate, dominant actors in modern societies” (p. 427). It also set the base for future research, and the theory continues to be popular among scholars till this day (Scott, 2008, p. 427). After Meyer and his colleagues, many scholars

have utilized and developed the new organizational institutionalism approach in their studies. An important contribution was made by DiMaggio and Powell in 1983 when they introduced institutional isomorphism, consisting of coercive, normative and mimetic pressures. New organizational institutionalism and more specifically, the three sources of institutional isomorphism have been used in some previous studies related to the Arctic cruise shipping industry (see e.g. Cajaiba-Santana et al., 2020).

The third approach, comparative institutionalism, tries to demonstrate the variations in socio-economic structures amid nations (Hotho & Pedersen, 2012, p. 16). Hotho and Saka-Helmhout (2017, p. 648) state that there are variety of different approaches to comparative institutionalism which have different emphasis, however there are also common features. Hotho and Saka-Helmhout (2017, p. 649) see that there are three characteristics that configures comparative institutionalism, the first one being that comparative institutionalism focuses on institutional systems at the societal level. The second is that comparative institutionalism highlights the interconnection between the societal institutions. Lastly, comparative institutionalism is seen to highlight the link between the societal institutions and the outcomes at different levels such as firm and society. All in all, comparative institutionalism shows the importance of paying attention to “societal background institutions” since it helps with the understanding of variations between societies, in addition paying attention to societal institutions also helps with understanding real-life issues that influence people’s welfare and life at work (Hotho & Saka-Helmhout, 2017, p. 650).

The three dominant approaches (new institutional economics, new organizational institutionalism and comparative institutionalism) introduced above are summarized in the table below. This study has been influenced by all three approaches, but the study focuses on the Arctic institutional environment primarily from the perspective of multi-level formal and informal pressures, which are introduced later in the study.

Table 2. Dominant approaches to institutional theory in IB research.

Approaches	Roots	Focus
New institutional economics	Microeconomics	Institutional effectiveness of (formal) rules and regulations, role of institutions in economics
New organizational institutionalism	Sociology and Organization theory	Impact of institutional environment on structures and behavior of organizations, impact and responses of institutional pressures and isomorphism
Comparative institutionalism	Political science, Sociology of work, and Comparative political economy	Comparison of differences in institutional arrangements in socio-economic organization between countries, regions, sectors etc.

2.4 Formal and informal institutions

There is no single universally accepted definition of institutions, however the definitions by Scott and North are some of the most commonly used in studies related to institutional theory. According to North (1991) "Institutions are the humanly devised constraints that structure political, economic, and social interaction" (p. 97). According to him institutions can be divided into formal and informal institutions. Formal institutions include for instance laws, regulations, and rules, while informal institutions include non-formalized rules such as norms, cultures, and ethics. Formal and informal institutional pressures on CRS have been studied for instance by Tolmie et al. (2020). They studied more than 1000 companies in 47 countries and proposed that both formal and informal pressures have direct impact on the CSR of companies.

Formal constraints are often set on the national level by governments; however, they can also be set by other authorities within a country such as local councils, on the sub-national level other authorities such as the EU may set the constraints (Peng & Mayer, 2016, p. 33). Formal constraints may for instance create the minimum or maximum legal requirements on salary or emissions, while informal constraints such as norms and ethics may place pressure on institutions to do more than just meet the legal requirements,

because otherwise they may be met with resistance by consumers or other stakeholders (Peng & Mayer, 2016, p. 33).

Scott (2014) on the other hand states that “institutions comprise regulative, normative, and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life” (p. 57). Scott (1995, p. 34) notes that different scholars place different emphasis on the three pillars. The regulative pillar, according to which institutions work through coercive mechanisms and regulate behavior through rules, laws, and sanctions, is emphasized to some extent by most scholars (Scott, 1995, p. 35). The normative pillar operates through the normative mechanisms, which refers to the mechanisms through which norms and values influence the behaviour of organizations and individuals (pp. 37-38). Lastly, the cognitive pillar works through mimetic mechanisms and emphasizes the importance of the cognitive features of institutions: “the rules that constitute the nature of reality and the frames through which meaning is made” (p. 40).

In general, institutions influence the decisions of organizations and individuals by indicating what behaviour is appropriate and legitimate (Peng & Mayer, 2016, p. 33). The definitions of institutions presented by North (1990) and Scott (1995) were combined into a table by Peng and Mayer (2016, p. 33), which is presented below. This study uses the definition by North and focuses on formal and informal institutions.

Table 3. Dimensions of institutions (Peng & Mayer, 2016, p. 33).

Degree of formality	Examples	Supportive pillars
Formal institutions	Laws	Regulatory (coercive)
	Regulations	
	Rules	
Informal institutions	Norms	Normative
	Cultures	Cognitive
	Ethics	

2.5 Institutional pressures and company responses

According to institutional theory, corporations which face similar institutional pressures will start to resemble each other over time (Escobar & Vredenburg, 2011, p. 40). The idea of institutional isomorphism is thus at the foreground of institutional theory, and especially new organizational institutionalism. DiMaggio and Powell (1983, p. 147) divide institutional isomorphism into coercive, normative, and mimetic pressures. The pressure caused by regulations and political influence can be seen as an example of coercive isomorphism. The pressure from the industry through standards and norms and professionalization as normative isomorphism, and pressure from the competitors in uncertainty, as mimetic isomorphism (DiMaggio & Powell, 1983, p. 150; Escobar & Vredenburg, 2011, p. 40).

The homogeneity brought on by isomorphic mechanisms is often expected to increase efficiency, because it is thought to facilitate interaction between companies, help with acquisition of labour, and increase organizational recognition and respect (DiMaggio & Powell, 1983, p. 153). However, homogeneity does not always guarantee better efficiency in comparison to the more divergent counterparts (DiMaggio & Powell, 1983, p. 154).

As mentioned, the first source of isomorphic institutional organizational change is coercive isomorphism. Coercive isomorphism results from both informal and formal pressures applied by the other organizations on which the organization relies on and from the expectations of the society in which the organization operates (DiMaggio & Powell, 1983, p. 150). Legal regulations by governments such as new environmental regulations can be an example of coercive isomorphism which makes an organization to be forced to make organizational changes (DiMaggio & Powell, 1983, p. 150).

According to DiMaggio and Powell (1983, p. 152) many professions face similar pressures as organizations. Normative isomorphism is the second source of institutional organizational change, and it arises from professionalization. The two important features of

professionalization are formal education and networks, and they are seen as important origins of isomorphism in normative isomorphism (DiMaggio & Powell, 1983, p. 152). It is seen that universities, among other professional training institutions and associations, are important in developing organizational norms and rules relating to professional behavior (DiMaggio & Powell, 1983, p. 152). According to DiMaggio and Powell (1983, p. 152-153) filtering of personnel and at the latest the socialization on the job will act as an isomorphism; these mechanisms produce actors who are almost identical.

The third source of institutional organizational change is mimetic isomorphism, which refers to the process by which organisations imitate other organisations in response to uncertainty. (DiMaggio & Powell, 1983, p. 151). Mimetic isomorphism may also be encouraged by customers and employees when they make it known that other organizations provide services that they do not (DiMaggio & Powell, 1983, p. 151). Organizations often imitate the more successful and legitimate organizations in the same industry in which they operate for instance to increase legitimacy (DiMaggio & Powell, 1983, pp. 151-152). An example of this imitating is when Japan sent its officials to France, United States and United Kingdom to model the western practices in the late 19th century (DiMaggio & Powell, 1983, p. 151). The modelling can be either indirect, for instance through turnover or direct through consulting firms (DiMaggio & Powell, 1983, p. 151).

Cajaiba-Santana et al. (2020) have studied coercive, normative, and mimetic pressures in the Arctic cruise shipping context. According to them coercive pressures are exerted for example by the Polar code, jurisdictions, and AECO (p. 8). Normative pressures are inflicted, for instance through the training and standards for people working on cruise ships imposed by the polar code (p. 8). Mimetic pressures include, for example, imitating the best practices of others and following the sea routes already navigated (p. 8). Despite these institutional pressures, various Arctic institutional voids such as low environmental regulations and lack of regulatory power are noted by Cajaiba-Santana et al. (2020, p. 8).

Some scholars have also studied the institutional pressures companies face in relation to sustainability and CSR (see e.g. Jha & Aggrawal, 2019; Escobar & Vredenburg, 2011). Jha and Aggrawal (2019) for instance analyzed the connection between institutional pressures and CSR implementation in the Indian context. They examined the relationship of six institutions and found that the local community, peer pressure, the media, and government were statistically significant pressure groups in this context, while non-governmental organizations and industry associations were not. Jha and Agrawal's (2019) study has many similarities to this study as it explores the connection between institutional pressures and CSR implementation, however the context and the method of study are different. In addition, the study does not highlight ECSR implementation dimensions and the actual ECSR practices done by the companies.

Escobar and Vredenburg (2011) on the other hand studied the institutional pressures of four oil and gas MNCs in relation to sustainable development by using a resource-based view and institutional theory. They found that the MNCs they studied were not frequently addressing sustainable development-related pressures, including climate change, biodiversity, renewable energy, and social investment (p. 56). According to them sustainable development pressures did not coerce the studied MNCs to isomorphism, for instance because of lack of clear regulations and differing interpretations due to varying subsidiary locations (p. 60). Based on their analysis they found that neither coercive nor normative isomorphism occurred at the global level, while mimetic isomorphism may occur (p. 39). In their view, the pressures also vary from industry to industry. They stated that the clothing industry faces pressures mainly about human rights, while the oil and gas industry faces various environmental pressures related, for instance to climate change (p. 41). They note that the adoption of industry standards could be one of the ways in which the complex pressures of sustainable development could be dealt with (p. 44).

Companies need to respond to a variety of formal and informal institutional demands and pressures when they operate in diverse institutional environments (Besharov &

Smith, 2014, p. 364). Despite operating in similar institutional environments, companies may respond to the institutional pressures they face in different ways. Jamali (2010, p. 634) for instance notes that institutional pressures do not always lead to the anticipated institutional isomorphism if the organizations make active decisions and consider their own interests instead of meeting the expectations of their institutional surroundings. However, some parts of a company's functions are often in line with isomorphic pressures such as the codes of ethics (see e.g. Holder-Webb & Cohen, 2012).

According to Oliver (1991) "institutional theorists have tended to focus on conformity rather than resistance, passivity rather than activeness, and preconscious acceptance rather than political manipulation in response to external pressures and expectations" (p. 149). Similarly, Frynas and Yamahaki (2016, p. 267) state that most scholars have focused on the passive adaptation of CSR when they have studied institutional contexts, however more recent studies have also begun to take notice of the complex institutional environments and the proactive responses of organizations.

Oliver (1991) studied responses to institutional processes from the perspectives of institutional and resource dependence. She divides the responses of institutional processes into five strategies, each with three tactics, as shown in the table below. Her article "Strategic Responses to Institutional Pressures" is one of the key contributors to the responses of companies to institutional processes.

Table 4. Strategic responses to institutional processes (Oliver, 1991, p. 152).

Strategies	Tactics	Examples
Acquiesce	Habit Imitate Comply	<ul style="list-style-type: none"> • Following invisible, taken-for-granted norms • Mimicking institutional models • Obeying rules and accepting norms
Compromise	Balance Pacify Bargain	<ul style="list-style-type: none"> • Balancing the expectations of multiple constituents • Placating and accommodating institutional elements • Negotiating with institutional stakeholders
Avoid	Conceal Buffer Escape	<ul style="list-style-type: none"> • Disguising nonconformity • Loosening institutional attachments • Changing goals, activities, or domains

Defy	Dismiss Challenge Attack	<ul style="list-style-type: none"> • Ignoring explicit norms and values • Contesting rules and requirements • Assaulting the sources of institutional pressure
Manipulate	Co-opt Influence Control	<ul style="list-style-type: none"> • Importing influential constituents • Shaping values and criteria • Dominating institutional constituents and processes

The first strategy, acquiescence, refers to when a company complies with the institutional processes either by unknowingly complying with taken for granted pressures (habit), by consciously or unconsciously mimicking other organizations and models (imitate), or by consciously obeying the rules and norms (compliance) (Oliver, 1991, p. 152).

Because organizations are often faced with conflicting institutional demands from different parties, they must sometimes compromise between the conflicting expectations (Oliver, 1991, p. 153). The second strategy, compromise is a way of complying with the institutional rules, but compared to acquiescence, obeying the rules is only partial as the organization also promotes its interests and resists institutional pressures either through balancing, pacifying, or bargaining (Oliver, 1991, pp. 153-154).

