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# Small Scale Sustainability: A Qualitative Study of Corporate Sustainability in Swedish SMEs

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## Acronyms

CED	Committee for Economic Development
CS	Corporate sustainability
CSEs	Corporate social entrepreneurs
CSR	Corporate social responsibility
CSV	Creating shared value
ISO	International Organization for Standardization
LCA	Life Cycle Assessment
SDGs	Sustainable Development Goals
SMEs	Small and medium-sized enterprises

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**Abstract:** This qualitative study aims to contribute to the research field on corporate sustainability (CS) in small and medium-sized enterprise (SMEs), in hopes of helping policymakers better understand the circumstances for Swedish SMEs and how they work with CS. Empirical data about motivations behind working with CS, implementation of CS activities, and effects of CS work were collected through in-depth interviews with 18 company representatives. The major reason for motivation was found to be personal interest and commitment to these kind of practices, followed by strengthening the competitiveness, marketing, initiative from management and board, and profitability aspects. The implementation process is often informal in nature with concrete measures and activities rather than formal policies and strategies, although a few of the companies make use of tools such as environmental management systems. How the companies communicate their CS work differs and the response from stakeholders varies too. Lastly, profitability was found to be an important effect for some, while others more heavily emphasize the personal satisfaction from doing the right thing and being sustainable. The social effects were mostly improved working conditions and more engagement from stakeholders, while the environmental impact was understood to mostly concern a decrease in consumption of finite resources, and a more efficient use of material and energy. Suggestions for improving CS work in Swedish SMEs are increased support and encouragement from the government, and more education and information about what companies can do and how they can do it with appropriate tools. Concluding, CS in Swedish SMEs must be studied further to gain a more comprehensive picture of how to support those SMEs already working with CS and those in the path of transitioning towards a more sustainable development.

**Keywords:** Sustainable Development, Corporate sustainability (CS), Small and Medium-Sized Enterprises (SMEs), Corporate Social Responsibility (CSR), Sweden

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**Summary:** The role of businesses today in relation to sustainable development is increasing in importance. The majority of today's research in this field is based on the assumption that small and medium-sized enterprises (SMEs) act like the large companies, and that strategies and tools developed for larger companies can be directly applied to SMEs. However, empirical studies have showed this is not true. In Sweden, the focus has been on larger corporations too. Recent reports have tried to highlight the sustainability activities undertaken in Swedish SMEs, the motives behind doing so and what effects can be seen. This qualitative study aims to contribute to this specific area of research. Through in-depth interviews 18 representatives of SMEs were asked about their motivations behind working with corporate sustainability (CS), their implementation and daily CS activities, and what effects could be traced back to their CS work. The major reason for motivation was found to be the personal interest and commitment to these kind of practices, followed by strengthening the competitiveness, marketing, initiative from management and board, and profitability aspects. The implementation process is often described as informal in nature with concrete measures and activities rather than formal policies and strategies, although some of the companies make use of tools such as environmental management systems. How the companies communicate their CS work differs a lot; through face-to-face conversations, webpages, lectures, sales material and internal training among others. Furthermore, the response from stakeholders varies too; some have very engaged employees while others operate in industries where the majority of companies are still not working with these issues. The pressure from external stakeholders, or lack thereof, is found to be important for some companies. Lastly, the perceived effects are both economic, social and environmental in character. Profitability was found to be an important aspect for some, while others emphasize the personal satisfaction from doing the right thing and being sustainable. The social issues were mostly improved working conditions and more engagement from stakeholders, while the environmental impact was understood to mainly concern a decrease in consumption of finite resources, and a more efficient use of material and energy. Suggestions for improving CS work in Swedish SMEs are increased support and encouragement from the government, and more education and information about what companies can do and how they can do it with appropriate tools. Concluding, CS in Swedish SMEs must be studied further to gain a more comprehensive picture of how to support those SMEs already working with CS and those in the path of transitioning towards a more sustainable development.

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# 1. Introduction

With the universally decided plan to implement the Sustainable Development Goals (SDGs) all around the world starting in 2016, the role of the business sector towards reaching a sustainable development has been highlighted once more. The SDGs apply to all countries, both developing and developed (United Nations, 2016), implying that economically developed countries have an opportunity and responsibility to act as well. Not too many years ago global goals such as the SDGs would have been perceived by corporations as merely more demands and work, yet, today the goals are described as 17 business opportunities rather than challenges.

The Brundtland Commission's report from 1987 has undoubtedly the most recognized definition of sustainable development as "development which meets the needs of the present without compromising the ability of future generations to meet their own needs" (United Nations World Commission on Environment and Development, 1987, p. 8). Although the concept has been ever-changing in meaning depending on who uses it, this definition is still frequently used to define sustainable development. Another commonly used term is the "triple bottom line" of sustainable development, in relation to businesses. The term was coined by John Elkington in 1994, depicting the three pillars of sustainable development (economic, social and environmental) as the main aspects of value creation for companies. The author saw a need for a more integrated approach for enabling real environmental progress to happen (Elkington, 2004).

For a long time, companies' main social responsibility was considered to be maximizing their profits, heavily advocated by Friedman (1970), however, today society expects companies to develop sustainable and responsible strategies to survive on increasingly more competitive markets. Many big corporations have embraced these demands more or less successfully and have focused their marketing on showing how responsible and sustainable they are. This strategy has sometimes backfired when scandals about child labor and environmental pollution have reached the media, requiring companies to do a lot of risk management. It has led many people to believe that corporate responsibility is merely a façade and does not imply substantial work in reality.

The Scandinavian countries of Sweden, Denmark and Norway are often ranked very high in sustainability performance indexes, performing well in economic, social and environmental aspects of sustainability. They rank in the top from social progress to transparency, and environmental performance to global competitiveness. Although the various performance measurements look at different aspects they form a comprehensive picture of Scandinavian countries being in the lead when it comes to corporate social responsibility (CSR) and sustainability performances (Strand et al., 2015).

## 1.1. Research problem

The concept of CSR does not have a universal meaning or understanding. De Geer et al. (2009) argue that in fact it originates from the Anglo-Saxon culture and its business and societal traditions. The view stemming from these traditions emphasizes that CSR has a certain connotation depending on the national context. Sweden has a long history of a strong institutional structure dealing with social issues, separating the main actors: the state, employers and trade unions (De Geer et al. 2009). In the beginning of the twentieth century companies mostly contributed to the system through taxation, which is part of the Swedish welfare state system. However, the balance changed and during the last decades of the twentieth century globalization and financial reforms challenged the welfare state model. It was also during this time that the public debate regarding responsible business practices grew due to scandals about Swedish companies using sweatshops or cooperating

with undemocratic regimes. Thus, the business sector was forced to reevaluate its business practices and, although the state and trade unions still play a substantial role in the welfare state system, the companies are increasingly recognizing the importance of CSR and using it as a management strategy (De Geer et al., 2009, Lee et al., 2015).

In the context of CSR stakeholder engagement is essential and deemed a natural part of Scandinavian society, with an interest in this topic already detected in the 1960's. One noteworthy distinction mentioned by Strand et al. (2015) is that CSR entails the idea that companies are the main actor, while the welfare system in Scandinavia considers companies as one of the institutions in society and not the most important one. This perspective thus looks at business as part of society rather than making the division of business and society. Strand et al. (2015) also bring up the difference between American business culture where "talking the talk" has been more common, while Scandinavian companies are more often focusing on "walking the walk". With an increasing influence from the U.S. more Scandinavian companies might learn about "talking the walk", which might have a negative effect on the "walk". This means that Scandinavian companies would go from being focused on engaging in actual practices to focusing more on talking about them.

In Sweden, just like other countries, the spotlight has been on the big corporations when it comes to responsible business behavior, while less light has been shed on the role of small and medium-sized enterprises (SMEs), even though they cover at least 99 percent of all companies in Sweden (Tillväxtverket, 2015, p.15). Two recent reports (Beyond Intent & Företagarna, 2015, Tillväxtverket, 2015) present similar results pointing to the fact that a majority of Swedish SMEs consider sustainability work important. However, only approximately 50 percent of SMEs actively work with it, and fewer than that have a specific person in charge of such activities. This shows that, while many consider it important, not all can or do work with sustainability in practice. According to the reports many SMEs see obstacles to working sustainably. However, there are also positive examples; in a great number of SMEs the motivation stems from a personal standpoint of doing good and right, while others see the competitive advantage of working responsibly and sustainably (*ibid.*). The research on Swedish SMEs' corporate sustainability (CS) activity is not that developed yet and this study aims to contribute to an improved and more comprehensive understanding of these issues.

It can thus be understood that CSR is evident and growing in importance in the Swedish context. The business focus in CSR might not suit the Swedish welfare state system, however, the concept seems to have dug its way into business practices. Even the government has noticed the growing concern for responsible and sustainable business behavior and last year an Ambassador for CSR was established (Regeringen, 2015a).

Although the research on sustainable and responsible business activities is relatively young many studies have been conducted to shed light on whether such strategies do in fact affect the financial performance as well as the overall business performance positively (Salzmann et al., 2005). The results have been inconclusive. Morsing and Perrini (2009) wonder if both researchers and practitioners have been asking the wrong question. They argue that it might be more fruitful to look at how to manage sustainable business practices and what impact they might have on business. Furthermore, many studies emphasize the importance and influence of stakeholders on companies' sustainability strategies (e.g. Murillo & Lozano, 2006). Another major issue is that conventional approaches have been largely focusing on big corporations and assumed that SMEs behave similarly to their larger counterparts (Jenkins, 2009). That is an assumption many scholars are critical towards, consequently presenting empirical studies showing the opposite.

## 1.2. Aim and research questions

What characterizes the motivation behind, strategies and implementation of CS in SMEs? By answering this question, the thesis aims to contribute to this particular research field. Thus, the empirical findings of this study will hopefully lead to an increased knowledge and comprehension needed for policymakers to develop national strategies better suited for SMEs. Although the main goal of this study is not to present solutions for policymakers it would be rewarding to be able to contribute to the development of national strategies through presenting these empirical findings and analysis.