The third strategy, avoidance, which includes concealing, buffering, and escaping, is an attempt by an organization to avoid the need for compliance with institutional processes (Oliver, 1991, p. 154). There are also more active forms of resistance in relation to institutional processes than avoidance, one of which is defiance (Oliver, 1991, p. 156). The fourth strategy, defiance, including dismissing, challenging, and attacking is most likely when the price of active resistance is low, when external, and internal values differ strongly, when the organization thinks that they can justify the rightfulness of their own beliefs easily, and when it believes it has nothing to lose by projecting resistance (Oliver, 1991, p. 157).

The last and most active strategy to respond to institutional processes is called manipulation, which includes the tactics of co-opting, influencing, and controlling (Oliver, 1991, p. 157). Manipulation means actively trying to change and influence institutional processes, including expectations and their sources (Oliver, 1991, p. 157).

Overall, Oliver (1991, p. 151) suggests that:

Organizational responses will vary from conforming to resistant, from passive to active, from preconscious to controlling, from impotent to influential, and from habitual to opportunistic, depending on the institutional pressures toward conformity that are exerted on organizations.

According to her the responses to complying with institutional pressures depend based on the reason behind the pressures (cause), who exerts the pressures (constituents), the actual pressures (content), how the pressures are exerted (control), and what the environmental context of the processes are (context) (Oliver, 1991, p. 159).

Oliver's study has inspired many studies and is still widely used in institutional theory research (Pedersen & Gwozdz, 2014, p. 248). However, whereas the conventional institutional theory sees that the company responses vary mostly between confirmatory and resistant responses, CSR literature sees that more proactive and opportunity-seeking responses are also possible (Pedersen & Gwozdz, 2014, p. 249). In the opportunity-seeking response the company aims to use CSR initiatives to convert institutional pressures into competitive advantages and other business benefits (Pedersen & Gwozdz, 2014, p. 249).

Moving beyond the traditional confirmatory and resistant responses suggested by scholars such as Oliver (1991), Pedersen and Gwozdz (2014) propose a three-point scale of the responses to CSR pressures. Their scales include resistant, confirmatory, and opportunity-seeking responses, which are divided into sub-categories: rejecters, negotiators, conformists, anticipators, and definers (Pedersen & Gwozdz, 2014, p. 253). The possible responses are introduced and defined in the following table.

Table 5. Strategic responses to CSR pressures (Pedersen & Gwozdz, 2014, p. 254).

Scale	Strategic responses and description
<i>Opportunity-seeking</i> : going beyond the external expectations	<i>Definers</i> : The company tries to move well beyond existing and anticipated CSR

	<p>requirements, either because they are non-existent, insignificant, or carried out too slowly</p> <p><i>Anticipators:</i> Company tries to conform in advance to foreseen CSR requirements, e.g. from regulators, institutional investors, or major customers</p>
<i>Conformance:</i> adapting to the institutional pressures	<i>Conformists:</i> The company tries to conform with CSR requirements, whether or not it is the result of habit, imitation or cost/benefits analysis
<i>Resistance:</i> avoiding conforming to the institutional pressures	<p><i>Negotiators:</i> The company tries to relax the CSR requirements to the extent possible, e.g. by means of dialogue, negotiations, manipulations, bribery</p> <p><i>Rejecters:</i> The company tries to avoid conforming with CSR requirements to the extent possible, e.g. by lobbying against certain standards and norms</p>

This study uses the above responses identified by Pedersen and Gwozdz (2014). This is because companies can move beyond the confirmatory and resistant responses, for instance because of their beliefs or because they think it will benefit their business (Pedersen & Gwozdz, 2014, p. 249).

A number of scholars have paid attention to the ways in which firms respond to institutional pressures. A combination of different response strategies has been noted for instance by Frynas and Yamahaki (2016) and Jamali (2010). According to Frynas and Yamahaki (2016, p. 267) firms often respond to the pressures they face in multi-level institutional context by a combination of adaptation and resilience. Jamali (2010, p. 634) also found in her study that companies respond to pressures by a combination of conformity and resistance when she studied MNC responses to international accountability standards. Pedersen and Gwozdz (2014, p. 260) on the other hand found that companies tend to conform to pressures instead of resisting or being opportunity-seeking, when they studied Nordic fashion companies.

2.6 Theoretical framework

The table below summarizes the main themes of the study and presents the theoretical framework. The theoretical framework consists of the Arctic institutional environment and pressures, company responses and ECSR implementation practices and it is used in the empirical part of the study in the Arctic expedition cruise company context.

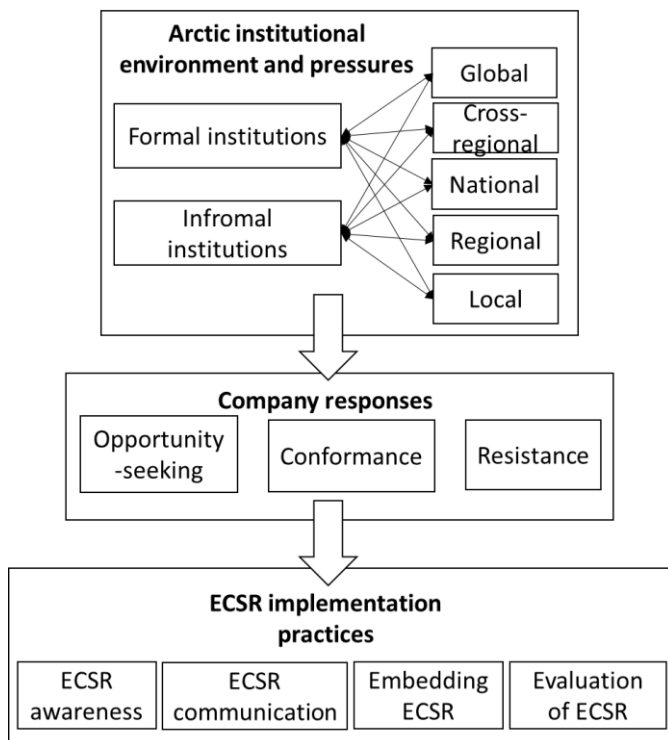


Figure 1. Theoretical framework.

The first part of the framework consists of the Arctic institutional environment and pressures. The Arctic region is seen to have a multi-level institutional environment which includes both formal and informal pressures at the global, cross-regional, national, regional, and local levels. The formal and informal institutions are seen through the view of North (1990), according to whom formal institutions include for instance laws, regulations, and rules, and informal institutions norms, cultures, and ethics. The division of the Arctic institutional environment into the five levels is based on the view of Vammen

Larsen et al. (2019). Companies can respond to these ECSR-related institutional environments and pressures in various ways.

The second part of the framework refers to the company responses to the Arctic ECSR-related institutional pressures. According to Frynas and Yamahaki (2016, p. 267), in the past most scholars have focused on the passive adaptation of CSR in institutional contexts, however more recent studies have also begun to take notice of the complex institutional environments and the proactive responses of organizations. This study notes that companies can respond to ECSR-related pressures either by opportunity-seeking, conformance, or resistance response strategies as proposed by Pedersen & Gwozdz (2014). The way in which a company responds to the ECSR-related institutional pressures may influence its ECSR implementation practices.

The last part of the framework consists of ECSR implementation practices. Fatima and Elbanna (2023, p. 106) divide CSR implementation into CSR awareness, CSR communication, embedding CSR, and Evaluation of CSR. This study utilizes the CSR implementation dimensions identified by Fatima and Elbanna (2023) from the ECSR point of view.

Overall, the study examines how companies perceive and respond to the multi-level Arctic institutional pressures and how that is reflected in their ECSR implementation practices.

3 Methodology

This chapter introduces how the study has been conducted. The methodology chapter consists of the following four sub-chapters: qualitative case study, case selection and case company introduction, data collection and analysis, and quality and ethics.

3.1 Qualitative case study

The methodological choice of a study can be divided into quantitative, qualitative, and mixed methods research designs (Saunders et al., 2023, p. 181). In quantitative research the data is numeric, in qualitative non-numeric and in mixed methods a combination of both (Saunders et al., 2023, p. 181). For this study, a qualitative method was chosen.

Qualitative research uses words rather than numbers and open-ended questions rather than closed-ended questions (Creswell, J. W. & Creswell, J. D, 2018, p. 4). Qualitative research does not strive for statistical generalizability; instead, the aim is to describe, understand, or interpret a phenomenon, event, or an action (Tuomi & Sarajärvi, 2017, p. 98). According to Creswell, J. W. and Creswell, J. D (2018, p. 19) a qualitative approach is often used when the topic needs to be studied because there has been little previous research, although it is also useful when the researcher does not know which variables are important to study. Qualitative research design was chosen for this study as it provides detailed insights into a complex issue and allows one to explore the perceptions of the interviewees and case companies. Specifically, a multi-method qualitative design was chosen, meaning that more than one data collection method was used to enhance the quality of the study.

In addition to choosing between quantitative, qualitative, and mixed methods, the research strategy within the chosen research design needs to be decided upon (Creswell, J. W., & Creswell, J. D, 2018, p. 11). In qualitative research design, there are several possible research strategies to choose from, such as “action research, case study research, ethnography, grounded theory, and narrative inquiry” (Saunders et al., 2023, p. 186). A

case study was chosen as the research strategy for this study, as it allows the data to be examined detailed within a certain concept and context (Zainal, 2007, p. 1). Case studies have many advantages as a research method as they provide insightful and detailed data from real-life situations, however at the same time they are criticized for the lack of providing generalizable findings (Zainal, 2007, p. 5).

Dul and Hak (2007) define case study as “a study in which (a) one case (single case study) or a small number of cases (comparative case study) in their real-life context are selected, and (b) scores obtained from these cases are analyzed in a qualitative manner” (p. 4). Sulaiman et al. (2008) state that a case study is “an umbrella term for a family of research methods” (p. 1). They also state that “a reliable case study will therefore desire to use as many sources as possible that can be called multiple sources of evidence” (Sulaiman et al., 2008, p. 1). The study was conducted through a comparative case study of two expedition cruise companies operating in the Arctic region using multiple sources of evidence. A comparative case study was chosen because it allows the similarities and differences between the cases to be examined, and it adds an international dimension to the study, as the case companies are based in different countries with different institutional environments.

Case study can be seen as a good strategy to study the topics of this study, for instance Cajaiba-Santana et al., (2020, p. 9) suggest scholars to use case studies to build on previous research in relation to institutional theory and Arctic cruise tourism. According to them “case studies enable a fine understanding of specific organizational behaviours and their causes and effects on organizational life” (p. 9).

Theory is an important part of answering a research question and there are three approaches to theory development which are deductive, inductive, and abductive reasoning (Saunders et al., 2023, p. 154). When choosing an approach for the study one should consider whether the study is aimed at testing or building a theory. In the deductive approach the research starts with theory and the data collected is used to test the

existing theory (Saunders et al., 2023, p. 155). In the inductive approach data is collected and theory is built based on the analyzed data (Saunders et al., 2023, p. 155). In the abductive approach data is collected to investigate a phenomenon, to find, and explain themes and patterns, to create or modify theory and to test it through additional data collection (Saunders et al., 2023, p. 155). This study uses the deductive approach. The approach was chosen as theory is at the base of the study and the theoretical framework is used in the analysis.

3.2 Case selection and case company introduction

The first part of the case selection process was choosing the industry in which the case companies operate. The aim was that the companies would be operating in the same industry because the institutional pressures companies face may vary from industry to industry (Escobar & Vredenburg, 2011, p. 41). The expedition cruise industry was chosen as the industry in question and the criterion was that the companies would have operations in the Arctic region.

The potential case companies were first identified through the members of the association of Arctic expedition cruise operators (AECO). By being a member of the association, the companies agree to follow the national and international laws and regulations (AECO, n.d.). In addition, the members agree to follow the guidelines set by AECO which include for instance visitor, clean seas, yacht, and community guidelines (AECO, n.d.). During the case company selection in the spring of 2024 AECO had 27 full members, out of which 15 were contacted by email or by phone. The criteria of contacting a company were that they would have cruise operations in the Arctic region, be full members of AECO, offer some sustainability related information in English on their website and operate on motorized cruise ships rather than, for example sailboats. Two of the contacted companies agreed to participate in the study.

The aim was also that the case companies would differ in some way such as in their area of operation, country of origin or the size of the company. This is because having some

differences in these factors may offer a more comprehensive view on the matter. In addition, it allows one to see how firm-specific characteristics work alongside the institutional pressures. The case companies ended up differing in many ways, as shown in the table below.

Table 6. Summary of the case companies.

	Company A	Company B
Industry	Expedition cruises	Expedition cruises
Country of origin	Canada	Norway
Area of operations	Arctic region	Arctic and non-Arctic region
Number of vessels	1 (chartered)	6
Company size	SME	Large enterprise
Number of yearly tourists	~1800	~30 000

Company A is a Canadian family-owned travel company arranging small-ship expedition cruises, called Adventure Canada. The company was founded in 1987, and it currently operates one chartered vessel called Ocean Endeavour. The company charters the vessel for the northern summer from May till October. The company has around 45 employees and expects around 1760 yearly passengers with the current vessel. In addition to the charter vessel the company operates, it also resells other operators' trips on their website to destinations such as Galapagos and Antarctic, however the only operation they run themselves are in the North Atlantic, typically in the Canadian Arctic. The company operates in different regions on alternating years, for instance this season they operate in the Western Arctic, while in the next season they go from Scotland to Faroe Islands to Iceland to Canadian Arctic.

The case company B is a company called HX Hurtigruten Expeditions, which is an expedition cruise company which has been arranging expeditions since 1896. The company has currently around 1100 employees and more than 30 000 yearly passengers. HX has six vessels, five of which sail in the Arctic waters, and one in Galapagos. The company offers a wide range of cruises outside of the Arctic for instance in the Caribbean, Galapagos, and Antarctica, as well as within the Arctic region in Greenland, Iceland, Norway, Svalbard, North America, Northwest Passage, and Arctic Canada. HX is part of the

Hurtigruten Group which consists of three brands: HX Hurtigruten Expeditions, Hurtigruten, and Hurtigruten Svalbard. A British private equity firm TDR Capital has the majority ownership of the group, and the group has its headquarters in Oslo and London. The group has a strong emphasis on sustainability.

The case companies have various differences in terms of their size, area of operation and origin. However, they also have similarities in that they both have operations in the Arctic region, are full members of AECO and have sustainability as an important part of their operations.

3.3 Data collection and analysis

A multiple-method approach was applied to the study, meaning that the data for the case study was collected through different methods, but within the same topic (Gillham, 2010, p. 13). Primary data, which was collected through semi-structured interviews, was the main form of data used in relation to the case companies. Secondary data collected through the case companies' websites and ESG report was also used to supplement the primary data. In addition to the secondary data obtained from the case company, other secondary data from different sources related to the Arctic institutional environment was used.

There are three different types of qualitative interviews: structured, semi-structured, and unstructured interviews. This study utilized semi-structured interviews because it allows the interviewer to change the wording and order of the questions in each interview and ask probing questions to get more in-depth responses, while still having a pre-determined theme and questions (Eriksson & Kovalainen, 2016, p. 95). According to Eriksson and Kovalainen (2016, p. 95) one of the most important advantages of using semi-structured interviews is that the material is rather structured, while still maintaining a conversational and relaxed atmosphere during the interview.

In a qualitative study, it is beneficial for the interviewee to have as much information about the topic as possible (Tuomi & Sarajärvi, 2017, p. 98). In this study, the aim was to interview a member of the company who would have knowledge of the company's ECSR practices as well as its operations in the Arctic institutional environment. The interviews were conducted with a representative of the company through teams, and the interviews were recorded with the permission of the interviewee. The recorded interviews were transcribed and converted into text. The summary of the interviews is presented in the table below.

Table 7. Summary of the interviews.

Interviews	Title	Duration	Date	Channel
Interviewee A/ Company A	Director, Sustainable & Regenerative Travel	0:44	23.04.2024	Teams
Interviewee B/ Company B	Program Manager, Sustainability & Industry	0:42	29.04.2024	Teams

As mentioned, although most of the data was collected through the semi-structured interviews, secondary data was also used. Both case companies offer sustainability related information on their websites, so document analysis was used to support the primary data. In addition to the secondary data from the case companies, other secondary data from different sources such as international organizations, governmental bodies and other publications was used to explore the different levels of formal and informal Arctic institutional pressures. The secondary data used is introduced in the table below.

Table 8. Summary of the secondary data.

ECSR implementation		
Type of data and purpose	Data source	Example data
Company publications <i>To complement primary data from the interviews</i>	<ul style="list-style-type: none"> Case companies' websites and reports 	<ul style="list-style-type: none"> Guiding Principles (Adventure Canada, n.d.a) Adventure Canada Researcher-in-Residence

		<p>Program (Adventure Canada, n.d.b)</p> <ul style="list-style-type: none"> • Partnerships (Adventure Canada, n.d.c) • Regenerative Travel: Can Travel Mend the World? (Swan, 2020) • Annual & ESG report 2023 Hurtigruten group (Hurtigruten group, 2023) • Reports and Policies (Hurtigruten group, n.d.a) • Code of Conduct (Hurtigruten group, n.d.b) • Values and vision (Hurtigruten group, n.d.c) • Projects we have funded (Hurtigruten group, n.d.d)
Institutional environment		
<p>International organizations' websites</p> <p><i>To identify formal and informal pressures at the global level</i></p>	<ul style="list-style-type: none"> • International Maritime Organization (IMO) • United Nations Framework Convention on Climate Change (UNFCCC) • WWF • Greenpeace 	<ul style="list-style-type: none"> • Introduction to IMO (n.d.a) • International Convention for the Prevention of Pollution from Ships (MARPOL) (IMO, n.d.b) • Shipping in polar waters (IMO, n.d.c) • The Paris agreement (UNFCCC, n.d.) • About us (WWF, n.d.a) • About WWF's Global Arctic Programme (WWF, n.d.b) • Our values (Greenpeace, n.d.)
<p>Cross-regional organizations' websites</p> <p><i>To identify formal and informal pressures at the cross-regional level</i></p>	<ul style="list-style-type: none"> • Arctic Council • Inuit Circumpolar Council (ICC) • Saami Council • AECO • European Commission 	<ul style="list-style-type: none"> • About the Arctic Council (Arctic Council, n.d.) • ICC's political universe (ICC, n.d.) • About the Saami Council (Saami Council, n.d.) • Guidelines (AECO, n.d.) • Corporate sustainability and responsibility (European Commission, n.d.)

		<ul style="list-style-type: none"> • Joint communication to the European Parliament and the Council: An integrated European Union policy for the Arctic (European Commission, 2016) • Joint communication to the European Parliament, the Council, the European economic and social committee and the committee of the regions: A stronger EU engagement for a peaceful, sustainable and prosperous Arctic (European Commission, 2021)
<p>National organizations' websites</p> <p><i>To identify formal and informal pressures at the national level</i></p>	<ul style="list-style-type: none"> • Transport Canada • Norwegian Maritime Authority (NMA) 	<ul style="list-style-type: none"> • Transport Canada (Transport Canada, n.d.) • Arctic Waters Pollution Prevention Act (AWPPA) (Transport Canada, 2012) • Canada Shipping Act (CSA) 2001 (Transport Canada, 2017) • Guidelines for Passenger Vessels Operating in the Canadian Arctic - TP 13670 (Transport Canada, 2018) • Legislation (NMA, n.d.)
<p>Regional organizations' websites</p> <p><i>To identify formal and informal pressures at the regional level</i></p>	<ul style="list-style-type: none"> • Svalbard Governor • Canadian Arctic Resource Committee (CARC) 	<ul style="list-style-type: none"> • About the governor (Svalbard governor, n.d.) • About CARC (CARC, n.d.)
<p>Local organizations' websites</p> <p><i>To identify formal and informal pressures at the local level</i></p>	<ul style="list-style-type: none"> • Pond Inlet • Tromsø 	<ul style="list-style-type: none"> • Cruise Ship Operators (Pond Inlet, n.d.) • Commercial terms and conditions (Port of Tromsø, 2022)
<p>Other publications</p> <p><i>To complement the previously mentioned secondary data</i></p>	<ul style="list-style-type: none"> • Academic articles • Books 	<ul style="list-style-type: none"> • A conceptual framework of Arctic economies for policy-making, research, and practice (Vammen Larsen et al., 2019)

		<ul style="list-style-type: none"> • The unintended consequences of regulatory complexity: The case of cruise tourism in Arctic Canada (Dawson et al., 2014) • The emerging cruise shipping industry in the arctic: Institutional pressures and institutional voids (Cajaiba-Santana et al., 2020) <p>Arctic law in 1000 words (eds. Hossain & Roncero):</p> <ul style="list-style-type: none"> • The United Nations Convention on the Law of the Sea, the Arctic, and Marine Environmental Governance (Pichel, 2023) • Regulatory aspects of Arctic tourism (Neumann, 2023) • Sustainable development in the Arctic (Caymaz, 2023) • The Arctic legal system (Hossain, 2023a) • Key actors in Arctic governance (Hossain, 2023b) • General principles of international environmental law and the Arctic (Hossain, 2023c) • Climate Change Law and the Arctic (Hossain, 2023d) • The European Union and the Arctic (Stępień & Raspotnik, 2023)
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There are various analysis methods in qualitative studies and the choice between the method of analysis is different in qualitative studies than in quantitative studies. For instance, there are various alternative methods, and sometimes different methods can be used within one study (Saunders et al., 2023, p. 655). The analysis and interpretation of

data also often begins already during data collection in qualitative research (Saunders et al., 2023, p. 652).

Thematic analysis method within the comparative case study was used in this study. In thematic analysis the qualitative data is coded to highlight recurring concepts or patterns, which are then further analyzed to uncover deeper insights related to the research question, the approach can be either theory or data driven (Saunders et al., 2023, p. 664). Thematic analysis consists of different phases, such as exploring data, coding, creating initial themes, and developing the themes further (Saunders et al., 2023, p. 665). Coding links data with similar meaning, and after coding themes are created (Saunders et al., 2023, pp. 666-671). Themes consist of several related codes that are important in relation to the research question (Saunders et al., 2023, p. 671). A theory driven approach was used in the study, meaning that the themes explored were connected to existing theory (Saunders et al., 2023, p. 664).

Thematic analysis was used to analyze the data collected in each case, firstly a within-case analysis was conducted using the themes identified through the theory, and after a cross-case analysis was conducted. This analysis method offers a deep understanding of the data in both within-case and cross-case analysis.

3.4 Quality and ethics

Reliability and validity are frequently used to assess the quality of a study, although their role in qualitative studies is often under debate (Saunders et al., 2023, p. 215). Reliability refers to the repeatability of the study within the same conditions, while validity refers to the capability of the study to measure what has been intended to be measured (Saunders et al., 2023, p. 215).

Qualitative research is often not intended to be repeatable as it captures the perceptions in a specific context and time, however explaining in detail how the study has been conducted may help others to carry out similar research (Saunders et al., 2023, p. 218). This

chapter has attempted to carefully explain how the study has been conducted with the aim of increasing the overall reliability of the study. In addition, the utilized secondary data was introduced comprehensively which increases the reliability and repeatability of the study.

In terms of validity, the interview questions were carefully selected based on the theoretical background, to help elicit relevant information. The interviews were conducted through the same communication channel, they were recorded with the permission of the interviewees and transcribed with care. The preliminary interview questions were given to the interviewees in advance. The interviews were conducted in English, which was not the mother tongue of the interviewer and one of the interviewees, which could decrease the quality of the study due to possible language barriers and misunderstandings. The possibility of errors was tried to be minimized by repeating the questions and asking clarifying questions when needed.

Research ethics are also an important part of the research design, and it refers to the standards of behavior of the researcher that ensure respectful and fair treatment of participants and others affected by the research (Saunders et al., 2023, pp. 214-254). The researcher is responsible for the ethics being fulfilled. In this study, efforts were made to ensure that the research was conducted ethically, for example by informing participants that participation was voluntary and that they had the right to withdraw or not answer a question at any time. The interviewees and companies were also informed about the possibility of remaining anonymous. The collected data was treated confidentially. The results were tried to be presented truthfully and objectively.

4 Findings

This chapter presents the findings of the study. First, the Arctic institutional pressures are being explored in the context of the Arctic cruise tourism industry, emphasizing the environmental pressures using secondary data. The institutional environment is examined from the perspectives of formal and informal pressures at different levels. After the review of the institutional environment, the case companies are first examined individually and then compared to one another using primary data supplemented by secondary data. The case companies are first analyzed individually to see how they perceive the institutional pressures, how they respond to the pressures and how they implement ECSR. The cases are then compared to each other to identify common themes and differences between the cases.

4.1 Arctic institutional environment

The Arctic region is characterized by a multi-level institutional environment and due to the complexity of the region, it is important to focus on the institutional environment when analyzing the economies of the Arctic (Vammen Larsen et al., 2019, p. 691). The institutional context of the Arctic is influenced for instance by the legislations, agreements, rules, and norms set at the local, regional, national, cross-regional, and global level (Vammen Larsen et al., 2019, p. 691).

As the Arctic region has no legally recognized status, it does not have its own legal system (Hossain, 2023a, p. 23). Thus, the Arctic states and their national regulations are the primary actors in shaping the formal regulations of the Arctic region (Hossain, 2023b, p. 26). However, as the region encompasses areas both within and beyond the national jurisdictions of the Arctic states, regional and global institutions and cooperation also have an important influence (European Commission, 2021, p. 1).