The aim of this thesis is to study Swedish SMEs from different lines of business to explore how they manage their CS work and how various motivational drivers influence that work. The impact of the CS strategies on the companies is also studied. Through in-depth interviews, the empirical findings will hopefully generate interesting connections and give a comprehensive picture of how the participating companies work with CS. The purpose is to contribute to a research area, which has been asking for such qualitative studies to better understand the conditions and challenges for SMEs when working with CS. Thus, the aim triples down to three main research questions:

- *What motivates companies to do CS work?*
- *What CS strategies are implemented and how are they managed?*
- *What effects do the companies estimate from their CS work?*

### 1.3. Outline

The disposition of the thesis is presented to give an overall picture of the structure. Chapter 1 introduces the problem and the undertaken study. The increasingly important role of business for a sustainable development has been emphasized a lot lately on all political levels. However, the arguments have lacked the insight of how SMEs handle the environmental and social issues connected to their economic interest. Chapter 2 gives a historic background to the various interpretations of CSR and its connection to SMEs, as well as describes the theoretical framework developed to be used in the analysis. The primary theories are described and summarized in a theoretical model. Chapter 3 goes into detail regarding chosen methods and approaches. The different steps in the study are explained as well as argued for. Chapter 4 presents background information about the participating companies and gives an introduction to the present state of sustainability work in Swedish SMEs. Chapter 5 presents the empirical results from the interviews divided into themed sections according to the research questions and themes stemming from the interview guide. Application of the theoretical framework in the analysis of the data follows in Chapter 6, while Chapter 7 offers a discussion on the analysis and how the study can be understood in relation to previous studies and the broader picture. Lastly, Chapter 8 consists of the conclusion and suggestions for further research.

## 2. Theoretical and conceptual framework

This chapter begins with a literature review entailing a description of the conceptual development of the CSR literature. It then goes on to make the link between CSR and SMEs and why many scholars consider the majority of theoretical and practice-oriented research conducted so far to be inapplicable to the circumstances for SMEs. Additionally, CS, CSR and related terms are discussed to elucidate the diverse understandings and applications of CSR and related concepts. The chapter continues with a presentation of theories focusing on drivers for motivation, strategy implementation and effects of CS work.

### 2.1. Literature review of CS(R) literature

In the 1950's the idea of CSR was more concerned with social responsibility than the corporate dimension, implying that society was seen as the main actor, while corporations had yet to evolve into the powerful and prominent position they have in society today (Carroll, 1999). Howard R. Bowen published a book in 1953 called *Social Responsibilities of the Businessman*, which marks the beginning of the modern literature on CSR. Bowen argued that the largest companies were fundamental focal points for power and that their decisions and actions affected people on many levels. One of the questions he raised was to what effect businesses are responsible to society. Bowen's definition of social responsibility refers to the obligations businesses have to pursue strategies and decisions, and act in ways which are needed and perceived valuable by society (*ibid.*). Another important contribution to this field came in 1971 when the Committee for Economic Development (CED) published *Social Responsibilities of Business Corporations*. The CED maintained that business relies on public consent with the ambition to meet the needs of society, and observed that business' responsibility to society was changing, with companies being asked to assume broader social responsibilities than before, not just supplying society with goods and services (*ibid.*).

Another scholar also concerned with the social dimension is Keith Davis who presented his definition in 1960, which states that social responsibility occurs when the reasons behind a business' actions and decisions go beyond its direct economic and technical concerns. Davis argued that socially responsible decisions could create long-term gains to the company and became known for his ideas on the connection between business power and social responsibility, asserting that avoiding to take social responsibility meant a steady loss of a company's social power (*ibid.*). In 1973 Davis contended the statement by Milton Friedman (1970), whose objection to the idea of social responsibility is well-known. Friedman held the opinion that businesses only have one social responsibility: to make as much money as possible. Davis, however, argued that social responsibility starts where the law ends, meaning complying with legal regulations is not being socially responsible (Carroll, 1999). Another significant voice is George Steiner, who maintained that engaging in social responsibilities was more an attitude; a philosophy more concerned with the long-term view on business, in stark contrast to the narrow short-term perspective (*ibid.*).

We have been introduced to Bowen, the CED, Davis and Steiner who all argue that companies do have a responsibility towards societal needs and demands. One can interpret that not only Davis did not wholly agree with Friedman, who preached the profit-focused corporate responsibility. And lastly, Steiner introduced the focus on long-term goals rather than short-term, which is being heavily promoted today. Thus we can see how the focus in the arguments has moved over time, from society to corporations as the main actor, and from short-term profits to more long-term goals.

In the 1970's Harold Johnson presented a term called "conventional wisdom" (a.a., p. 273) which defines social responsibility as balancing a multiplicity of interests, not only the shareholders. This term appears to be a predecessor to stakeholder theory, which also argues that multiple groups are important for a company because they can affect and are affected by the company's actions (Freeman, 1984). Another prominent figure within this field is Archie B. Carroll, who defines the four faces of CSR: the economic, legal, ethical and philanthropic, also called the pyramid of CSR. In simple words businesses are expected to be profitable, comply with the law, participate in ethical behavior and give back to society through philanthropy (Carroll, 1998, Carroll, 1999).

Lastly, one of the most discussed alternative concepts the last decades was coined by Michael E. Porter. In 1995 Porter wrote, together with Claas van der Linde, that businesses have to end the stalemate between ecology and the social benefits from strict environmental management, and the economic costs of prevention and cleanup. The authors argue that it is possible to make a profit out of improving social and environmental issues, i.e. a win-win situation rather than trade-offs between the different aspects (Porter & van der Linde, 1995). Later *creating share value* (CSV) was invented and promoted in the Harvard Business Review as the big idea; the solution to capitalism's crisis (Porter & Kramer, 2011). CSV emphasizes the strong bond between economic and societal progress. According to the creators, companies can create shared value by reconceiving products and markets, redefining productivity in the value chain and enabling local cluster development. If companies always have shared value in mind when making decisions and finding opportunities, it will generate more benefits for society and greater growth for business (*ibid.*). The concept has gained a lot of attention by both scholars and practitioners. However, not everyone is as positive to the idea. Crane et. al. (2014) contest the value of the concept, arguing that it is unoriginal, does not take into account the fundamental tensions in responsible business practice, it is too trusting when it comes to business compliance, and it stems from a trivial perception of the role of business in society.

As mentioned above, many theories and concepts have been developed around CSR. One of them is corporate sustainability (CS), where CS can be understood as the highest level of sustainability for companies who choose to take responsibility for their economic, social and environmental concerns. Marcel van Marrewijk (2003) compares the two concepts and argues that one definition of CS(R) is not enough to encompass the varying ambition, awareness and development levels of organizations. Too often CSR has been perceived as the solution for all societal problems while also being flexible enough to suit different purposes and understandings. van Marrewijk presents a set of differentiated definitions based on the varying context companies operate within. One of the definitions contends that the concepts of CSR and CS, originating from different ideas, have started to converge. Generally speaking, both terms refer to the inclusion of social and environmental aspects in a company's business activities and in relation to its stakeholders. Concluding van Marrewijk's (2003) reasoning, it is more essential to choose a definition that suits the purpose of the research rather than have one strict definition that must suit all situations. Thus I have chosen to use CS as the main concept in this thesis from the empirical study and onwards because I consider it to suit my study better, which will be explained in the following chapter.

As we can see, many variations and differing interpretations of CSR have been introduced throughout the years, some have been more discussed and promoted than others. However, the majority of the extant literature in this field has discussed CSR from the perspective of large companies, assuming that small companies operate under the same conditions and behave similarly. During the past decades this dominant view has been criticized by many scholars. The following section will present some of these critical voices.

## 2.2. The relationship between CS(R) and SMEs

Many scholars do agree that SMEs do not behave like larger companies. A few of the outspoken voices are Laura Spence, Heledd Jenkins, Yves Fassin and the duo David Murillo and Josep M. Lozano. Spence (2007) and Jenkins (2009) maintain that it is surprising how little attention SMEs get in the literature when a majority of the world's companies are SMEs, and argue that there are certain characteristics that define SMEs. They are often owner-managed which make them more independent than larger companies. Additionally, the owner-manager is often in charge of many duties, both managerial and functional. The limited time scarcely creates incentives to work with ethical issues; the companies are more occupied with running the business than thinking strategically about the future, and acting more reactively than proactively. Another restraint is the often limited financial possibilities. The working conditions in an SME generates a more social environment when the employees are few and personal relationships form. This personal touch to communication can benefit relations between owner-managers, employees, customers and suppliers, and creates an open dialogue building trust relationships in a way not possible for larger companies. Lastly, the organizational structure of smaller firms is informal in nature which lessens the bureaucratic control (Jenkins, 2004, Jenkins, 2006, Spence, 2007, Jenkins, 2009). Spence points out that the bureaucratic thinking on best practice and other standardized procedures is what many small firms do not like. These standards are perceived as being a guarantee for good business practice, no matter company size. However, that is not the case; the set standards are not compatible with the more flexible, informal and changing nature of smaller firms (Spence, 2007).

Spence (2007) also argues that CSR in SMEs should be a distinctive research field and have separate practical applications rather than be forced into the structures meant for larger companies. The characteristics and contextual circumstances for SMEs are too different from large corporations. Jenkins (2004) maintains, just like Spence, that the research focus should have SMEs as the norm rather than large companies, arguing that the sheer number of SMEs has a profound impact on the overall economy. Many of the assumptions about SMEs' behavior are unsubstantiated. One of the many myths is that SMEs are a homogenous group with their size being the defining behavioral characteristic (*ibid.*). Furthermore, research tends to divide SMEs into two categories: either not at all concerned with sustainability issues or at the forefront of the sustainable development. Many of the solutions to engaging companies in CSR are not particularly valid for SMEs, among them are management systems, certification, supply chain relations, consumer pressure, top-level commitment and proactive strategies. Jenkins concludes that size does matter, however other aspects affect SMEs' business behavior too. The difference in cultural context, ownership structure and managerial characteristics between SMEs and larger companies must be taken into consideration (*ibid.*). Lastly, Jenkins (2009) emphasizes the importance of integrating CSR into the core of the company to increase the chance of success, which relates to similar ideas like CSV. Fassin (2008) joins this argument, reasoning that the core of CSR does not lie in the formalization of it with reports and certifications, rather in the implementation of responsible business practices. Fassin concludes that reports do not represent a validation of a company's CSR activities, nor are they proof of actual better ethical behavior. The fact that many SMEs do not engage in reporting does not mean they do not work sustainably (Fassin, 2008).

David Murillo and Josep M. Lozano (2006) have conducted research similar to this study. They point out one thing that needs improvement to facilitate CSR in SMEs: more appropriate tools for SMEs than the existing formalized and established ones for larger companies. The daily struggle to survive is a reason for SMEs to increase their networking and improve the welfare of their employees. Additionally, the values of the owner-manager in small companies are often

very influential on the actual business practice. The results of their study confirmed some of the extant theories about CSR and SMEs, while they also discovered new interesting aspects of corporate culture of SMEs. The reasons behind working with CSR were found to be external drivers, remaining in a good position on the market, values of owner/managers, competitive differentiation and improving working climate (Murillo & Lozano, 2006).

Summarizing this section, the specific and heterogenic circumstances for SMEs prove that they cannot be assumed to behave and act like larger companies when it comes to CSR. Spence, Jenkins, Fassin, Murillo and Lozano among others urge a change of perspective in the research surrounding CSR and business practices to better include the viewpoint of SMEs, which can be understood to cause some of the misapprehensions of SMEs' behavior and needs.