This analysis divides the institutional pressures into five levels: global, cross-regional, national, regional and local, similarly to Vammen Larsen et al., (2019), however each of the

levels are further divided into formal and informal pressures. The analysis is done from the point of view of the Arctic cruise tourism industry and emphasis is placed mostly on environmental pressures. It is worth noting that the assignment to different levels and pressures is not unambiguous, and some of the pressures could also be assigned differently. The analysis also gives only a few examples of the pressures that exist, while there are many more due to the complexity of the Arctic institutional environment.

At the **global level** formal pressures may be brought on by global laws, regulations and rules by actors such as the United Nations (UN) and International Maritime Organization (IMO), and informal pressures by norms, cultures and ethics by the advocacy of global NGOs such as WWF and Greenpeace.

Environmental protection and sustainable development are in the forefront of Arctic governance and various global environmental regulations such as the UN Convention on the Law of the Sea (UNCLOS) and the UN Framework Convention on Climate Change (UNFCCC) apply to the Arctic (Hossain, 2023c, pp. 36-37). These conventions are examples of the formal global pressures brought on by the United Nations.

UNCLOS is an international regulation, which enforces laws applying to all oceans and seas in the world (Hossain, 2023a, p. 23; Neumann, 2023, p. 168). UNCLOS has for instance set up various maritime zones, each of which has their own rights and obligations (Pichel, 2023, p. 58). The framework applies to the Arctic Ocean, with regulations such as the obligation of Arctic states to protect the marine environment and oversee pollution (Pichel, 2023, p. 59). The convention also states the rights and responsibilities of so-called flag states, which refer to the states in which the ships are registered (Neumann, 2023, p. 168). The convention is obligatory for the Arctic states except for the United States, who has not agreed to the instrument (Hossain, 2023a, p. 23).

UNFCCC is another important convention by the United Nations that affects the Arctic, and the laws related to climate change (Hossain, 2023d, p. 61). The Paris Agreement

which aims to limit global warming was adopted at the UNFCCC conference in 1992 (Hossain, 2023d, p. 62). All Arctic states are part of the Paris Agreement (Hossain, 2023d, p. 63).

International Maritime Organization (IMO) is a special agency of the UN that revolves around ensuring maritime safety and preventing pollution by ships (IMO, n.d.a). IMO has various regulations related to shipping such as the International Convention for the Prevention of Pollution from Ships (MARPOL) and International Code for Ships Operating in Polar Waters (Polar Code), which may bring on global formal pressures.

MARPOL is an international convention by IMO which is focused on regulating both accident and routine operations related pollution from ships (IMO, n.d.b). It includes six annexes related to the prevention of pollution from oil, noxious liquid substances in bulk, harmful substances carried by sea in packaged form, sewage, garbage, and air pollution (IMO, n.d.b).

The Polar Code touches on issues such as equipment, training, search and rescue and environmental protection of ships operating in the polar waters (IMO, n.d.c). The Polar Code protects the environment for instance by setting regulations related to oil, invasive species, sewage, garbage, and chemicals (IMO). Although the Polar Code is relevant for operators operating in the polar regions, it is placed in this analysis to the global level because it is set by IMO, which is an international organization.

In addition to the previously mentioned formal pressures, there are also informal pressures at the global level. These could for instance be brought on by the global environmental advocacy of NGOs such as the WWF and Greenpeace. WWF is an international non-governmental organization that works to conserve natural resources, ensure sustainability, and protect species and their habitats (WWF, n.d.a). In addition to the global initiatives, WWF has also paid particular attention to the Arctic region by establishing a Global Arctic Programme in 1992 to address a range of Arctic challenges related to

nature, communities, and governance (WWF, n.d.b). Greenpeace is another NGO that works on global environmental problems and develops solutions towards an environmentally friendly future (Greenpeace, n.d.).

At the **cross-regional level**, formal pressures can be exerted by actors such as the Arctic Council, the European Union (EU), and Association of Arctic Expedition Cruise Operators (AECO). Informal pressure, on the other hand, can be exerted by cross-regional NGOs such as the Inuit Circumpolar Council (ICC) and the Saami Council.

The Arctic Council is an important institutional actor in the cross-regional level of the Arctic, and it replaced The Arctic Environmental Protection Strategy (AEPS) in 1996, which was the first step towards cooperation between the Arctic states (Hossain, 2023c, p. 36). Arctic Council is an intergovernmental forum which was established in the Ottawa Declaration by the eight Arctic States (Arctic Council, n.d.). The decisions of the council are made by the Arctic states with consideration of the permanent participants (Arctic Council, n.d.). The council works to improve cooperation between its members and on various issues such as sustainable development and environmental protection (Arctic Council, n.d.).

Due to the complexity of the Arctic region's governance, cooperation is mainly focused on guidelines that are not legally binding (Caymaz, 2023, p. 47). The Arctic Council works on different projects through various working groups and provides recommendations to various stakeholders (Arctic Council, n.d.). However, the member states have also negotiated a few legally binding agreements through the council, such as the Agreement on Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic (Arctic Council, n.d.). The Arctic Council also supports sustainable development, for example through the adoption of the UN Sustainable Development Goals (SDGs) and the work of its Sustainable Development Working Group (SDWG) (Caymaz, 2023, p. 48). Non-state actors such as the indigenous people are also involved in the Arctic regulations, and six

indigenous organizations are permanent participants of the Arctic Council (Hossain, 2023a, p. 24-25).

The European Union (EU) is also actively participating in Arctic affairs (Stępień & Raspotnik, 2023, p. 144) and can thus be seen as one of the sources of cross-regional pressures in the Arctic. Some of the Arctic nations are part of EU (Finland, Sweden and Denmark) and some part of European economic area (EEA) (Norway and Iceland) (European commission, 2016, p. 2). EU has its own Arctic policy and is actively involved in the Arctic affairs, it for instance supports the work of Arctic council, contributes towards Arctic research, and takes part in supporting and negotiating various agreements (European commission, 2021). In addition to the EU's Arctic policy, it has several CSR policies that may affect the activities of organizations operating in the Arctic region. Many of the CSR policies are related to the environment and climate, EU for instance regulates the amount of air pollution from certain sectors, supervises that waste is managed correctly, and regulates harmful emissions of different industrial activities through various policies and tools (European commission, n.d.).

AECO is also an actor which can exert formal pressures to its members at the cross-regional level. The organization is an important cooperative organization for the cruise lines operating in the Arctic region and it sets guidelines for its members. AECO mandates its members to operate in accordance with national and international laws, as well as follows AECO's own guidelines (AECO, n.d.). AECO has a corresponding organization in Antarctica called IAATO. The regulatory power and effectiveness of AECO's guidelines have been questioned in comparison to those of IAATO for instance by Cajaiba-Santana (2020, pp. 2-7).

There are also various NGOs which may cause informal pressures at the cross-regional level. These include NGOs such as the Inuit Circumpolar Council (ICC) and Saami Council. ICC is an NGO representing the Inuits of Alaska, Canada, Greenland, and Chukotka in Russia (ICC, n.d.). ICC acts as a voice for the Inuits and brings issues related to topics

important to them such as culture, language, environment, and sustainability to Arctic Council, United Nations, Governments and other forums (ICC, n.d.). Saami Council is another cross-regional NGO with nine member organizations in Finland, Russia, Norway, and Sweden (Saami Council, n.d.). Its aim is to promote the rights of the Saami people, and its work is carried out in units based on key issues, one example unit is the Arctic and environment unit (Saami Council, n.d.). ICC and Saami Council are both permanent participants of the Arctic Council.

At the **national level** the main formal pressures come from the national laws, rules and regulations. As the two case companies are based in Canada and Norway, this analysis explores some of the pressures from the point of view of the two countries. It is however worth noting that because the vessels move between national and international jurisdictions, they are required to follow also other national regulations (Dawson et al., 2014, p. 91). There are also informal national pressures, which may come for instance from national organizations advocating for the indigenous people.

In Canada, Transport Canada is the federal institution that is responsible for the policies related to transportation (Transport Canada, n.d.). Some of the relevant acts include the Arctic Waters Pollution Prevention Act (AWPPR), the Oceans Act, and the Canadian Shipping Act (CSA). These acts are related to topics such as preventing all types of pollution in the Canadian Arctic waters and ensuring the safety of marine transportation and protection of the marine environment (Transport Canada, 2012; 2017). In Norway the Norwegian Maritime Authority (NMA) is the authority responsible for the matters related to the environment and the safety of ships registered in Norway as well as other ships in Norwegian waters (NMA, n.d.). NMA has various legislations, and the acts include for instance the Norwegian Maritime Code and the regulations the Environmental safety for ships and mobile offshore units (NMA, n.d.).

As mentioned, there are also informal pressures at the national level. An example of these could be the pressures coming from national organizations advocating for the

indigenous people such as the Norwegian Sámi Association (NSR). NSR is a cultural and political organization that participates in voluntary work and stands for Sámi parliamentary election (NSR, n.d.). The organization has 25 Sami associations around Norway, which could be considered as informal pressures at the regional and local levels. The organization is part of Sami Council which was introduced at the cross-regional level. The organization has policies related to topics such as the environment and tourism (NSR, n.d.).

There are also formal and informal pressures at the **regional level**. Formal pressures could include for instance the permit requirements to operate in certain regions. In the Canadian Arctic the territorial governments are responsible for many elements in passenger vessel operations and the vessel operators needs to contact the territorial governments in relation to topics such as licensing, permits and environmental matters when planning the operations (Transport Canada, 2018). For instance, in the Nunavut region the operator should contact the Nunavut Impact Review Board (NIRB) to obtain the permits to operate in the region (Transport Canada, 2018). In Norway the governor of Svalbard is responsible for the regulations of the region and oversees that the regulations are obeyed (Svalbard governor, n.d.). These regulations include for instance the Tourism Regulations and the Svalbard Environmental Protection Act (Svalbard governor, n.d.).

NGOs such as the Canadian Arctic Resources Committee (CARC) and their advocacy work could be an example of NGOs which could exert informal pressures at the regional level. The organization advocates for the environmental and social welfare around the northern parts of Canada (CARC, n.d.).

At the **local level**, the formal and informal pressures come for instance from municipalities and local indigenous associations. The local municipalities, cities and villages often have their own local rules and regulations. For instance, in Canada the village of Pond Inlet has its own policy and procedures related to the port, which includes information

on issues such as service rates and fees and landing requests and approvals (Pond Inlet, n.d.). Similarly in Norway the municipality of Tromsø, has its own terms and conditions vessels need to comply with in the port (Port of Tromsø, 2022).

The informal pressures at the local level includes local norms, cultures and ethics. In Canada, for example, informal pressures may come from the advocacy of local Inuit communities, and in Norway from local Sami communities. One example is Alta sameforening, a Sami association in Alta, which is one of the 25 Sami associations part of NSR.

The previously mentioned examples of the formal and informal pressures at different levels of the Arctic cruise tourism industry are summarized in the table below. Many of the pressures presented in this subchapter such as: national laws, regulations by IMO, and pressures from local communities and AECO were also identified by the interviewees. The case companies' perceptions and responses to Arctic institutional pressures are further explored in the next sub-chapter.

Table 9. Institutional pressures in the Arctic expedition cruise industry.

Level	Example formal pressures	Example informal pressures
Global	Global laws, regulations and rules <ul style="list-style-type: none"> • United Nations (UN) <ul style="list-style-type: none"> ▪ E.g. United Nations Convention on the Law of the Sea (UNCLOS), UN Framework Convention on Climate Change (UNFCCC): Paris Agreement ○ International Maritime Organization (IMO) <ul style="list-style-type: none"> ▪ E.g. The International Convention for the Prevention of Pollution from Ships (MARPOL), International Code for Ships Operating in 	Global norms, cultures and ethics <ul style="list-style-type: none"> • E.g. Global NGOs <ul style="list-style-type: none"> ○ WWF, Greenpeace <ul style="list-style-type: none"> ▪ Environmental advocacy

	Polar Waters (Polar Code)	
Cross-regional	<p>Cross-regional laws, regulations and rules</p> <ul style="list-style-type: none"> • Arctic region <ul style="list-style-type: none"> ○ Arctic Council <ul style="list-style-type: none"> ▪ E.g. guidelines, recommendations, legally binding e.g. Marine Oil Pollution Preparedness and Response in the Arctic ○ European Union (EU) <ul style="list-style-type: none"> ▪ E.g. Arctic policy, CSR policies ○ Association of Arctic Expedition Cruise Operators (AECO) <ul style="list-style-type: none"> ▪ Guidelines 	<p>Cross-regional norms, cultures and ethics</p> <ul style="list-style-type: none"> • E.g. Cross-regional NGOs <ul style="list-style-type: none"> ○ Inuit Circumpolar Council (ICC), Saami Council <ul style="list-style-type: none"> ▪ Advocacy
National	<p>National laws, regulations and rules</p> <ul style="list-style-type: none"> • Canada <ul style="list-style-type: none"> ○ E.g. Transport Canada regulations <ul style="list-style-type: none"> ▪ E.g. The Oceans Act, Arctic Water Pollution Prevention Act (AWPPA), Canadian Shipping Act (CSA) • Norway <ul style="list-style-type: none"> ○ E.g. Norwegian Maritime Authority (NMA) regulations <ul style="list-style-type: none"> ▪ E.g. Norwegian Maritime Code, Environmental safety for ships and mobile offshore units 	<p>National norms, cultures and ethics</p> <ul style="list-style-type: none"> • E.g. National indigenous associations <ul style="list-style-type: none"> ○ E.g. Norwegian Sámi Association (NSR) <ul style="list-style-type: none"> ▪ Advocacy
Regional	<p>Regional laws, regulations and norms</p> <ul style="list-style-type: none"> • Canada: <ul style="list-style-type: none"> ○ E.g. Nunavut Impact Review Board (NIRB) <ul style="list-style-type: none"> ▪ Permit requirements to operate in Nunavut • Norway: <ul style="list-style-type: none"> ○ E.g. Svalbard Governor <ul style="list-style-type: none"> ▪ Svalbard Environmental Protection 	<p>Regional norms, cultures and ethics</p> <ul style="list-style-type: none"> • E.g. Regional NGOs <ul style="list-style-type: none"> ○ Canadian Arctic Resources Committee (CARC) <ul style="list-style-type: none"> ▪ Advocacy

	Act, Tourism Regulations	
Local	Local laws, regulations and rules <ul style="list-style-type: none"> • Canada <ul style="list-style-type: none"> ○ E.g. Pond Inlet <ul style="list-style-type: none"> ▪ Port policy and procedures • Norway <ul style="list-style-type: none"> ○ E.g. Tromsø: <ul style="list-style-type: none"> ▪ Port terms and conditions 	Local norms, cultures and ethics <ul style="list-style-type: none"> • E.g. local Inuit and Sami communities <ul style="list-style-type: none"> ○ E.g. Alta sameforening <ul style="list-style-type: none"> ▪ Advocacy

4.2 Company A within-case analysis

The analysis of the cases starts with a within-case analysis of company A. The analysis is based on the theoretical framework that has been constructed based on the theoretical background. The analysis is divided into three themes: perceptions of institutional pressures, responses to the institutional pressures and ECSR implementation.

4.2.1 Perceptions of institutional pressures

According to the interviewee, the industry used to be rather unregulated, but now the Canadian Arctic institutional environment is becoming more institutionalized and institutionally driven. The interviewee perceives that the company faces both external and internal institutional pressures. The institutional pressures identified by the interviewee can be divided into formal pressures, internal pressures, and informal pressures.

The first type of institutional pressure the interviewee identified was **formal pressure**, which includes for instance compliance with Canadian laws and different environmental regulations. The interviewee, however, noted that the regulatory pressures are not of major interest for the company as the company charters its vessel, which means that the ship operator is responsible for complying with most of the formal regulations.

The regulatory pressures in the Canadian north are not major topics of interest for us only because, the ship operator has to comply with them. We're not really the ship operator [...] air emissions, water emissions [...] where and when they dump

grey water, that's all up to the ship owner and operator. That's all dictated by the regulatory environment. (Interviewee A.)

The second type of institutional pressure identified by the interviewee was **internal pressure**. The interviewee stated that *“the second (pressure) is the kind of internal moral pressures that we feel from the family-owned company and just kind of in all of our own hearts”*. The interviewee emphasized that in the past the owners of the company have just attempted *“to be the best people they could be”*.

The third institutional pressure identified by the interviewee refers to the **informal pressures** which include community expectations and informal pressures from local Inuit communities and voluntary organizations like AECO.

And the third one, the more casual institutional pressures, [...] they're in some ways the most interesting, you're aware of AECO, the voluntary organisation, so that's one source [...] But much more interesting to me are the soft institutional pressures from the local Inuit communities in the north. [...] that kind of institutional pressure around Inuit relations, I think, is probably the single most significant thing that affects the way we do our business in the north today. (Interviewee A.)

In addition to the emphasis on environmental considerations, the importance of respecting the **local indigenous communities** was emphasised by the interviewee. He stated that *“in Canada indigenous communities have been subject to all sets of colonial pressure over the last 300 years and that what we call reconciliation is a very significant social issue here in Canada”*. In this context he mentioned the importance of the work done by the Truth and Reconciliation Commission of Canada (TRC) on how to deal with the local communities. He stated that it is important for the company *“that not only are we a force for good in the lives of the Inuit communities that we visit in the north, that we do no harm to those communities, but that they be in charge of this kind of activity in their world”*.

In addition to the previously mentioned pressures, the interviewee also mentioned safety and climate related institutional pressures. And while safety related pressures were not seen to be major by the interviewee, climate on the other hand, was seen as a significant pressure.

Climate is the most significant pressure we face. [...] there is institutional pressure around carbon emissions from ships, but it is not yet affecting our work, but it will affect, we anticipated that within five years there will be much more Canadian enforcement and pressure on these things, but at the moment our attention to climate is entirely voluntary. (Interviewee A.)

The interviewee also recognized that there are **multiple levels of pressures** when operating in the Arctic region such as the national, regional, and local levels, and found some contradictions between them. The interviewee emphasized the emerging pressures coming from the local indigenous communities such as the Hunters and Trappers Organizations (HTOs). According to him these bodies influence operations, for instance by restricting access to certain areas to protect wildlife. According to him these small institutional bodies might eventually have more institutional influence than their size would indicate.

I think we're just beginning to figure out how that bottom up, small scale pressure from the people who would be most impacted intersect with the way we traditionally think of the regulatory or institutional environment, which is pretty much top down. And we got federal regulators, we got territorial regulators, we got great big bodies [...] but now we have this kind of surging local influence and the way those two systems of institutions begin to intersect, that would be very interesting to watch. (Interviewee A.)

The interviewee also saw **regional differences** between the institutional pressures faced when operating in different parts of the Arctic as well as outside the region. He mentioned that “*all of these environments are feeling the same pressures, which is that this industry is suddenly growing*”, however according to him the environments are different and change quickly even within the Arctic; for example, he found differences in institutional pressures between Canada, Greenland and Iceland.

More specifically he contrasted the Arctic institutional environment to the one in the Antarctic. According to him *“Antarctic is seen as this unspoiled, pristine environment, and so protection of that environment has a profile in that travel that it doesn't have in the in the Arctic”*. Although he identified AECO as one of the institutional pressures, he also mentioned that in the Antarctic IAATO sets more detailed guidelines for the operators than AECO does in the Arctic.

Antarctic is very different, and it faces very different threats. [...] IAATO has a very, very specific in demand and very specific precautionary measures in the way we undertake our operations to the extent that they're very detailed [...] The way we clean our boots before we go ashore and the way we clean our boots when we come back to the ship, it's like that kind of level. And operators are very compliant. In the north AECO doesn't really have the same kind of presence, I mean the operators are all aware, but I would guess our guests are largely unaware of AECO [...] They specify soft rules around distance from wildlife, but I haven't found them to be of like a significant influence on the way we behave [...] I think AECO if they're accomplishing anything, it is they kind of raise the minimum standard of performance, but if we were all already operating above the minimum standard, I think we were, then they're really not affecting the way we conduct ourselves. (Interviewee A.)

All in all, the interviewee emphasized the importance of the softer institutional pressures over the formal ones as well as the importance of the internal pressures. He stated that *“our innovation comes from the more casual pressures and our desire to be the kind of best operator we can be”*. He also recognized that there are various levels of institutional pressures while emphasizing the importance of the local level.

4.2.2 Responses to institutional pressures

The company's response to institutional pressures is varied. Rather than resisting, the company seems to be either conforming to institutional pressures or going beyond external expectations. The company complies with the mandatory regulations, adapts to informal pressures as well as engages in other voluntary actions guided by the internal pressures coming from within the company.

The company follows the **formal requirements**, and according to the interviewee “*the company is always focused on regulatory compliance*”. He gave an example of this by saying that as required by the Canadian law, the chartered ship leaves the country on every itinerary. However as mentioned, most of the formal regulations are managed by the ship operator, due to the chartering of the vessel, thus the interviewee emphasized the importance of informal pressures over the formal ones.

All of the kind of softer institutional pressures are much more significant to us in terms of the things that we do that are that are kind of ambitious and leaderly. At the formal institutional world right now, well, is not asking us to do very innovative stuff. It is asking us to do the minimum stuff. Our innovation comes from the more casual pressures and our desire to be the kind of best operator we can be. (Interviewee A.)

In relation to the **informal pressures** the interviewee highlighted the importance of the pressures coming from the local communities. According to him the company responds to the internal pressures from the local communities, for instance by engaging in casual conversations with the locals and giving briefings to guests. The importance of community consent was also emphasized by the interviewee.

We don't ever go to an Inuit community until we know, we're welcome and if the community says, this year, we're very worried about ship noise in Lancaster Sound, for example, an area of the Arctic Ocean that we transit, then we would say, ok, if you're worried and if your hunters are worried that ship traffic is interfering with your hunt, we won't go there, there's that kind of casual conversation. (Interviewee A.)

While highlighting the importance of the local communities and their consent, the interviewee noted that “*unfortunately, there is a fairly wide variety of degrees of respect for local communities*”. According to him, there are operators who still insist on going to communities despite being told by the community that they are not welcome.

Safety and climate related pressures were also mentioned by the interviewee, and while the safety related pressures were not seen to be major, the interviewee noted that the company for instance participates in all working groups and annual meetings on Arctic search and rescue on oil spill response, led by the Canadian federal government, sometimes in collaboration with the search and rescue services of Denmark and Norway. In relation to the climate, the interviewee stated that the pressures are major, but that the attention to climate is still voluntary. The company responds to the climate related pressures for instance by committing to being carbon neutral by 2030, using offsets, and requiring its operators to join certifiers such as Green Marine and the Clean Shipping Index (CSI), that provide frameworks for environmental performance and continuous improvement.

As sustainability is an important internal value for the company, the company also has **voluntary initiatives** that go beyond the formal and informal external pressures. The voluntary actions could be seen to be some of the opportunity-seeking response strategies of the company. The ambition of leading others, wanting to be the best operator they can, and the internal values of the company could be behind the opportunity-seeking response strategies.

4.2.3 ECSR implementation

The company uses the terms sustainability and regenerative travel when discussing CSR-related matters. Regenerative travel aims to leave the places visited in a better state than they were when arrived, valuing communities over tourists (Swan, 2020). The interviewee prefers the term sustainability as it is widely recognized in the tourism industry due to the SDGs. According to Swan (2020), environmental and social values have been important to the company ever since the company was established. The institutional pressures faced by the company seem to be reflected in their ECSR implementation practices.

The interviewee stated that the company uses a materiality analysis, which is an intersectional assessment of everything the company does against the SDGs, to identify points of intersection. The company then identifies which are the most material and should be prioritized. The interviewee explained that *“we know we can't perfectly mitigate everything we do, so we prioritise based on a combination of impact and influence”*. The interviewee gave two examples of this:

For example, even though we do not have the dramatic impact on malnourishment in the north. We might say we do think we have quite a bit of influence, either as a political actor or as a social advocate, so we might say, even though that's not a strong area of impact we still want to prioritize it, because we think we have some influence. The exact opposite is our climate footprint. We actually have quite a bit of impact because we're using an old ship, it is inefficient, it burns dirty fuel, and it burns it inefficiently. And yet we alone will not change the global warming circumstance, we alone cannot put the planet on a path to lower the rate of warming, but we have a great deal of impact, so we take that very seriously. (Interviewee A.)

Based on the materiality analysis, the company arrived at four categories: climate, nature, people, management and cross cutting issues. Due to the environmental focus of the study the first two categories (climate and nature) are more strongly emphasized. In this analysis ECSR implementation of the company is divided into the following four dimensions: ECSR awareness, ECSR communication, embedding ECSR and evaluation of ECSR, based on the framework by Fatima and Elbanna (2023). In addition, other ECSR practices of the company are also introduced.

The company raises **ECSR awareness** through partnerships with various NGOs (Adventure Canada, n.d.c), which raises ECSR awareness among the company's stakeholders. In addition, the company has a researcher-in-residence programme and provides on-board briefings to its guests, which can also be seen to increase stakeholder awareness. The interviewee stated that in relation to the climate and institutional pressures the company sees its *“job to be twofold, one is to mitigate our environmental harm as best we can and the second is to use our platform to educate about environmental issues as best we can”*.

The guests get a briefing related to safety and environmental precautions. The interviewee noted that *“the educational component is very important to us, and this is not unique just to us in the industry, every one of these ships spends a lot of attention on education”*.

Guest that comes a board the ship gets a briefing. A lot of that briefing has to do with ship safety, for example, but it also has to do with the environmental precautions that we take and that we need them to take when they're on the land and in the water with us. (Interviewee A.)