### 2.3. Motivation and the role of stakeholders

R. Edward Freeman's stakeholder theory from 1984 opposes the idea that only the shareholders are important for companies, which Friedman (1970) argued for. The focus in stakeholder theory is not on the company itself, rather the relationships between a company and its stakeholders, which are defined as all groups and individuals who can affect and are affected by the company's actions. The aim for companies is to create value for all its stakeholders without resorting to trade-offs between them, and the companies that endure on the market are the ones able to converge their stakeholder's interests. Since 1984 the theory has been developed and Hörisch et al. (2014) have made a division of the theory into four categories: *descriptive*, *instrumental*, *normative* and *integrative*. The first type of stakeholder theory describes how companies are managed through identification of relevant stakeholders. The second type, instrumental, looks at how the achievement of business objectives is affected by stakeholder management. The third, normative type of stakeholder theory deals with the moral justification of the theory, with a discussion on the purpose of business. The last type, integrative, considers the former versions to be essentially interlinked. This study will attempt to apply the integrative type of stakeholder theory. That means identifying relevant stakeholders, exploring the effect of stakeholder management on the accomplishment of business objectives, and discussing the purpose of business today.

The motivation driving companies to work with CS can be divided into different types. To enable a better understanding of the proposed motivations a division into three underlying reasons has been created. Essentially, companies can be driven by business objectives such as making profit, or they can be driven by external pressure from legislation and demand from customers and so forth, and lastly companies can be morally driven by personal values and commitment.

The first underlying reason is based on companies being driven by business objectives. Parker et al. (2009) created a typology of SMEs based on their degree of business performance commitment and environmental commitment with the range moving from low to high in both variables. It resulted in four "extreme" types of SMEs, with two of them being more business oriented. The *profit-driven* SME's only focus is profit, at all costs. This means they will adopt business practices with a negative impact on the environment as long as it means making profit, thus they have a low degree of environmental commitment. The profit-driven companies are not innovative or strategic and will not comply with environmental regulations if it reduces profit. On the other hand, the *advantage-driven* SMEs are very proactive as well as pursuing profit, which is achieved through environmental improvements. They have found a market for customers willing to pay more for a smaller environmental impact, thus their high degree of environmental commitment is also their competitive advantage (Parker et al., 2009). Swanson (1995) suggests three reasons for companies to engage in sustainability work with the economic

reason being more or less the financial performance of a company, e.g. profit, return on investment and sales. Brown and Forster (2012) discuss a legitimate business reason for engaging in CSR, which is similar to what Swanson proposes, i.e. business must profit from such activities.

Companies driven by external pressure are more concerned with demands and expectations from the outside. The *compliance-driven* SMEs focus on surviving on increasingly competitive markets and will rather respond to customer demand and regulatory requirements than acting proactively. These companies have both a low degree of business performance commitment and environmental commitment. They will only comply with environmental regulations and not go beyond compliance since it is seen as negatively affecting their chances of surviving while also being costly (Parker et al., 2009). Swanson (1995) mentions *negative duty*, which is motivation based on meeting demands from stakeholders while Brown and Forster (2012) present coercive motives, which are based on minimizing the costs and achieving reputational effect while also providing social benefits.

Lastly, companies driven by feelings of duty and a moral compass have other reasons than profit and meeting demands. The *environment-driven* SMEs have a high degree of environmental commitment and do not focus on financial goals at all; their focus lies entirely in decreasing their environmental impact. These companies are driven by a feeling of duty or moral obligation to the extent that reducing their negative environmental impact is more important than sustaining their competitiveness (Parker et al. 2009). Hemingway (2005) proposes that morality based on personal values might drive such actions rather than economics being the main driver for CSR. Instead of the manager the employee can act as a change agent, here called corporate social entrepreneurs (CSEs) and divided into two types: the *frustrated* and the *active* CSE. The typology is based on the range between individual and collective values, and supportive and unsupportive culture. Hemingway argues that it is the collective or group-oriented values that drive the CSE. The frustrated CSE, which can be both a senior manager or a normal employee, likely has moral values which would be pursued if it were not for the dominant culture of the organization that places emphasis on the economic benefits of CSR. In contrast, the active CSE act out on the personal values and is able to inspire an organizational culture inclined towards CSR. As such CSEs can work as change agents and advocate for CSR (Hemingway, 2005). In literature about CSR in SMEs the role of the owner-manager is often emphasized because their personal values have a great chance of impacting the business management. Williams et al. (2013) also believe that values are important for promoting and implementing CSR activities, and their study shows that environmentally engaged managers have a holistic understanding of environmental and social issues. The most significant motivation for these managers to engage in pro-environmental management was their personal values and beliefs. Swanson's (1995) idea of *positive duty* means that a company gets involved in CSR to help others, which relates to Brown and Forster's (2012) idea of altruistic motives that disregard economic benefits.

The above mentioned theories of motivation are summarized in Table 1, compiling the theories in accordance with whether the companies are motivated by business objectives, external pressure or are morally driven.

<b>Business objectives</b>	Legitimate business reasons (Brown & Forster), economic motivation (Swanson), profit-driven (Parker et al.)
<b>External pressure</b>	Coercive motives (Brown & Forster), negative duty (Swanson), compliance-driven (Parker et al.)
<b>Morally driven</b>	Altruistic motives (Brown & Forster), positive duty



	(Swanson), values of owner-manager (Williams et al.), personal values (Hemingway), environment-driven (Parker et al.)
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Tab. 1. Summary of motivation theories.

## 2.4. Strategies, implementation and management of CS

For this study I have chosen to look at implementation according to three approaches: *compliance*, *internal change* and *dialogue with external stakeholders*. Graafland et al. (2003) describe these three approaches that companies can use to organize their ethical behavior. In the first strategy, compliance, companies develop standards of behavior, which are then supervised to ensure the ethical quality of the company. The standards are communicated to all employees and the main facets are supervision, possibility of reporting unethical behavior and punishment for those not following the standards. The second strategy, integrity (in Table 2 below called internal change), relies on the integrity and responsibility of the individual employee based on internalized values. This strategy is most successful if the management has introduced clear core values, trained the employees in applying these values in actual situations and given them responsibility for their own behavior for which they are accountable. The third strategy, dialogue, deals with the expectations of stakeholders and focuses on responsiveness to what external actors communicate. The main aspects are thus communication with external stakeholders, learning from new information and being responsible for business practices to these stakeholders (Graafland et al., 2003).

Ehasz and Lan (2011) also emphasize the importance of involvement from stakeholders, accountability and transparency, support from the leadership, and communication and awareness among other things when aiming for a successful implementation. The authors conclude that there is no magic recipe for successful implementation of CSR in a business, however being aware of what ingredients to use allows companies to create their own formula for success considering their industry and social context (Ehasz & Lan, 2011). Armenakis and Harris (2009) is another duo who has identified five key change beliefs that affect how motivated change recipients are towards supporting change efforts, which consequently leads to a successful organizational change in a sustainable direction. If the employees, a.k.a. the change recipients, are not committed and believe in the cause the chance for a successful implementation decreases. The five beliefs are *discrepancy*, *appropriateness*, *efficacy*, *principal support* and *valence*. The first belief, discrepancy, suggests that a change is needed; one can detect a significant gap between how the company looks now and what it should be. The second, appropriateness, stands for the belief that the chosen change design is suitable to address the discrepancy. The third, efficacy, refers to the belief that the change can be successfully implemented by the organization and the change recipient. The fourth belief, principal support, means that the formal leaders of the organization are fully committed to this change. Lastly, valence stands for the belief that the change is benefiting the change recipient in some way. Armenakis and Harris (2009) conclude that the five beliefs are important for the three steps of a change process: diagnosis, creating readiness and change adoption and institutionalization.

Companies must operationalize visions and strategies to make them effective in business practice. One way to do that is to implement various sustainability management tools, i.e. instruments, concepts and systems. The tools range from sustainability audits, different analyses and assessments, management systems and sustainability reports. The question whether the tools used today are applicable to SMEs, when the majority of them have been designed for large companies, has not been entirely answered scientifically yet. The most commonly used tool when working with CS is environmental management systems, e.g. ISO standards (Johnson & Schaltegger, 2015). Although formalized tools and strategies do not appeal to the

characteristics of SMEs, a formalized approach might improve the environmental impact. Graafland et al. (2015) present study results that verify their hypothesis that the environmental impacts of SMEs can be improved through formalizing the companies' environmental management by using targets. This in return strengthens the effect of informal efforts taken by the companies. Table 2 below summarizes the presented theories on implementation divided into the three approaches.

<b>Compliance</b>	Companies develop standards of behavior, which are then supervised to ensure the ethical quality of the company (Graafland et al., 2003)
<b>Internal change</b>	Integrity strategy, which relies on the integrity and responsibility of the individual employee based on internalized values (Graafland et al., 2003), corporate governance, communication and awareness, CSR program infrastructure and emphasis on ethics (Ehasz & Lan), discrepancy, appropriateness, efficacy (Armenakis & Harris)
<b>Dialogue with external stakeholders</b>	Dialogue strategy, which deals with the expectations of the stakeholders and focuses on responsiveness to what external actors communicate (Graafland et al., 2003), involvement of stakeholders in the implementation, and accountability and transparency (Ehasz & Lan)

Tab. 2. Summary of implementation strategies.

## 2.5. Effects of CS work

To estimate the effects of certain strategies and practices is not an easy task, especially when it comes to sustainable business activities that are often incorporated into the daily routines, which can make the exact estimation less precise and tangible. One division can be to look at the three aspects of sustainable development: economic, social and environmental. If CS is about achieving good results in all three aspects, the effects on them are relevant to study and estimate.

Murrillo and Lozano (2006), Epstein and Roy (2001), Jenkins (2009), and Weber (2008) have found evidence of various effects of CS work. Murrillo and Lozano (2006) suggest three visible effects to sustainability work. According to their study businesses assess their CSR outcome in three ways: profitability felt intuitively, results analyzed in terms of working conditions, economic and efficiency factors, and lastly, the reputation and social recognition. Epstein and Roy (2001) look at similar measurements. Measuring a company's sustainability performance can be done through assessing stakeholders' reactions and evaluating the economic and social costs and benefits of actions. Jenkins (2009) found that the participating companies in her study could list a number of benefits stemming from working with CSR, e.g. increased competitiveness, increased employee motivation, increased efficiency and economic savings. Another scholar concerned with benefits is Weber (2008), who makes a division of benefits in monetary and non-monetary terms. The main areas of benefits originating from CSR activities are positive effects on company image and reputation, employee motivation, retention and recruitment, cost savings, revenue increases from higher sales and market share, and lastly, CSR-related risk reduction or management. The non-monetary benefits can be of both qualitative and quantitative nature.

We have thus been presented various effects of CS work, both economic and social. The environmental dimension is not particularly brought up by any of the scholars, apart from being included in the economic effects such as cost savings, risk management and improved efficiency. Table 3 below summarizes the above-mentioned effects of CS in the three dimensions.

<b>Economic</b>	Profitability felt intuitively, economic and efficiency factors (Murillo & Lozano) assessing economic costs and benefits (Epstein & Roy) company image and reputation, revenue increase (Weber)
<b>Social</b>	Working conditions, reputation and social recognition (Murillo & Lozano), assessing stakeholder's reactions, and social costs and benefits (Epstein & Roy), employee motivation, retention and recruitment (Weber)
<b>Environmental</b>	Economic savings, increased efficiency (Murrillo & Lozano, Epstein & Roy, and Jenkins), CSR-related risk reduction and management (Weber)

Tab. 3. Summary of possible economic, social and environmental effects of CS work.

Scholars who discuss the business case for CSR have many examples of impact, however, mostly in economic terms. Furthermore, there are both positive and inconclusive accounts. Williamson et al. (2006) make a distinction between business performance and the business case argument for CSR. According to them business performance puts emphasis on cost reductions and efficiency while the business case argument underlines the benefits to shareholders as the companies are considered more attractive by stakeholders and society. In their study Williamson et al. found that the participating companies measured the impact of their environmental behavior through monitoring efficiency and cost reductions, motivated by following regulations and improving their business performance. Another study, conducted by Nuttaneeya et al. (2012), concludes that a proactive CSR strategy has shown to have a positive impact on the financial performance of the business. Claver-Cortés et al. (2007), who studied environmental management in Spanish hotels, have somewhat more inconclusive results. They found that a more proactive strategy could improve the performance level of the companies, both directly on the internal management and indirectly through increased competitiveness. However, the overall impact was not found to be significantly strong. Vancheswaran and Gautam (2011) state that it is increasingly clear that the business case for CSR is as evident for SMEs as for larger companies. In their study of Indian SMEs, they found a correlation between CSR practices and marketing efforts of the SMEs, meaning that CSR is increasingly used as a marketing instrument and seen as a key for improving business performance. On the other hand, Morsing and Perrini (2009) have a more skeptical view on the possibility of estimating actual impact of CSR activities on business performance. Additionally, a literature review by Molina-Azorín et al. (2009) of quantitative studies analyzing the impact of green management on the financial performance of businesses presents mixed results, although studies showing a positive impact were found to be predominant.

To summarize this section, the presented theoretical literature on the impact of CSR activities on performance variables are not harmonizing. Some scholars have found evidence for a positive link between sustainability activities and improved business performance, while others argue that the link is less clear and evident. Estimations and measurements are frequently based on concrete and measurable variables such as cost and efficiency, which do not include the more intangible impact on personal values and feelings of fulfillment. The environmental impact seems to be included in the economic dimension in terms of cost savings and increased

efficiency, i.e. less and more efficient consumption of resources. Thus, it seems difficult to disconnect the environmental impact from the economic.

## 2.6. Summary

In this chapter the theoretical framework has been presented as well as a comprehensive literature review. What can be understood from the historic overview is that many scholars have tackled the broad concept of CSR and its related interpretations and alternatives for decades. The difficulty of finding one concept that fits all situations will most likely not be solved in the coming decades either. However, one can attempt to increase the empirical findings on how SMEs deal with CSR issues and how they incorporate these ideas into their business practices. The focus in this study is less about testing theories and developing them, and more about using existing theories when analyzing the empirical material to comprehend the collected data.

To summarize all theories that have been presented Figure 1 below depicts a model of the possible connections between the relevant aspects of CS work. The presented theories can all be placed inside the model and fit into at least one box each. Different reasons for motivation to do CS work are connected to the relationship with stakeholders, both internal and external. The motivation in turn has an effect on the chosen strategies and implementation of CS, however, in the case of SMEs, this phase might be less formal and structured than what is common in larger companies.

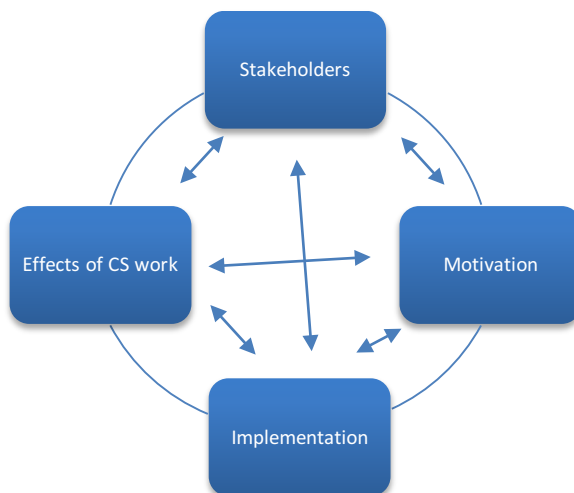


Fig. 1. A theoretical model.

The theoretical model can be understood in terms of how the concepts and phases are interconnected and affect each other in all directions. Stakeholders, both internal and external, are affected by the company's actions and can also affect these actions through change of motivation. The motivation affects the implementation phase and can be changed after an evaluation and estimation of effects of the activities as well as the response and demand from stakeholders. The implementation is affected by all other aspects and can in turn affect them. Lastly, the effects of CS work are affected by the implementation and the response from stakeholders and can affect them too.

### 3. Methodological approach

In this chapter the methodological aspects of the study are presented and argued for. A description of the research design including discussions about reliability and validity is followed by a presentation of the multiple case study research method. Afterwards comes a detailed description of the data collection process, and the choice of conceptual framework, and lastly a discussion about delimitations in the study is followed by response to possible critique.

#### 3.1. Research design

According to Aykol and Leonidou (2015) has the majority of research studies done in this field during the last twenty years been exploratory, cross-sectional and descriptive as well as lacking a theoretical foundation. Furthermore, the studies have been conducted with a narrow geographical scope and small sample sizes often chosen out of convenience and hence hindering a possibility to generalize. This research field is still in its development, which shows in the weak theoretical foundation and analytical methods. My choice of research design fits into the existing literature; many other studies on this topic have been conducted using the same approach (Aykol & Leonidou, 2015). Consequently, my study is not unique in any manner, I have followed the same research path as many others. However, I do believe this kind of study is needed to contribute more empirical findings to the existing literature. Furthermore, I aim to have a bigger sampling size than the majority of previous qualitative studies.

This thesis is of an exploratory character with an abductive research design where both the empirical data and the presented extant theories in this field play a role. The study is qualitative in nature with the purpose of exploring and attaining empirical evidence of how multiple Swedish SMEs work with CS. The research questions are answered through conducting interviews structured around the overarching themes: motives, implementation and effects of CS work. According to Robson (2011) the purpose of the research and the conceptual framework should usually guide the research questions, which consequently decide what methods and appropriate sampling strategy are used. However, in a flexible research design such as this, Robson (2011) argues that the particulars emerge during the research study rather than being constant throughout, i.e. one must reevaluate the design during the process because developments might change the setup for the study. This suggests that the different research phases affect each other interchangeably and are not constant throughout the study; it is an interactive design model. The different aspects of this study have been developed and changed during the process period with the ambition to meet the purpose of the research.

##### 3.1.1. Reliability and validity

The question of reliability and validity is significant to the usefulness of the study for academia. Without considering these aspects one might find the study to be merely shooting in one direction and never finding the intended target. Validity refers to the truthfulness of whether we are actually measuring what we intend to measure, i.e. how well our idea fits with reality. Reliability refers to consistency, meaning we are conducting our research in such a way that the data is produced under the same conditions throughout the process, and can be repeated by other researchers with similar results (Neuman, 2011).

Qualitative research cannot as easily be reproduced as quantitative and thus the requirements are less static and fixed. The research context is changing and evolving as one conducts research, and the fact that researchers using different measures might find unique results is viewed in a positive light, and not something that has to be standardized. When it comes to validity, qualitative research is more interested in attaining authenticity than finding the “truth”. Authenticity stands for capturing

and portraying a balanced, fair and honest description of social life (*ibid.*). Many advocates of qualitative research avoid reliability and validity altogether, and some even use other terms (Robson, 2011). However, it remains a point to consider the aspects of validity and reliability in qualitative research.

Thus, one needs to ascertain a certain level of validity and reliability. I have applied specific techniques for this purpose, based on Riege's (2003) guidelines for achieving high validity and reliability, and partly on Eisenhardt's (1989) outline of the different phases when conducting a case study research. The choice of techniques for ensuring validity and reliability is based on the relevancy for this study, however Riege (2003) suggests other techniques too. Table 4 below depicts the techniques used in this study. The specific terms in the table are explained in more detail below.

<b>Case study design tests</b>	<b>Case study techniques</b>	<b>Use in study</b>
<b>Construct validity (confirmability)</b>	Use of multiple sources of evidence	Triangulation of empirical data through interviews, documents, websites and literature review
	Have key informants and research assistants review information and study report	Study results sent to interviewees for written validation and drafts sent to supervisor for review and feedback
<b>Internal validity (credibility)</b>	Display of illustrations and diagrams in the data analysis phase	Conceptual theoretical framework used in analysis
	Use within-case analysis as well as cross-case pattern search	Done in Chapter 6
	Assurance of internal coherence in findings	Cross-check of results
<b>External validity (transferability)</b>	Define scope and boundaries of the study	Done in section 3.5.
	Compare with similar and conflicting literature	Done in Chapter 6 and 7
<b>Reliability (dependability)</b>	Give full description of theories and ideas	Done in Chapter 2
	Record observations and actions as concrete as possible	Interviews were audio-recorded and transcribed in Swedish, with some parts translated into English

Tab. 4. Techniques used to ascertain a high level of validity and reliability (based on Riege, 2003).

*Construct validity* stands for how the researcher can attain a certain level of objectivity in qualitative research, where the engagement with the studied objects are often close and thus can lead to subjective judgments. Efforts to refrain from these judgments during research design and data collection give a higher level of construct validity. *Internal validity* in qualitative research entails not only highlighting the similarities and differences between the respondents' beliefs and experiences, but also identifying the important components for the studied patterns and what mechanisms caused them. *External validity*, on the other hand, is how the study can be understood in a more general term compared to its immediate context. It deals with the understanding and

exploration of constructs. This means a comparison between the initially identified theoretical constructs and the empirical results of the case studies. Thus in qualitative research the focus lies more on analytical generalization than statistical, which is the main reason in quantitative research. The level of *reliability* in qualitative research is more questionable, because the social objects studied are ever-changing, which may produce different results, even with the exact same procedures. That is a problem for qualitative research, however the possible differences might provide a source of additional information about the studied cases (Riege, 2003).