The company also contributes to research by offering a researcher-in-residence programme, which gives researchers the opportunity to observe the environments and communities visited, as well as interaction with people on board, in hopes of increasing public interest to improve the protection of the areas (Adventure Canada, n.d.b). The interviewee highlighted the potential positive impact of Arctic expeditions on the public awareness and sensitivity towards the Arctic. According to him, exposing people to the challenges and beauty of the Arctic can increase the understanding of people of the matters and support for environmental protection. However, he sees that there is a contradiction between the accessibility and environmental protection of the region. The challenge is that there is a need to restrict traveling to protect the environment, however this will make Arctic expeditions even more economically inaccessible.

This this kind of travel has the potential to do good for the world. It opens people's eyes; people get to the Arctic and their perspective on the Arctic and on the on the issues of the Arctic is changed by their experience. So, there will be a problem, the more we begin to limit the amount of this kind of travel that can happen in the north, and we must limit it, but the economic answer, whenever you limit something is to make it more expensive. [...] what we're trying to do, among other things is educate people about the Arctic so they become more sensitive to the issues, then we don't want to make it more and more inaccessible. (Interviewee A.)

In terms of external **communication on ECSR**, the company does not have dedicated reports available on its website. However, they have some topics related to sustainability

and the environment discussed for instance on their “mindful explorer” section, more specifically in the “regenerative travel” section, which includes articles on topics such as regenerative travel, sustainability, and local indigenous communities. In addition, the “guiding principles” section includes topics such as “corporate responsibility”, “cultural and environmental integrity” and “sincerity and service” which touch on issues related to sustainability and the environment (Adventure Canada, n.d.a). In addition, as mentioned in the section on ECSR awareness, the company also communicates ECSR-related issues to its guests on board in briefings.

The company's guiding principles include some references to ECSR, which can be seen to be related to the dimension of **embedding ECSR**. According to Swan (2020) the environment is an important part of the company's values. The mission and vision of the company do not include ECSR-related topics, however some other parts of the guiding principles such as “sincerity and service” and “cultural and environmental integrity” do refer to the environmental considerations. The sincerity and service part includes for instance the notion that:

Everyone working at Adventure Canada believes in making the world a better place. Our business offers a unique opportunity to experience the deep satisfaction that comes with helping travellers have the time of their lives. We also have the special role of advocates and ambassadors for the people, wildlife, and environment in the places we visit. (Adventure Canada, n.d.a.)

The cultural and environmental integrity part includes the notion that:

At Adventure Canada, we believe that healthy cultures and a healthy environment go hand in hand. We also know that preserving cultural and environmental integrity is a lifetime commitment. From educating travellers, to training youth, to investing in communities, we make that commitment year-round. (Adventure Canada, n.d.a.)

In terms of **ECSR evaluation**, the interviewee stated that although the company has not yet published detailed performance reports, it plans to do so in the future. Despite the limited external communication and evaluation of ECSR, the company has according to

Swan (2020) conducted a review of its operations, developed a sustainable tourism plan including a carbon audit, and aligned its operations with the UN SDGs in 2018. According to the interviewee the company also undertakes a greenhouse gas (GHG) quantification study related to offsets. In addition, the company also conducts a materiality analysis against the UN SDGs.

We have published an annual sustainability report, but it hasn't been a performance report, the way I think you're thinking of and to be honest with you [...] I think we need to get there; we haven't done it yet and the work plan for this current year calls for us to have a report like that, that would say we said we were going to do X, but we only accomplished Y. It would be highly transparent. (Interviewee A.)

In addition to the practices which can be divided into the four ECSR implementation dimensions, the company also has other ECSR-related practices. These include for instance offsets and 3rd party certifiers, which relate to the climate and nature categories identified in the materiality analysis.

The company has said that it will be carbon neutral by 2030 and the company's climate strategy leans on offsets. According to the interviewee *"since we do not own the ship, it is the only thing we can do at the moment"*. The interviewee stated that due to the small size of the company, the company has *"a high touch strategy for some elements and a low touch strategy for others"*. High touch relates to topics the company will get deeply involved with, and according to the interviewee in relation to ECSR, offsets is the best example. In relation to climate the company conducts an annual GHG quantification study and invests in carbon offsets.

In relation to the nature category there is a lower touch strategy, and the company relies on third-party certifiers such as Green Marine and CSI to ensure that certain environmental standards are met by the ship operators. They rate the ship operations on a scale of one to five, the company requires its ships owner to join the programme to make sure that they comply at least level two at the beginning of the charter contract and that they

proceed to at least to level four over the course of the charter contract. According to the interviewee *“it allows us not just to make sure that there is a kind of minimum adequacy to the performance of the ship, but there is also a process of continual improvement”*. In addition, there are environmental protection measures the company takes on charter which include for instance briefings to guests which are more high touch.

All in all, both external and internal institutional pressures can be seen to affect the ECSR practices of the company. The ECSR practices seem to be majority influenced by the informal pressures such as the pressures coming from the local communities and the internal pressures of the family-owned company. The formal pressures seem to have less influence due to the vessel being chartered.

4.3 Company B within-case analysis

The analysis of the cases continues with a within-case analysis of company B. The analysis is based on the same theoretical framework as the previous within-case analysis. The analysis is divided into three themes: perceptions of institutional pressures, responses to the institutional pressures and ECSR implementation. As the company is part of the Hurtigruten group, some of the perspectives are only from the company’s point of view and others are from the whole group’s point of view. The difference between the two is distinguished by calling HX as the “company” and Hurtigruten group as the “group”.

4.3.1 Perceptions of institutional pressures

The interviewee perceived the Arctic institutional environment as complex and multi-layered. She recognized several levels of pressure, such as international, national and local, and the identified pressures could generally be divided into formal and informal pressures.

It is very complex structure and especially in the Arctic because you have native communities, you have the authority regulations, you have the safety aspects in the remote regions, so the safety assurance as such, but you also have an

environment of tourism focused areas and also nature related regulations, so it is very complex, and it is very interesting to actually navigate and see the different perspectives, so also you are constantly learning, because when you are addressing one aspect, then you are learning or seeing also how it impacts others. (Interviewee B.)

According to the interviewee formal regulations often evolve and change over time: *“our experience is also that the regulations also constantly evolve. So, if you do it one year, it's not the same the next year. You know there might be different new learnings, new experiences based on the previous season.”* Despite the constant change in formal regulations, she stated that the informal pressures were still the most challenging: *“informal ones are actually the most difficult to understand, which regulations are there? Or expectations or standards that people expect us to do, but which are not written down and I think that is one of the key elements to understand.”*

The interviewee recognized that the company faces various **formal pressures** while operating in the Arctic region. The interviewee mentioned pressures such as safety and rescue related regulations, marine regulations by IMO, different permitting requirements by different countries which includes the requirement to do an environmental assessment of the impact of all activities onboard and offshore, requirement to have an archeological expert on board on certain regions especially in the Northwest passage, requirements on sailing or vessel size to ensure that there is no disturbance to wildlife and waste handling requirements.

In relation to **informal pressures** the interviewee emphasized the importance of indigenous and native communities in the Arctic region. Local standards and expectations were the most important informal pressures the interviewee recognized: *“the native and community aspect is so important in the Arctic [...] it is really a key part to the operations”*. Although the study mainly focuses on environmental pressures, the pressures coming from the communities are also highly relevant as the local communities have an important significance to the region. The interviewee stated that *“we are visiting very sensitive areas from a nature perspective, but also from a community perspective”*. The

entanglement between people and nature could be seen when the interviewee stated that *“in the Arctic the togetherness of the people and the nature is so important”*.

The interviewee also identified **regional differences** in the institutional pressures when operating in different parts of the Arctic region as well as in regions outside the Arctic such as in Antarctic. She stated that *“the requirements can differ between the different areas”*. She noted differences in permitting processes as well as in other regulations. She mentioned that within the Arctic, for example, Svalbard has closed certain areas to certain types of vessels, the Northwest Passage has different restrictions on sewage and specific requirements for archaeological experts onboard, and Greenland considers closing certain floors. Of the informal pressures she mentioned the difference between the communities. *“I think if you look at the informal part like this, the communities are different within the Arctic. Of course they have all their individuality, all the communities, but how you approach the communities should be the same all over the world.”*

The interviewee also compared the institutional pressures in the two polar regions. She noted that although *“both are polar and remote”* there are differences between the institutional environments. For instance, in the Antarctic the permitting process goes to the country where the operations are based, because there are no governments in the Antarctic although it falls under the Antarctic Treaty, while in the Arctic the process goes to the receiving country. According to her there are similar regulations such as size limitations, but many initiatives are implemented faster in the Antarctic. She believes that now that there are more vessels coming to the Arctic, there is a possibility for the Arctic region to learn from what has been done in the Antarctic. She stated that the main difference between the regions is that the local communities are absent in the Antarctic, while they have an important influence in the Arctic region. She found that togetherness is a unifying factor between the regions and emphasized the importance of working together.

The special part about the Arctic and Antarctic is the togetherness [...] You have to do it together, otherwise it just does not work, and that is together

with the operators, it is together with the government, it is together with the communities. (Interviewee B.)

4.3.2 Responses to institutional pressures

The company's response to institutional pressures is varied. Rather than resisting, the company appears to be either conforming to institutional pressures or going beyond external expectations. The company complies with the mandatory regulations and is also proactively involved in setting them. It also adopts to informal pressures as well as engages in other voluntary actions guided by internal pressures coming from within the company.

The company conforms to the **formal pressures** by complying with the issues such as marine regulations by IMO, permit requirements, safety and rescue requirements, requirement to have cultural ambassadors, vessel size requirements and waste handling regulations. The interviewee stated that the company conforms to the permit requirements by having *“a permit expert in our company who is really looking into that”*. In relation to the search and rescue (SAR) requirements, the company complies with the regulations, however in addition the company also participates in various safety and rescue related exercises. The interviewee emphasised that the company respects the restrictions on topics such as sailing or vessel size to avoid disturbing wildlife, by stating that *“we respect that because we are just visitors in an area”*. According to the interviewee waste handling is also one of the challenges, as the company needs to comply with regulations, but some of the communities lack the infrastructure to handle separated waste. To address these challenges, the company tries to reduce waste generation and participates in pilot projects to improve the waste handling processes.

In relation to **informal pressures**, the interviewee emphasized the importance of indigenous and native communities in the Arctic region. In response to the local standards the company for instance gives briefings to guests, engages with local specialists, employs local people from the regions, and has elders on board. The interviewee also emphasized the importance of being respectful towards the different communities and

noted that the company is aware of its need to operate respectfully and to ensure that the tourists act respectfully towards the local community and environment: *“how you approach the communities should be the same all over the world [...] you always treat the communities with the respect because we are only the visitors”*.

In addition to the previously mentioned measures the company also engages in research to support regulatory development, which could be an example of the **voluntary measures** taken.

We also support research to study, let it be animals, let it be impacts. It is multifaceted research from various disciplines, and thereby we support the formation of regulations, adaptations, or substantiation of actions that we have to take. (Interviewee B.)

The company's ambition for differentiation and inspiring others could be part of the motivation behind the opportunity-seeking behaviour.

We also want to make or differentiate us from others [...] and we also want to inspire other companies by taking the first steps [...] through that we also want to evolve the industry [...] we see it as a responsibility to actually make a difference. [...] We are only a small part in that respect, but if we as a small part take that responsibility and if we want to make change, then we can actually make a big change, you, know, by inspiring others, let it be guests, let it be operators and so on. (Interviewee B.)

4.3.3 ECSR implementation

The company mainly uses the terms sustainability and ESG when discussing topics related to CSR. Regardless of the terms used, they are seen to be an integral part of the company's identity. The interviewee stated that *“sustainability or ESG or CSR we see it as part of our nature we live it because we really believe in it”*. The institutional pressures faced by the company seem to be reflected in their ECSR implementation practices.

According to the interviewee, the company works with four pillars in relation to sustainability: people, emissions, nature, and community. Due to the environmental focus of

the study, the emissions and nature pillars are more strongly emphasized in this analysis. In the analysis ECSR implementation of the company is divided into the following four dimensions: ECSR awareness, ECSR communication, embedding ECSR and evaluation of ECSR, based on the framework by Fatima and Elbanna (2023). In addition, the other ECSR practices of the company are introduced.

The company raises **ECSR awareness** among its stakeholders, for example through scientific collaborations and by educating its guests. In addition, the group has funded various projects to help bring awareness to ECSR-related matters (Hurtigruten Group, n.d.d). According to the interviewee the company supports scientific research by providing a platform for scientists to collect data and conduct studies, which helps for instance with policy making and environmental protection. Lectures and immersive learning are also used to create awareness about important topics with guests on board and the guests are also shared important information through briefings. The ships for instance have microscopes so that guests can take samples and be part of the data generation process. The company also has various environmental information available on its website which increases environmental awareness.