Riege presents four design tests corresponding to the different aspects of validity and reliability mentioned above. The first, *confirmability*, is closely related to construct validity since it deals with the notion of neutrality and objectivity. In essence the test assesses whether the analysis of data has been done in an unbiased and logical manner, i.e. are the conclusions drawn from the data the most reasonable ones. The second test, *credibility*, corresponds to internal validity, because it involves the approval from the interviewees or peers of the research findings, ensuring that the research was carried out in a credible manner. *Transferability*, the third test, is linked to external validity because it deals with generalization. The research should show similar or different findings of a phenomenon amongst the similar or different cases, thus achieving analytical generalization. The last design test, *dependability*, relates to reliability and involves showing signs of stability and consistency in the research process (*ibid.*). Thus, by using these techniques, one is assured to have tested the level of validity and reliability of the study.

## 3.2. Multiple case study research method

I have chosen to study multiple cases to enable a comparison of similarities and differences between cases. A case study research method has important strengths such as illuminating the causal bond between different factors, identifying core concepts and variables, and exploring their meaning (Neuman, 2011). Furthermore, by studying multiple cases the validity might increase since the combined data collected creates more solid empirical evidence than what only one case would have done (*ibid.*), generating a more comprehensive picture of how SMEs work with CS. The idea behind choosing multiple case studies is that each following case adds understanding to the questions, with the last case contributing very little new information (Robson, 2011). However, the purpose is not to generalize to the population in statistical numbers, rather put my findings in relation to a broader context comparing the empirical constructs found in this study with previous theoretical research, i.e. I am more interested in analytic rather than statistical generalization.

### 3.2.1. Units of analysis

An SME is according to the EU's definition a company that has between 1 and 249 employees (EU Commission, 2003). The cases have been chosen within the population of SMEs working with CS in Sweden. Through a collaboration with Beyond Intent, a firm specialized in consulting companies with sustainability matters, I found my units of analysis; the companies. In this case all of them, except one, participated in a survey conducted by Beyond Intent and Företagarna<sup>1</sup> during 2015 and showed an interest in being contacted and asked about their sustainability work. The firms are widely spread among different lines of business, e.g. IT, construction, communications, service and energy. By interviewing representatives from multiple enterprises, and examining websites and documents the study will generate knowledge about similarities and differences of CS work between companies and across industries.

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<sup>1</sup>Företagarna, The Swedish Federation of Business Owners, is the largest business organization in Sweden representing the interests of around 70 000 business owners.

### 3.2.2. Sampling strategy

A specific sampling strategy is needed to conduct sampling in a good manner and to choose a sample suitable for the study's purpose. Instead of using probability sampling, which is more appropriate for quantitative studies, I chose a nonprobability sampling strategy called purposive sampling. This technique is often used to locate cases in exploratory research, using a range of methods, especially if the chosen population is difficult to reach. Purposive sampling is very useful if the aim is to find cases, which are unique and can provide undiscovered information about the population (Neuman, 2011). The goal is finding cases which can illuminate the social context under study rather than finding representative cases of the population. I chose purposive sampling rather than convenience sampling because the difference between them is that the latter is simply sampling based on availability, while purposive sampling is conducted with the research goals in mind. Essentially, the cases are chosen because of their relevance to the research questions (Bryman & Bell, 2015).

I consider myself to have accomplished a purposive sampling strategy in this study. The list of enterprises that I was provided with and able to contact were all previously inclined to provide more information. Apart from this list of businesses I also contacted the regional office of the Confederation of Swedish Enterprise in Uppsala and asked for recommendations on relevant companies, which provided me another case to include in my sampling.

### 3.3. Data collection

The data has been collected through multiple methods. A literature review gathers the extant theoretical ideas and constructs about this topic, which can be compared with the empirical findings during the analysis and discussion phase. The empirical data has been collected through semi-structured interviews. Apart from these two sources I have also studied relevant documents the companies provided and their websites, which present the strategies, policies and tools undertaken by some of the companies. This material functions as a benchmark to the interviews, i.e. what is written can be compared to what is said and thus increasing the possibility of gaining a holistic picture of a company's CS work. Thus, a triangulation of methods and sources ensures a higher level of validity.

A thematic coding approach (Robson, 2011) has guided the content analysis and interpretation of the collected data, in which themes with relevance to the research questions were created. The data is compared both within-case and cross-case. Through a five-step method inspired by Robson (2011) I have first familiarized myself with the collected data, then generated initial codes and identified themes. Next I have constructed thematic networks connecting different parts of the data, and lastly I have interpreted the data and integrated it with my previous findings in the literature review.

#### 3.3.1. Literature review

Relevant and useful literature has been found through searching the university library and its scientific databases, and recommendations from my supervisor. Finding core literature has been essential to link CS literature with SME literature and discover the primary scholars within this field. Literature connecting CS and SME to the Swedish context has also been reviewed. Some of the scholars mentioned are Archie B. Carroll, Laura J. Spence, Marcel van Marrewijk, and Michael E. Porter. The literature review is a method used to comprehend the extant literature in a certain field and present the scientific knowledge produced thus far. In this case it is used to describe what similar and diverging theories scholars have presented on the CS work in large companies and SMEs.

#### 3.3.2. Interviews



Semi-structured interviews following an interview guide seemed most suitable for this study. Since the purpose was to cover a certain area and specific topics without being too rigorous (Robson, 2011) neither fully structured or unstructured interviews would have been more appropriate.

The interviews were conducted during late January and beginning of February. Through the consultancy firm Beyond Intent 26 companies were contacted. 14 companies agreed to do interviews by telephone and 3 companies answered the questions in written form. One company declined due to work overload while 7 companies did not reply at all. Apart from these companies I also contacted 5 businesses locally situated in Uppsala after recommendations from the Confederation of Swedish Enterprise. Of these 5 only one agreed to do an interview face-to-face while two companies declined and two did not reply at all. In total 18 companies participated in the study. Apart from one interview, the interviews lasted between 20 minutes and 1 hour due to varying length on the answers and relevancy of each question for the interviewee. The interviews were held in Swedish to diminish language barriers for both parties. All interviews were recorded and transcribed. Some parts were later translated into English. Table 5 below shows the interviewed companies arranged after when the interview took place. All interviewees except for one are owners and/or managers, whom are often central to any strategic business practice. If only one person was to be interviewed, the owner-manager is the most appropriate choice since he/she often has multiple roles within the company and has a good overview of the business.

<b>Company</b>	<b>Interviewee</b>	<b>Position</b>	<b>Date and length of interview</b>
Skärgårdsarkitekterna AB	Göran Schnitzler	Owner/manager	26th of January, 40 min.
Himla AB	Eva Engelbert	Vice manager	26th of January, 40 min.
Kunskapskryssaren AB	Larry Åberg	Owner/manager	28th of January, 45 min.
Granströms Utv. AB	Robert Granström	Owner/manager	29th of January, 45 min.
Eventsees AB	Willy Karlsson	Owner/manager	29th of January, 60 min.
Avesta Maskin & Smide AB	Ola Lundqvist	Owner/manager	1st of February, 20 min.
Korallen AB	Tage Andersson	Owner/manager	1st of February, 20 min.
Miljö & Kvalitetsutveckling	Eva Jernäs	Owner/manager	3rd of February, 30 min.
QTEMA AB	Anita Roll	Owner	3rd of February, 35 min.
Informationsbyggarna AB	Jan-Anders Jönsson	Owner/manager	8th of February, 35 min.
Meiszners Mekaniska AB	Frans Meiszner	Owner/manager	9th of February, 25 min.
Bergsmansgård Tolvsbo	Fridus Vis/Roswitha Robijn	Owner/manager	12th of February, 10 min.
S.Q.S. Kvalitets- och Miljöledning AB	Torbjörn Johansson	Owner/manager	15th of February, 30 min.
Folkes Bygg & Byggnadsvård	Folke Carlsson	Owner/manager	15th of February, 35 min.
ALP Konferens och mässarrangör AB	Anna-Lena Persson	Owner/manager	19th of February, 20 min.
Ekbergs Fönsterputs & Städ AB	Mathias Eriksson	Owner/manager	Written response
GS Ekotox AB	Göran Svenstam	Owner/manager	Written response
Roswi AB	Axel Carlander	Owner	Written response

Tab. 5. Overview of participating companies and interviewees.

The additional material gathered from company websites and other documents provided by the interviewees have also been analyzed through studying the content and connecting them to the interview statements, contributing to a more holistic picture of how the companies work with CS.

### 3.4. Choice of theoretical and conceptual framework

The development of the theoretical and conceptual framework has been a continuous process. The main theories chosen are based on the aim of this study, i.e. to explore motives towards, implementation of and the effects of CS work. The theories used are motivation theories, including stakeholder theory, and implementation and strategy theories. Various theories about possible effects have been used, permitting a summary of discussions from different scholars about this phase in sustainable business practice. The purpose of looking at these three stages of CS work is to gain a complete picture of how SMEs operate in terms of sustainability work; their thoughts behind engaging in CS activities, how they incorporate these ideas into their business and what effects on their business performance they perceive. By including stakeholder theory one can discuss the empirical findings in a more general context of business behavior. Lastly, the choice of concepts to use in the study stems from their relevancy in this research field.

### 3.5. Delimitations

The research would have gained a lot by including observations at the companies and interviewing more people at each company, not the least produced more sound data. However, this is often the case with limited amounts of time and resources. Consequently, I have focused my research area to SMEs within Sweden to have a narrower geographical context and population. The choice of a qualitative study rather than a quantitative study is done because the time needed to conduct a survey of such magnitude to encompass thousands of cases was not offered here, although such a study would be highly valuable to the research field. It might have been better and given more in-depth answers if all the interviews had been conducted face-to-face. However, due to lack of time and my incapability to travel around Sweden, telephone interviews were considered the best option.

One might consider the fact that I have chosen to only study companies who claim to work with CS. Another option would have been to study companies who for whatever reason do not work with CS. This would have produced entirely different empirical data and given the perspective of the other side so to speak. However, finding these companies would have been time consuming as well and perhaps generated less data because some companies would not have seen the point of participating in a study when they do not work with CS.

With the many definitions and concepts available I have actively chosen to use corporate sustainability (CS) rather than corporate social responsibility (CSR). Another possible term is sustainable business. The term CSR might be used more in the literature, however, I consider CS to be more appropriate to my study. Furthermore, it relates better to the Swedish term “hållbart företagande”, which literally translates to sustainable business and is used more and more in the Swedish context. The Swedish government includes labor rights, human rights, environmental concern and anti-corruption in the term, which is based on the principles set by the UN Global Compact initiative (United Nations Global Compact, 2016). I consider these aspects to be a part of CS. Additionally, in agreement with what van Marrewijk (2003) suggests, I perceive CS to be on a higher sustainability level than CSR, which can be seen as the link between the triple bottom line approach and CS.

### 3.6. Possible critique of chosen approach and methods

Because the companies are not randomly chosen, the answers given might be affected, i.e. the interviewees are people claiming to actively work with CS and thus they might give a more positive view than the majority of SMEs. However, since the purpose of this study is to understand what motivates and influences SMEs to work with CS and how it affects their business these companies are relevant. The cases, while giving valuable information, will provide clarity and insight to complex issues. They are selected more due to the fact that they are relevant to my research topic

than their representativeness of the population, which is a common approach within qualitative research (Neuman, 2011, p. 241).

With these considerations in mind, it would be easy to cast aside my study as just another study with too little empirical material and not even covering longer time periods. However, the study has potential to affect how Swedish policymakers and researchers comprehend the actual CS work done by SMEs in Sweden, and compared to existing literature in this area I would not discard my study only based on these criteria.

## 4. Background for the empirical study

In this chapter background information, based on two recently published reports, about the current state of CS in Swedish SMEs is presented. The current government's policy and actions regarding CSR are also presented and related to SMEs and their context. This compilation is followed by a short description of the participating companies in the empirical study.

### 4.1. CS in Swedish SMEs

According to a report by Tillväxtverket (2015) a great deal of SMEs are actively working with CS. The results show that there is slightly more focus on environmental aspects followed by social and ethical issues. In the social and ethical issues Tillväxtverket include social and ethical guidelines for purchases, community involvement such as sponsoring sport clubs and social projects, and developed policies for diversity and equality. Tillväxtverket does not make a distinction between social and ethical issues, they are seen as covering similar activities. Many companies are working with both areas, however, there is a significant difference in relation to size. The bigger the company, the more usual it is for companies to have some sort of sustainability work. Another large difference is detected between industries (Tillväxtverket, 2015).

A more detailed description of the CS in SMEs shows that almost one in four sells green goods or services and almost one in five have an environmental policy and/or have environmental objectives. The most commonly used tool is the ISO 14001 certified environmental management system, which is mainly used by medium-sized businesses. The most significant drivers for companies to engage in CS are the desire to reduce climate impact and own commitment, which are most eminent in smaller companies, while a desire to satisfy consumer demand becomes more important the bigger the company is. The two major obstacles for companies working with CS are stated to be lack of business case and lack of support from the public, which are relevant for both environmental and social issues. Other important barriers mentioned are the cost of sustainability and lack of appropriate methods and tools. The obstacles are found to be perceived differently depending on size and industry (*ibid.*).

Somewhat same results are presented in the report by Beyond Intent and Företagarna (2015) where the size of the company is also understood to affect how important CS is considered to be and whether the company is actively doing CS work. The two major drivers are found to be strengthening one's competitiveness and initiative from the management. The focus is found to be on environmental issues, followed by working conditions and business ethics, with the latter standing for anti-corruption and other ethical behaviors. One significant aspect detected is that very few companies evaluate and follow-up their CS work; merely 28 per cent of those working with CS do it. Another interesting finding is that companies are very ambivalent towards stricter regulations for reporting; some perceive that it is necessary while others do not think it is the right strategy to get more companies on board the sustainability train (Beyond Intent & Företagarna, 2015).

The government has recently shown higher ambitions for their CSR policy. The Swedish Ambassador for CSR is managing the work and has thus far made a National Action Plan on Business and Human Rights based on the UN Guiding Principles from 2011 (Regeringen, 2015b), written a communication to parliament on the government's present and future policy in this area, and is planning to educate embassy officials to enable better communication and support for Swedish companies working abroad (Regeringen, 2015d). These increased ambitions are relevant for Swedish SMEs too, since more of them are expanding to foreign

markets and customers. Furthermore, most of the international and national Swedish guidelines apply to companies of all sizes, not just to big companies. Additionally, the involvement of SMEs was heavily discussed during the stakeholder meetings in October of 2015 (Regeringen, 2015c) prior to the completion of the communication to parliament (Alvesson Due Billing, unpublished observations).

## 4.2. Company information

In total 18 companies participated in the study. Below follows a short presentation of each company that participated in the study.

*ALP Konferens och mässarrangör AB* is located in Örebro County and operates in the hotel and restaurant sector. The company runs a country house and employs 8 people full time. They offer a place for conferences and other events. The owner-manager Anna-Lena Persson has difficulty seeing the benefits of showing off certifications and thinks working with sustainability in practice is more sufficient.

*Avesta Maskin & Smide AB* is located in Dalarna County, operates in the manufacturing industry and employs 2 people. One of them, Ola Lundqvist, sees caring for the environment as something inevitable for companies, especially in this industry sector. As a small company they can be more frugal and easily recycle leftover material.

*Bergsmansgård Tolvsbo* is a small country house with a restaurant and is located in Dalarna County. The couple who runs the business claims that they have always been focusing on sustainability and planning for the future, but they also keep in mind that everything they do must be economically feasible.

*Ekbergs Fönsterputs & Städ AB* offer business services to other companies in need of help with cleaning. According to the owner-manager Mathias Eriksson, the company seeks to have long term relations with its customers partnered with a good work environment where all 120 employees are familiar with their business values.

*Eventsees AB* does business services and helps other businesses arrange events. The company is located in Västra Götaland County and employs 5 people. They offer support with management systems, sustainability reporting and evaluation.

*Folkes Bygg & Byggnadsvård* works in the construction industry, mainly with renovation of historic buildings. The company is located in Skåne County, but the employees travel a lot for their commissions. The company employs around 30 people.

*Granströms Utv. AB* is a self-employed company that helps its customers formulate measurable goals within the area of climate and environment to facilitate monitoring and follow-up. A specific skill is development of testing methods. The owner-manager Robert Granström has bought an electric-driven car and sometimes he holds lectures telling people how easy it is to take the step.

*GS Ekotox AB* is a self-employed company operating in Stockholm County, dealing with energy and environment projects. The owner, Göran Svenstam, has a realistic understanding of what his company can achieve and accomplish to improve the state of the planet.

*Himla AB* works in retail with designing and selling textiles. The company is located in Uppsala County and employs 30 people. The driving force behind the active sustainability work in the company is the owner-manager and her wish to be a good citizen and contribute to society, it is

part of the core business structure.

*Informationsbyggarna AB* deals with information and communication services, is situated in Skåne County and has 8 employees. The business chooses to integrate the environmental aspects and sustainability when they produce information about buildings in their commissions.

*Korallen AB* offers business services, specifically textile dyeing and serves as the supplier to bigger clients. The company is located in Västra Götaland County and has 34 employees. The owner-manager Tage Andersson has run the company for the last 30 years.

*Kunskapskryssaren AB* operates in the education system and is located in Stockholm County. The business has 40 employees and runs 4 preschools. The management is known for using their own program called *Lekologi*, a working method which engages children to actively participate in environmental and ecological steps to farm food, make compost and learn about nature.

*Meiszners Mekaniska AB* is a company within the manufacturing industry and is located in Södermanland County. The company has 13 employees and has established new routines to improve their working conditions as well as resource management.

*Miljö & Kvalitetsutveckling* is a self-employed business run by Eva Järnnäs and is situated in Stockholm County. The majority of the work deals with helping customers develop and improve their business quality and environmental impact. Eva sees environmental work as an essential part of the economics of a business.

*QTEMA AB* is located in Stockholm County and offers business services dealing with technical quality assurance and control. The company employs 20 people, most of them work as consultants. The founder, Anita Roll, has been running the company for the last 27 years.

*Roswi AB* is located in Stockholm County, operates in retail selling leisure and kitchen products, and employs 12 people. Axel Carlander owns the company, but today his sons run the business while he sits on the board. Their contribution is focused on choosing high quality products and lessening the the company's environmental impact.

*Skärgårdsarkitekterna AB* is a self-employed company part of the construction industry. The owner-manager, Göran Schnitzler, is mostly engaged in inspections on construction projects and working as a construction manager. He is active in business networks where likeminded can meet and discuss their work.

*S.Q.S. Kvalitets- och Miljöledning AB* is a self-employed company located in Värmland County and offering business services. The founder, Torbjörn Johansson, works mainly with helping companies develop and work with various quality and environmental management systems, mostly ISO-standards.

Table 6 below summarizes all the interviewed company representatives, giving a clearer picture of the distribution with regards to industry and company size. 5 of the 18 companies are self-employed while the biggest company is *Ekbergs Fönsterputs & Städ AB* with its 120 employees. 7 of the companies work with business services, making it the dominant industry in this study.

<b>Company</b>	<b>Interviewees</b>	<b>Position</b>	<b>Number of employees</b>	<b>Industry</b>
Skärgårdsarkitekterna AB	Göran Schnitzler	Owner/manager	1	Construction
Granströms Utv. AB	Robert Granström	Owner/manager	1	Business services
Miljö & Kvalitetsutveckling	Eva Jernnäs	Owner/manager	1	Business services
S.Q.S. Kvalitets- och Miljöledning AB	Torbjörn Johansson	Owner/manager	1	Business services
GS Ekotox AB	Göran Svenstam	Owner/manager	1	Energy and environment
Avesta Maskin & Smide AB	Ola Lundqvist	Owner/manager	2	Manufacturing
Bergsmansgård Tolvsbo	Fridus Vis/ Roswitha Robijn	Owner/manager	2	Hotel and restaurant
Eventsees AB	Willy Karlsson	Owner/manager	5	Business services
Informationsbyggarna AB	Jan-Anders Jönsson	Owner/manager	8	Information and communication services
ALP Konferens och mässarrangör AB	Anna-Lena Persson	Owner/manager	8	Hotel and restaurant
Roswi AB	Axel Carlander	Owner	12	Retail
Meiszners Mekaniska AB	Frans Meiszner	Owner/manager	13	Manufacturing
QTEMA AB	Anita Roll	Owner	20	Business services
Himla AB	Eva Engelbert	Vice manager	30	Retail
Folkes Bygg & Byggnadsvård	Folke Carlsson	Owner/manager	30	Construction
Korallen AB	Tage Andersson	Owner/manager	34	Business services
Kunskapskryssaren AB	Larry Åberg	Owner/manager	40	Education
Ekbergs Fönsterputs & Städ AB	Mathias Eriksson	Owner/manager	120	Business services

Tab. 6. Overview of companies according to size and industry.

## 5. Results of the empirical study

In this chapter the results of the interviews are presented according to themes compiled from the collected data and based on the research questions. First, the companies' views on sustainability are described followed by motivation and the role of stakeholders. Next, implementation and the day-to-day practice are portrayed, and lastly, the effects of the companies' CS work are depicted. Furthermore, barriers and benefits of working sustainably are presented.