We have a great science and education program where we, on the one hand use and want to educate our guests so want to share with them, not just in lectures, but in, in an immersive learning approach [...] we have microscopes on board, for example, they can take samples, participate in creating data, but on the other hand, we also provide our vessels as platforms of opportunities to scientists, so researchers that have difficulty to reach remote regions or remote cultures, for example, they can join our ships, interact with the guests, create awareness and at the same time collect the data themselves. And that's also how we then would contribute to, for example, knowledge, and that would then serve or support policymaking as well. (Interviewee B.)

The company **communicates** externally about its environmental practices on its website and in the group's annual ESG report. In addition, as mentioned in the section on ECSR awareness, guests are also communicated about ECSR issues on board. According to the interviewee, lectures, immersive learning and briefings are used to communicate with guests on board about ECSR-related matters.

The group's vision, mission and various policies have a focus on sustainability, which can be seen as part of **embedding ECSR**. The group's vision is *"we are the undisputed global leader in sustainable, inspirational adventure travel – a catalyst for change towards a greener travel industry"* (Hurtigruten group, n.d.c). The mission of the group is *"to provide safe, unique, active and sustainable travel experiences that create lifelong memories [...]"* (Hurtigruten group, n.d.c). In addition, the group has various policies which have a focus on sustainability and the environment such as their biodiversity programme, climate risk position statement, deforestation policy, emission reduction programme, environmental management system, and environmental policy (Hurtigruten group, n.d.a). The group also has a Code of Conduct which states that all employees must adhere to the group's ethics and values because they believe that it is everyone's responsibility to do so (Hurtigruten group, n.d.b p. 2).

ECSR is evaluated in the company's annual ESG report by looking at the key performance indicators (KPIs). The report is seen as an important tool for communicating progress as well as identifying areas for improvement. According to the interviewee, KPIs are looked at regularly to check how and what the company is doing, this gives the company the opportunity to adapt and focus on certain areas where it is falling behind. In the end of the ESG report, the performance of the group and each company is presented individually comparing the KPIs to those of previous years (Hurtigruten group, 2023). The KPIs related to the environment are emissions, which includes issues such as electricity and energy consumption, and nature, which includes water management, waste performance, science and education, and green stay savings (Hurtigruten group, 2023). All in all, the interviewee emphasized the importance of transparency, targets and measurements.

We want to set ambitious targets which we also want to measure. We believe in transparency because only if you measure and if you see what you do you can actually become aware yourself and change it or take actions to change it, and we communicate that in the annual ESG report [...] I already mentioned the annual ESG report, of course, and from that we also have KPIs for key performance

indicators which we choose ourselves so that we not only annually but on a regular basis, let it be monthly or quarterly really look into how and what we are doing, and then we adapt. So, we have the possibility to actually steer to give more focus to certain areas where we see that we fall behind for example. (Interviewee B.)

In addition to the practices which can be divided into the four ECSR implementation dimensions, the company also has other ECSR-related practices. According to the interviewee the company for instance explores new technologies, optimizes sailing routes, and transitions to cleaner fuels as well as reduces single use plastic and food waste.

From an emission perspective, we believe in new technology, so really investigating and studying new technologies like the hybrid but also heat recovery systems, but also, we optimize our fuel use, like either by looking into which type of fuel I mean, we have banned heavy fuel oil already long ago, but you can look at new more biofuel type directions. And so on, but also just optimizing the sailing distance so that you actually use less fuel and therefore also emit less [...] We are trying to avoid unnecessary single use plastic and use reusable items [...] And also, of course, reducing food waste as well. (Interviewee B.)

In addition to the environmental practices the company puts emphasis on the social side of CSR. According to the interviewee the company for instance raises funds through its foundation.

When we are sailing in community areas, [...] we are raising funds through our foundation and when we are in areas [...] we can identify projects, local projects, but we also have a rapid response fund where we right there can provide small amount which goes directly to the community right there to solve a certain problem and support. (Interviewee B.)

All in all, the institutional pressures are reflected in the ECSR implementation practices of the company. Despite the various formal pressures, the informal and internal pressures can be seen to be guiding their ECSR practices beyond them.

There is a lot of legislation around it (sustainability), but [...] we do it because we live in it, we believe in it, it is also what we stand for. We want to be sustainable because we believe that this is the only way forward [...] it is not a question of if we partake but it is how we partake. (Interviewee B.)

4.4 Cross-case analysis

This cross-case analysis brings together the perceptions of the two case companies and is based on the same theoretical framework as the previous within-case analyses. The analysis is divided into three themes: perceptions of institutional pressures, responses to the institutional pressures and ECSR implementation. The analysis explores the cases side by side and tries to find similarities as well as differences between them.

4.4.1 Perceptions of institutional pressures

The perceptions of institutional pressures in the two case companies have various similarities, but also differences. Both perceived that they face both formal and informal external pressures as well as internal pressures. In addition, they both identified multiple levels of pressures ranging from global to local levels.

Interviewee A identified **formal pressures** such as Canadian laws and environmental laws. Interviewee B on the other hand identified formal pressures related to IMO regulations, permits, SAR, vessel size and waste handling. The emphasis placed on the formal pressures differed between the two companies and the differences in the vessel ownership could be one of the reasons behind this difference. As company A does not own its ship but charters it, most of the formal pressures are for the ship operator, whereas company B owns its ships, and therefore must comply with more regulations. Although needing to comply with the formal pressures, interviewee B stated that they are not the main reason behind the company's sustainability related practices. The registration of the two companies in different regions could also affect the formal pressures felt as there are differences between the regulations of different regions, noted also by the interviewees.

Both interviewees highlighted the importance of **informal pressures** and especially the ones coming from the local communities. Interviewee A identified informal to come from the local Inuit communities and from AECO. Similarly, interviewee B identified the

pressures coming from the local communities as the most major informal pressure. Interviewee A stated that *“our innovation comes from the more casual pressures and our desire to be the kind of best operator we can be”*. He also stated that *“that kind of institutional pressure around Inuit relations, I think, is probably the single most significant thing that affects the way we do our business in the north today”*. Similarly, Interviewee B noted the importance of local standards by stating that *“I think that is one of the key elements to understand, the local standards”*. She also stated that *“indigenous and native and community aspect is so important in the Arctic and [...] it is really a key part to the operation”*.

In addition to the external informal and formal pressures, interviewee A mentioned the moral **internal pressures** of the family-owned company to be one of the pressures. Interviewee A said that one of the pressures *“are the kind of internal moral pressures that we feel from the family-owned company and just kind of in all of our own hearts”*. He also said that *“CSR [...] very much driven by the kind of ethical feelings of the family itself”*. Interviewee B did not make such a distinct emphasis on the internal pressures and the different ownership structure of the companies could explain this difference. Company A is a family-owned business, so the internal values may have more emphasis on the operations than in company B, which is majority owned by a private equity firm. However, the internal importance of the topic came up indirectly from the responses of interviewee B. Interviewee B said for instance that *“the sustainability or ESG or CSR is we see it as part of our nature, it is we live it because we really believe in it”*. And that *“there's a lot of legislation around it (sustainability), but we don't do it because yeah, what I said, we do it because we live in it, we believe in it, it's also what we stand for. We want to be sustainable because we believe that this is the only way forward.”*

Both interviewees identified **regional differences** of institutional pressures both between different parts of the Arctic region as well as in regions outside the Arctic such as in Antarctica. Within the Arctic, the interviewees identified differences to come from the differing national regulations and local communities. However, more emphasis was

placed on the differences between the Arctic to the Antarctic institutional environments. Some of the major differences identified by the interviewees were that there are no local communities or national governments in the Antarctic, and that the conservation of nature has even more emphasis there than in the Arctic. According to interviewee A, IAATO also sets more detailed guidelines for the operators in Antarctic than AECO does in the Arctic. Interviewee A did not see that AECO has a huge impact on their operations, while interviewee B emphasized the importance of AECO by stating that it *“is functioning as a single point of contact for the cruise operators”* and that this is important because *“together you can have a much bigger impact”*.

All in all, the case companies perceive there to be various formal and informal institutional pressures when operating in the Arctic region. In addition to the external pressures, both companies can be seen to have internal pressures which also guide their decision making. Different levels of external pressures were also perceived, including global, national and local levels.

4.4.2 Responses to institutional pressures

Both case companies appear to respond to institutional pressures through a combination of conformance and opportunity-seeking behavior, and based on the responses of the interviewees, neither company seem to be acting in a resistant manner.

Interviewee A stated that *“the company is always focused on regulatory compliance”* however, as mentioned, majority of the **formal pressures** are for the ship operator, so the informal pressures were more strongly emphasised by interviewee A. Similarly to company A, company B conforms to the formal pressures. It for instance complies with the marine regulations by IMO, permit requirements, safety and rescue requirements, requirement to have cultural ambassadors, vessel size requirements and waste handling regulations. In addition, to just conforming with the formal pressures, company B is also involved in enforcing regulations by supporting research. Similarly, company A is also

involved in supporting research by providing opportunities for researchers to come on charter to carry out research.

Company A responds to the **informal pressures** from the local communities for instance by ensuring that they have a community consent before entering an area and educating guests on board. Similarly, company B also responds to the informal pressures by giving briefings to guests, engaging with local specialists, employing local people from the regions and having elders on board.

Both companies have also **voluntary initiatives** that go beyond the formal and informal requirements. Both companies are for instance involved in charitable work, educate their guests and support research by having researchers on board. Company A also requires its ship operators to join certifiers such as the Green Marine and the CSI and pledges to be carbon neutral by 2030, while company A reduces food waste and single use plastic, invests in new technology, has banned heavy fuel and optimizes fuel use. The low level of formal regulatory requirements and company A's desire to lead others may be behind company A's opportunity-seeking response strategies. In contrast company B's desire to differentiate and inspire others may be behind company B's opportunity-seeking response strategies.

All in all, the response strategies of both companies seem to be a combination of **conformance and opportunity-seeking strategies**. Conformance to institutional pressures can be seen, for instance, in that both case companies comply with the formal regulatory requirements and are even involved in setting them. The case companies also seem to respond to the informal pressures willingly, especially the ones coming from the local communities as both companies see the importance of them. The companies are also involved in other voluntary actions that go beyond the external expectations guided by internal pressures, which could then be seen as opportunity-seeking behavior.

4.4.3 ECSR implementation

Both companies recognize the vulnerability of the Arctic region and therefore emphasize the importance of behaving sustainably, emphasizing both environmental and social considerations. Despite the importance of sustainability to both companies, company B's practices seem to be slightly more advanced, which could be due to the difference in institutional pressures or firm-specific characteristics such as the size of the case companies. Company B, being part of a larger company group, supports its ECSR implementation practices. Although the emphasis of the study is on ECSR, it is worth noting that social CSR in terms of the importance of local communities was strongly emphasized by both interviewees.

Both formal and informal external institutional pressures seem to be influencing the ECSR practices of the case companies, however behaving in a responsible manner seems to also be engraved to the internal values of both companies. Interviewee A stated that *“the company, from the family’s perspective [...] they just were trying to be the best people, they could be and so it was a very kind of soft definition of CSR they knew”*. Interviewee B said that *“how we see the sustainability or ESG or CSR is we see it as part of our nature, it is we live it because we really believe in it”*.

Both companies have four pillars or categories that they work with in relation to CSR. Interviewee A notes that within the industry such categories are common *“this is not very unique, if you were to talk to any other operator like us, virtually any other company, you'd find a similar set of categories”*. For company A these are: climate, nature, people, and management and cross cutting issues and for company B these are: people, emissions, nature, and community. This analysis mainly considers the pillars related to the environment, these being from company A: climate and nature, and from company B: emissions and nature.

The ECSR implementation practices, including ECSR awareness, ECSR communication, embedding ECSR, and evaluating ECSR are rather similar between the companies,

however there are some differences especially in how advanced the practices are in some of the dimensions such as embedding, communication and evaluation.

The first step of ECSR implementation is **ECSR awareness**. The case companies' ECSR awareness strategies are similar. Both companies raise awareness of ECSR by educating guests on board and by supporting research by allowing scientists to come on board to conduct research. The case companies also partner up with NGOs and fund ECSR-related projects to increase stakeholder awareness. In addition, the case companies also raise ECSR awareness through external communication on their websites.

The second step of ECSR implementation is related to **communication** and both case companies communicate externally about ECSR, for example on their websites, but to varying degrees. Company A provides sustainability related material on their website for instance in the "guiding principles" and "mindful explorer" sections, however to quite a limited extent. Company B offers more extensive information on their and the group's website. The group also publishes an annual ESG report. In addition to external communication online, both companies communicate environmental topics to their guests on board as mentioned in the awareness section.