### 5.1. Definition of sustainability

An important question is what view on sustainability the companies have; their awareness of what sustainability is to them. A majority of the interviewees mention the responsibility everyone has, including businesses, in lessening the human impact on the environment and the planet. Some of the interviewees have a more general understanding of and perspective on the concept, while others relate it directly to their business and how they work. Depending on the industry the companies operate within they care for certain aspects of their production or service. Eva Engelbert, vice manager of *Himla AB*, states that the idea of sustainability is part of the core business structure. The owner-manager considers it important to contribute to both social and environmental issues. Göran Schnitzler, owner of *Skärgårdsarkitekterna AB*, states that the human existence is in itself not sustainable, however we can extend our time on Earth by minimizing what every human consumes. This viewpoint is also emphasized by Göran Svenstam, owner of *GS Ekotox AB*, who sees a dark future for the human species unless we decrease the number of people on Earth. Thus the views presented on sustainability are somewhat both positive, realistic and negative.

### 5.2. Motivation and drivers

The causes for motivation behind working sustainably are many. The interviewees were given a number of alternatives and instructed to choose three of them. In many cases this led to a longer conversation about all the alternatives and how the companies adapted and reacted to them. Table 7 below depicts how the companies were distributed among the alternatives, which were based on the same alternatives given in the study by Beyond Intent and Företagarna (2015).

Alternatives	Distribution of companies
Marketing	10
Strengthening the competitiveness	9
Initiative from the management/board	8
Profitability aspects	7
Other reason	7
Demand from customers	5
Threats from future legislation	3
Efficiency aspects	2
Demand from owner	2
Risk management	1
Demand from the public	1
Initiative from the employees	0
Demand from investor	0

Tab. 7. Distribution of companies among the given alternatives of motivation.

A large number of the interviewees emphasize their own commitment and interest in this topic as the main driving force behind their work, which ended up being represented by the alternative *other*



reason, and partly *initiative from the management/board*. The other alternatives that the companies agreed most on (total number of 7 and above) are *marketing*, *strengthening the competitiveness*, *initiative from management/board* and *profitability aspects*. The following sections will present these alternatives in more detail.

### 5.2.1. Marketing

When a choice has been made emphasizing sustainability, it is incorporated into the marketing, to show customers what they can expect from the company. It can also be the other way around, meaning that customers have those expectations on the companies. In the case of Mathias Eriksson, owner of *Ekbergs Fönsterputs & Städ AB*, sustainability is seen as a good general term that can gather both customers and employees who consider long-term goals to be important. Anna-Lena Persson, owner of *ALP Konferens & Mässarrangör AB*, argues that one must be able to stand behind the marketing, to feel good about the products. It is too easy to just pursue certifications and advertise that. Certifications can be hollow and are not a bulletproof way of determining that one does good deeds. Folke Carlsson, owner of *Folkes Bygg och Byggnadsvård*, agrees with this and argues that quality plans are only effective if they are followed, no matter how important it might be for customers to see formal plans before commissioning a project. Larry Åberg, owner of *Kunskapskryssaren* and managing four preschools, explains that the best marketing is satisfied customers, in this case parents and children. They spread the word to other families and the preschools get more children. Thus without having to spend too much time and money on marketing the company gains free advertising from satisfied customers.

### 5.2.2. Strengthening the competitiveness

Being competitive and standing out in the industry is important for many of these companies. It is about surviving on an increasingly more competitive market. Working with CS is seen as an option to maintain a strong competitiveness. Larry Åberg, owner of *Kunskapskryssaren*, considers this connection to be obvious. Others see it as a natural part of working sustainably and what drives them to work in this direction. Mathias Eriksson, owner of *Ekbergs Fönsterputs & Städ AB*, explains that sustainability is important when it comes to recruiting new personnel, and with the right employees the chance of strengthening the competitiveness and gaining more customers also increases. Folke Carlsson, owner of *Folkes Bygg och Byggnadsvård*, has a view that harmonizes with the above, stating that it creates a better work environment and a benefit for the surrounding environment too, which is a competitive advantage, and marketed as such. Frans Meiszner, owner of *Meiszners Mekaniska AB*, reasons that the competitive advantage stems from being ahead of legislation, which will evidently become stricter in the future, thus one might as well do the job now and gain advantage from that.

### 5.2.3. Initiative from the management/board

In the study all of the interviewees, except one, are the owners and/or managers of the company. Often they are at the middle of organizational change, leading it themselves. Many of them see the important role they have in being change agents and an inspiration for employees, customers and other companies. It is perceived that if the management or board is committed to a new routine or strategy and are in the forefront, then it becomes easier to persuade employees to follow. For Axel Carlander, owner of *Roswi AB* and part of the board, it was a conscious choice to only sell high quality products produced in a responsible way and choosing quality over price. Willy Karlsson, owner of *Eventsees AB*, specifies that some of his customers are driven by their management, who can see the point of being in the forefront and showing off a decent environmental work effort. Visionary owners and managements are seen to be important for enabling change.

#### 5.2.4. Profitability aspects

Mathias Eriksson, owner of *Ekbergs Fönsterputs & Städ AB*, states that being profitable in the long-term is more important than in the short run, and working sustainably means being profitable in the long run. Tage Andersson, owner of *Korallen AB*, asserts that working with CS attracts customers who are like-minded. And finding other like-minded might lead to new collaborations and ideas for saving money and increasing profit in a sustainable way. Some companies see the profitable aspect as being linked to how they work; it is what they do for a living. It is both a perceived and tangible awareness of being profitable. For Ola Lundqvist, owner of *Avesta Maskin och Smide AB*, it is about keeping down the costs. By saving energy and not throwing away usable material one saves money, which is good for business. According to Eva Järnnäs, owner of *Miljö och Kvalitetsutveckling*, one also targets and finds customers who are appealed by this business model, which generates profit. One does not look for those customers who would not be interested because it would not be profitable. On the other hand, Eva Engelbert, vice manager of *Himla AB*, emphasizes that profitability is not the main driver behind their strategy. They do not know if sustainability can be equated with being profitable. However, they do think that all companies in the future must take responsibility, and there is an aspect of profitability in that. Additionally, Larry Åberg, owner of *Kunskapskryssaren*, states that it is more about good housekeeping than being profitable.

#### 5.2.5. Own interest and commitment

Some of the motivations mentioned above are affirmed to stem from the interviewees' own interest and commitment to working sustainably. Being committed also means strengthening the competitiveness, they go hand in hand, as one interviewee stated. Some interviewees reason that this is what they know and do for a living. It is less of a company model and strategy than a personal commitment to do the right thing. Many of the interviewees like working with sustainability issues and it is a natural part of their business idea. According to Eva Järnnäs, owner of *Miljö och Kvalitetsutveckling*, it is her conviction that it is a necessary development. Others emphasize that the personal commitment is more important than being profitable, because working sustainably is not always profitable.

Some of the interviewees who are self-employed mention that their own commitment is what drives their CS work since they are in total control and responsible for all aspects of the company. They have great possibilities to implement practices and work in a certain way, however, it does have to be profitable in one way or another. On the other hand, one interviewee, states that although it has not been profitable, the results are still worth the effort. Robert Granström, owner of *Granströms Utv AB*, has seen in the short term that he has suffered expenses. However, the marketing has improved and in the long run he hopes his surplus from driving an electric car can be used for sponsoring new environmental investments. Furthermore, he has a feeling of satisfaction when some of the profits also benefit the environment. Willy Karlsson, owner of *Eventsees AB*, claims that having their own CS work is to practice what they preach, meaning it is easier to convince customers that sustainability can be realized in their organizations if they can be a good example. Fridus Vis and Roswitha Robijn, owners of *Bergsmansgård Tolvsbo AB*, argue that it is their own attitude and approach that drive their business practice.

#### 5.2.6. More reasons for motivation

Some of the interviewees mention legislation as an aspect that has to be taken into consideration, because if there is one thing that companies have to follow and comply with, it is the law. Others bring up the demand from customers to do certain things and improve their business practices. The level of external pressure varies from industry to industry, which is reflected in the answers. When risk management is mentioned as a reason it mostly refers to handling hazardous goods, chemicals,

fuels and other dangerous substances. However, Larry Åberg, owner of *Kunskapskryssaren*, puts risk into the context of the lack of knowledge and limited time that people have in today's society. Although information about how we can live and act sustainably exists and can be accessed, people today cannot be bothered to spend time on that. The risk lies in our inability to absorb information and act on it. Furthermore, Eva Järnnäs, owner of *Miljö och Kvalitetsutveckling*, argues that it is risk management to work sustainably, otherwise one might get in trouble for not practicing environmental management. She also brings up efficiency aspects, which are mentioned by a few others as being relevant too, where sustainability is seen as a way to become more efficient and save resources. Eva Järnnäs connects efficiency with efficient resource management, which benefits the economic aspects of a company. Initiative from employees is mentioned by one company, *Himla AB*, where the younger employees are understood to be especially concerned with this. Eva Engelbert believes that few would consider employment at a company that did not have such values in place.

### 5.2.7. Stakeholder influence

The interviewees explain that they get inspirational influence from other companies, and through networks and customers. Interaction with others might spark new ideas and activities. The demand from customers and the public is also an important stimulus. When the public opinion changes it affects companies and what demands they must relate and adapt to. For *Himla AB*, their relationship with their suppliers is considered essential for their business. Eva Engelbert describes how the company often visits its suppliers to discuss work routines and improve the production. The company strives for long term relationships that are built on reliability and trust. Many interviewees emphasize that it is mostly their own commitment that affects how they work sustainably rather than being influenced by others. As mentioned earlier, it is a feeling of doing the right thing, a meaningful job, and that CS is part of the core business structure and idea.

For some of the self-employed companies, their motivation stems partly from what their customers need and how the clients in turn motivate their chosen strategy. These customers are motivated by almost all the reasons mentioned above; initiative from the management, demands from their customers, compliance with legislation, marketing, profitability, competitiveness, and efficiency. It is a brand imaging issue, where the business customers need to show their clients a certain image filled with actual content and not just empty words.

One interviewee is outspoken about her disappointment with her stakeholders. Anita Roll, owner of *QTEMA AB*, is frustrated with the response from external stakeholders in particular. She sees a very low level of activity among others in her industry, which deals with services. In her case the ambition is to be an inspiration for others to start their development.