The third step in ECSR implementation is **embedding ECSR**. This refers to the process of converting CSR values and visions into concrete commitments and guidelines within an organization (Maon et al., 2009, p. 80). This includes for instance using policies and mission and vision to reinforce ECSR behavior. Some ECSR-related topics are included in company A's guiding principles, however their mission and vision do not emphasize environmental considerations. Company B and its company group, on the other hand, has a comprehensive environmental policy and they emphasize sustainability and environmental practices in their mission and vision statements.

The last step of ECSR implementation is related to **ECSR evaluation**. There are differences between the evaluation practices between the case companies. Company A does not

conduct a publicly available performance review; however, it does evaluate some of its environmental practices, for instance by conducting a GHG quantification study and materiality analysis. In contrast, company B conducts a comprehensive performance review using KPIs, which is published in the group's annual ESG report.

The interviewees highlighted also other ECSR-related practices that the companies do. Interviewee A for instance highlighted practices such as offsets and third-party certifiers, while interviewee B highlighted practices such as new technology, ban of heavy fuel, fuel use optimization, reduction of single use plastic, and reduction of food waste.

All in all, both companies place emphasis on environmental considerations in their practices. Both formal and informal pressures affect their ECSR implementation practices, however the internal values of the companies and the desire to be an example to others pushes them to also go beyond the expected behaviour.

4.4.4 Summary of the results

Both case companies perceive the Arctic institutional environment to be complex and consisting of both formal and informal pressures. In addition, the internal values of the case companies can be seen to be behind the environmental practices. Their responses are a combination of conformance and opportunity seeking strategies. The institutional pressures are reflected in the ECSR practices, and they implement ECSR by a combination of various practices. The following table summarizes the findings of the empirical part of the study.

Table 10. Summary of the case companies' responses.

Company	Company A	Company B
Pressures	<ul style="list-style-type: none"> • Formal pressures <ul style="list-style-type: none"> ○ Canadian laws ○ Environmental regulations • Internal pressures 	<ul style="list-style-type: none"> • Formal pressures <ul style="list-style-type: none"> ○ IMO regulations ○ Permit requirements ○ SAR regulations ○ Vessel size ○ Waste handling

	<ul style="list-style-type: none"> ○ Of the family-owned company ● Informal pressures <ul style="list-style-type: none"> ○ Local communities ○ AECO 	<ul style="list-style-type: none"> ● Informal pressures <ul style="list-style-type: none"> ○ Local communities
Responses	<ul style="list-style-type: none"> ● Conformance <ul style="list-style-type: none"> ○ To regulations ● Opportunity-seeking <ul style="list-style-type: none"> ○ Being leaderly and ambitious 	<ul style="list-style-type: none"> ● Conformance <ul style="list-style-type: none"> ○ To regulations ● Opportunity-seeking <ul style="list-style-type: none"> ○ Differentiation ○ Inspiring others ○ Evolving the industry
ECSR implementation	<ul style="list-style-type: none"> ● Awareness <ul style="list-style-type: none"> ○ Supporting research ○ Educating guests ○ NGO partnerships ● Communication <ul style="list-style-type: none"> ○ Website ○ Educating guests ● Embedding <ul style="list-style-type: none"> ○ Guiding principles ● Evaluation <ul style="list-style-type: none"> ○ GHG quantification study ○ Materiality analysis ● Other practices <ul style="list-style-type: none"> ○ Offsets ○ 3rd party certifiers 	<ul style="list-style-type: none"> ● Awareness <ul style="list-style-type: none"> ○ Supporting research ○ Educating guests ○ Funding projects ● Communication <ul style="list-style-type: none"> ○ Annual ESG report ○ Website ○ Educating guests ● Embedding <ul style="list-style-type: none"> ○ Vision ○ Mission ○ Policies ● Evaluation <ul style="list-style-type: none"> ○ Performance review using KPIs ● Other practices <ul style="list-style-type: none"> ○ New technology ○ Ban of heavy fuel ○ Fuel use optimization ○ Reducing single use plastic ○ Reducing food waste

5 Conclusions

This chapter summarizes and discusses the key findings of the study, in addition the theoretical contributions and managerial implications as well as the limitations and future research suggestions are provided.

5.1 Summary and discussion of key findings

This chapter summarizes and presents the key findings of the study. The aim of the study was to study how companies perceive and respond to the multi-level Arctic institutional environment and how it is reflected in their ECSR implementation practices. After analyzing existing literature, a theoretical framework was created which was used as the basis for the comparative case study. Following an analysis of the Arctic institutional environment from the perspective of the expedition cruise industry, with an emphasis on environmental pressures using secondary data, the case companies' perceptions of institutional pressures, responses to them and ECSR implementation were explored using primary data from the semi-structured interviews, supplemented by secondary data.

The study gives an overview of the Arctic institutional environment and increases the knowledge about ECSR implementation and the Arctic expedition cruise industry. The study supports the notion from previous research that institutional pressures, including both formal and informal pressures guide decision making in relation to CSR (see e.g. Husted & Allen, 2006; Tolmie et al., 2020). The study also confirms the notion that the Arctic institutional environment is complex and that there are multiple levels of pressures (see e.g. Vammen Larsen et al., 2019). Both formal and informal pressures at various levels could be seen to influence the case companies' ECSR practices, with the importance of local communities being particularly highlighted. Although the analysis focused mainly on the external pressures and drivers of ECSR, internal pressures were also identified by the interviewees to be influencing the decision making of the case companies.

The study also supports prior studies which have found that there are differences in the pressures when operating in different parts of the Arctic (see e.g. Pashkevich et al., 2015; Dawson et al., 2017). The interviewees identified many differences in the pressures faced when operating in different regions within the Arctic as well as outside the Arctic, especially in Antarctic.

Some of the institutional pressures recognized in this study, such as Polar Code and AECO have also been identified in previous studies (see e.g. Cajaiba-Santana et al., 2020). Although AECO is recognized as one of the institutional pressures, some previous studies have questioned the power of AECO. Cajaiba-Santana et al. (2020, pp. 2-7) for instance stated that AECO is not as effective as IAATO in terms of the effectiveness of its guidelines, and that it does not have regulatory power in the same way as IAATO. Similar remarks were made in this study, particularly by interviewee A.

The case companies seemed to be responding to the institutional pressures by a combination of conformance and opportunity-seeking strategies, thus using the framework by Pedersen and Gwozdz (2014) which includes resistant, confirmatory, and opportunity-seeking responses, while moving beyond the traditional confirmatory and resistant responses suggested by scholars such as Oliver (1991) seem to have been appropriate. Previous studies in other contexts have found conformance to be the most dominant response, but as pressures increase, opportunistic responses become more common, and high impact industries often have more active CSR strategies (see e.g. Pedersen & Gwozdz, 2014), which could explain the opportunity-seeking strategies identified in this study.

Although the case companies do not use the CSR implementation framework by Fatima and Elbanna (2023) as a base for their environmental practices, the practices could be analyzed based on the four dimensions: awareness, communication, embedding, and evaluation. The ECSR practices seemed to be influenced by the various institutional pressures and the companies had similar implementation practices, although company B's

practices seemed to be a bit more advanced, which could be explained by the varying institutional pressures but also by the differences in the firm-specific characteristics. The use of the comparative-case study method allowed one to explore how the institutional pressures interact with the firm-specific characteristics.

To conclude, the rising temperatures of the Arctic has accelerated the growth of the Arctic cruise operations (Cajaiba-Santana et al., 2020). The fast growth of the industry was also noted by the interviewees and so was also the fact that the industry is becoming more institutionalized. The Arctic region consisting of various national territories, and the cruise operations going beyond the borders makes the institutional environment multi-level. The case companies perceive that the Arctic institutional environment consists of both formal and informal pressure at various levels. Both formal and informal external pressures as well as the internal pressures could be seen to influence the ECSR practices of the case companies. The case companies use compliance and opportunity-seeking response strategies when they navigate in the complex Arctic institutional environment. This is reflected in their compliance with mandatory requirements, engagement with local communities and in other voluntary commitments. The companies have similar ECSR implementation practices, and the small differences may be explained by the differing institutional pressures or the firm-specific characteristics. The case companies raise ECSR awareness by supporting research, educating guests on board, partnering up with NGOs and funding ECSR-related projects, they communicate ECSR-related topics through their websites, company B's annual ESG report and by educating guests, embedding is done by including ECSR-related topics to the guiding principles of company A, and to the mission and vision statements of company B. And lastly ECSR is evaluated for instance in company B through a performance review which uses KPIs.

5.2 Theoretical contributions and managerial implications

This study provides insights for both academia and industry practitioners. The study provides an overview of the unique Arctic institutional environment. The study contributes to institutional theory by exploring local, regional, national, cross-regional, and global

formal and informal pressures in the Arctic. It also contributes to the studies on strategic responses to ECSR-related institutional pressures.

The study also provides insights on CSR implementation and the expedition cruise industry, both of which are still emerging in research as noted by Cajaiba-Santana et al. (2020, p. 10) and Fatima and Elbanna (2023, pp. 105-109). The study advances the theoretical understanding of ECSR implementation by exploring the different dimensions of implementation and extending the applicability of ECSR implementation to the unique Arctic environment and expedition cruise industry.

In terms of managerial implications, the findings of the study can be used to make suggestions for both aspiring and current expedition cruise operators. The first suggestion would be to take note of the various institutional pressures when planning operations in the Arctic region. Recognizing the presence of informal pressures, particularly from the local communities, appears to be important and the importance of these was emphasized by the interviewees. The study also helps operators to identify some of the key informal pressures they may face, as these can be difficult to understand, as noted by interviewee B. Interviewee B also noted the importance of monitoring regulatory changes as they are changing rapidly; thus, another suggestion for other operators would be to pay constant attention to the changing formal institutional pressures.

The study also showcases how the geographical context can influence institutional pressures; thus, the third suggestion would be to pay attention to the geographical context when planning operations. It was noted that the pressures differ in different areas, both within and outside the region. The study offers also an insight into the environmental practices of the case companies, which may inspire others to improve their own ECSR practices. The fourth suggestion would thus be to benchmark ECSR practices against others in the industry to identify areas of improvement.

All in all, the study provides guidance for other operators by showcasing how two current operators perceive and respond to institutional pressures and how their ECSR implementation practices are formulated.

5.3 Limitations and future research suggestions

This study has several limitations and future research is needed. Firstly, the methodological choice of the study poses certain limitations as both qualitative research design and case study research strategy have quite a low generalizability. Secondly, the generalizability of the findings is also low due to the small sample size, low number of interviews, and the fact that the analysis takes place within a single industry and a specific geographical context. Having a bigger sample size, conducting more interviews, and analyzing other industries in a wider geographical context could provide more generalizable findings.

The research on the Arctic cruise shipping industry has increased as the temperatures have risen due to global warming (Cajaiba-Santana et al., 2020, p. 10). Despite the increased research, research around the industry is still emerging, and thus there is a lot of room for further research. The interviewee A also stated that *“I think you're asking these questions at a very good time, I think that this kind of travel in the Arctic is going to change dramatically in the next 5 to 10 years”*, thus while this study has focused mostly on the current pressures and practices, a longitudinal study could show how the institutional pressures and ECSR implementation practices have changed and will change over time. This could allow a more throughout review of the connections between the two.

The topic of this study is also quite broad, considering the institutional pressures, strategic responses and ECSR implementation, so further research focusing on a smaller part of the topic could provide more detailed insights into the issues. In addition, as this study has mostly focused on the environmental side of CSR implementation and practices, further studies could also focus on the social side of CSR. This could be topical, as the

importance of local communities in the Arctic region and the social side of CSR were strongly emphasized by both interviewees.

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Appendix

Primary interview questions

Do you consent to the interview and the interview being recorded?

1. Background information:

- Could you please introduce the company shortly (e.g. year of establishment, number of employees, number of yearly tourists, number of vessels)
- Could you please introduce yourself shortly (e.g. what is your position in the company, do you have a personal interest towards environmental CSR or the Arctic region?)

2. CSR, ECSR, ECSR implementation

- How is CSR seen in your company?
- What kind of ECSR practices does your company do and how are the practices implemented (e.g. raising awareness, communicating, embedding values, measuring effectiveness)?
- What guides the company to partake in these ECSR practices?

3. Arctic institutional environment and ECSR

- How is the Arctic institutional environment seen in your company?
- Does the company face ECSR-related institutional pressures when operating in the Arctic region? If yes: what kind of pressures and how does the company respond to them?
- What role do voluntary standards play in guiding your company's ECSR practices in the Arctic, and how do you ensure alignment with the mandatory regulatory requirements?
- Do the different levels of institutions cause ECSR-related contradictions for the company? If yes: what kind and how does the company respond to them?
- Is there a difference in the ECSR-related institutional pressures the company faces operating in different parts of the Arctic region or other regions outside the Arctic? If yes: what kind of differences?