## 5.3. Implementation and day-to-day practice

Very few of the companies have formal strategies and policies that they follow. More often practical examples of what they do are offered. Their daily routines concern issues like transport, relation with suppliers, contact with customers, company purchases and business routines. In the cases where the companies have some kind of policy, they are seldom formal or written down. CS has become part of how the company members work and think without needing to formalize it in policies and strategic documents, also with the possibility of development in mind. Some companies have a presentation of their environmental policy or similar descriptions on their websites and others, like Göran Schnitzler, have a written policy they check off once in a while. Larry Åberg's company *Kunskapskryssaren* has developed their own learning philosophy called "Lekologi", which essentially incorporates a sustainable mindset into the everyday activities at the preschools, where the children learn to compost, farm vegetables and understand at an early age how the

ecological system works (Kunskapskryssaren, 2015). Jan-Anders Jönsson's company *Informationsbyggarna AB* has created a tool, an environmental calculation system called Anavitor, to help their customers measure the life cycle cost of buildings and do life cycle assessments (LCA). Mathias Eriksson's company *Ekbergs Fönsterputs & Städ AB* started working more with their core values after taking a course in communication. Their four core values (sustainability, commitment, learning and safety) are now part of their internal training and are essential when working towards long-term relations with customers as well as integrated into the management of the business.

Actual measures presented by the interviewees are lessening transport with car or buying an electric car, minimizing energy consumption and resource use, educating and influencing suppliers to be more sustainable, helping customers improve their CS work, and buying more responsibly produced products among others. The personnel in charge of coordinating, implementing and planning the companies' CS work is most often a senior within the company: the owner and/or manager, the purchasing manager, and the board or management. To facilitate the transition towards a more sustainable business practice many of the companies involve their employees through discussions at meetings, internal training, and establishing CS activities as a natural part of the daily routines.

The majority of the interviewed companies works mainly with environmental aspects in their everyday work. However, a significant number of the companies (9 of 18) mentions the social dimension specifically and considers it to be important as well. Some handle this by contributing to various social projects, while others also have the social aspect incorporated into the business idea of CS, where the focus often is on managing the working environment to ensure happy, safe and productive employees.

Of all the companies six of them work or have worked with environmental management systems, ISO standards in particular. Willy Karlsson, owner of *Eventsees AB*, has been involved in the development of such systems and helps customers get certified and deal with the many steps of managing systems. Eva Järnnäs, owner of *Miljö och Kvalitetsutveckling AB*, works with both environmental and quality management systems when consulting customers. At *Meiszners Mekaniska AB*, they have an operations manual including routines regarding their ISO standards. Torbjörn Johansson, owner of *S.Q.S. Kvalitets- och Miljöledning AB*, is following his own version of an environmental management system where he calculates CO<sub>2</sub> emission among other things. Anita Roll, owner of *QTEMA AB*, regrets that the efforts made to follow a quality management system on environmental issues failed because the company could not keep up the work in the long run. Tage Andersson, owner of *Korallen AB*, explains that environmental management systems turned out to not go together with the company's more practical side, so they have chosen to work on their own. Apart from these six and Jan-Anders Jönsson, whose company, *Informationsbyggarna AB*, work with LCA tools, few of the other companies in the study use actual business tools in their implementation.

How the companies communicate their business practice to their customers and other stakeholders varies a lot. Some do it through their website, some do it face-to-face, some hold lectures or do consulting, some through marketing material, some through their stores, some through networks, and lastly, some through social media. Of the 18 participating companies 8 of them have websites with information about their sustainability work. Common words used in those presentations are sustainable development, use of resources, lessening environmental impact, lessening impact of transport and recycling of material. The presentations are not very long and quite informal in nature. One of the interviewees, Göran Schnitzler, provided a written environmental policy with concrete goals that he checks off when they are accomplished.

#### 5.4. Effects of CS work

The number of companies that follow-up their CS work is very divided. Of all the participating companies 12 of them have some form of evaluation, with 6 of them following certain procedures while the others do it in a more informal manner. Rather than having strict measurements or any evaluation many of the interviewees emphasize the estimated feeling of being a good person and doing something meaningful as a positive effect of their CS work, having a clean conscience so to speak. One of the companies that do follow formal procedures is *Korallen AB*, where the owner, Tage Andersson, explains that because the company do dye-works they have to fill in environmental reports and present to the municipality. He also emphasizes that working sustainably requires time, it is change management rather than a quick fix for companies.

Economic effects are discussed by the interviewees. For some interviewees CS work is not very profitable while others are more concerned with profits. For Göran Schnitzler, owner of *Skärgårdsarkitekterna AB*, it has not been very profitable to work sustainably. His investment in an electric car is not feasible as it is today, however he still considers buying another electric car. As mentioned earlier, for Robert Granström, owner of *Granströms Utv AB*, the profit has shrunk, however the response he has received and the long term benefits outweigh the negative consequences according to him. The perspective of Eva Järnnäs, owner of *Miljö och Kvalitetsutveckling*, is that there is an evident connection between working with these issues and getting an income; she can make a living from it.

On a social and environmental level, Larry Åberg, owner of *Kunskapskryssaren*, can see that people connect through this and find ways to cooperate. For Jan-Anders Jönsson, owner of *Informationsbyggarna AB*, the imminent effect is that more people are understanding the value of a life cycle perspective. Willy Karlsson, owner of *Eventsees AB*, often looks at how environmental management relates to the economic aspects of a corporate customer. Environmental goals often imply economic profit, e.g. energy savings also benefit the economy and environmentally good products are sought by their customers too due to higher awareness. Torbjörn Johansson, owner of *S.Q.S. Kvalitets- och Miljöledning AB*, can see that his customers have attracted bigger and more important customers as time passes because of their certifications and improved sustainability work. In the long run Frans Meiszner, owner of *Meiszners Mekaniska AB*, thinks the company has changed behavior and uses material more efficiently now. Although there is a threshold to overcome the outcome and response have been positive. He reasons that small steps in the short term lead to long term change and improvements. Depending on the business its actual impact on the environment varies. The companies working with consulting see a smaller environmental impact than those who work with production and other more resource-heavy services. Anita Roll, owner of *QTEMA AB*, argues that, although the impact of the company is insignificant in the bigger picture, one has to take a stand and communicate that in hope of influencing others. These statements show that the economic, social and environmental aspects of CS and sustainable development are closely intertwined.

The response from stakeholders varies between the participating companies. The efforts made by the companies are many times appreciated by the customers, which is the case for Fridus Vis and Roswitha Robijn, owners of *Bergsmansgård Tolvsbo AB*. This approach is part of their identity and their customers notice that. However, other companies feel the opposite response. Anita Roll, owner of *QTEMA AB*, perceives the response to be very low and understands it might be linked to the service industry, which is generally less concerned with such questions than other industries who use more natural resources and have a greater environmental impact to be concerned about.

## 5.5. Barriers to working sustainably

The interviewees see many advantages to working sustainably: a competitive advantage, an improved company image and reputation, a higher level of commitment among employees, a clean

conscience, saving money, a fun way of improving the business, creates attention and focus on these issues, a more conscious behavior, increased knowledge, and satisfaction from doing a good effort.

However, the barriers brought up by the companies are many too. Time and money are most often mentioned as constraints, due to company size and structure. It is mentioned that some industries do not encourage this kind of business practice as much as others. A low level of knowledge or disinterest in the topic within the industry is not a good incentive for companies considering working with CS. This is linked to the external pressure, or rather lack thereof, within an industry. Some interviewees think an increased level of awareness about this topic in certain industries would benefit businesses.

One barrier is the size of the company, which creates limitations. Fridus Vis and Roswitha Robijn, owners of *Bergsmansgård Tolvsbo AB*, state that they would have liked to invest more in energy savings, however, sustainable solutions are expensive and small businesses do not have the financial support they need. Frans Meiszner, owner of *Meiszners Mekaniska AB*, reasons that we can afford to produce and work sustainably in Europe, while the conditions are different in for example China. The less sustainable products are then shipped to Europe and sold for a cheaper price, and here people are dumb and buy these products, that is a barrier for manufacturing companies in Sweden.

Robert Granström, owner of *Granströms Utv AB*, emphasizes that a gap between urban areas and the countryside exists, which is displayed in how the sustainable solutions presented often are related to urban environments and circumstances. Thus, the understanding for rural conditions is overshadowed by how the big cities want to tackle sustainability issues. Furthermore, Eva Järnnäs, owner of *Miljö och Kvalitetsutveckling*, sees a gap between academia and formal language and the more business oriented jargon and suggests less technical terms to make business people understand sustainable solutions and ideas better.

## 5.6. Summary

To summarize this chapter, the reasons for motivations for the participating companies are mainly strengthening their competitiveness, marketing, profitability, initiative from the management or board and personal interest and commitment. Some of the other reasons for motivation are incorporated into some of the answers given for these reasons, thus one should not look at this division of motivations as absolute. Although other stakeholders have influence, customers in particular, a majority of the companies emphasize that their will to work with CS stems from their own beliefs and values.

The daily business practice is very pragmatic and less strategic in character. Few of the companies have formal policies and plans, and fewer use management tools in their implementation. The owner-managers involve the employees through meetings, workshops, internal training and establishing CS as a natural part of the work routines. The communication with external stakeholders take many forms, from face-to-face meetings to lectures and marketing material.

The effects of CS on the businesses are not straight-forward. Some of the companies are concerned with profit while others consider other aspects more important in the long run. The economic, social and environmental dimensions of sustainable development are mentioned in various contexts to the effects of CS work. Because many of the companies' motivation stems from their own interest and commitment to do CS work, some of the perceived effects are also found to be personal in character.

The positive effects of working sustainably are many, however there are significant barriers too.

Time and money constraints, lack of external pressure and interest, and the sometimes high threshold to overcome when starting to work sustainably are some of them. A large number of the companies have suggestions for enabling CS work in Swedish SMEs: more education and information about CS practices, presenting good examples, showing the economic benefits from working sustainably, supporting companies rather than controlling them, making the transition to a more sustainable business practice simpler, enabling more networking, and educating customers as well as public procurers. There is no agreement on whether legal actions are needed or wanted. Some companies think it might become necessary if companies in general move too slow while others do not think legislation is the right way at all, only making business practices more locked.

## 6. Analysis

In this chapter the analysis of the empirical findings is presented. The chapter is divided into sections corresponding to the sections in the previous chapter as well as the research questions. The developed theoretical framework aids in the analysis of the empirical data, connecting the findings to a broader research context.

### 6.1. Reasons for motivation

The three overarching reasons for motivation according to the theoretical framework described in Chapter 2 are business objectives, external pressure and morally driven, thus the analysis of the presented motivations is divided into these three categories. In the answers given to reasons for motivation, there is an overlap between initiative from management and board, and demand from owner. In the study all of the interviewees, except one, are the owners and/or managers of the company. Thus choosing this alternative means in reality that the interviewees see themselves positioned at the center of what the company does and why. The division of choices between similar alternatives might imply a varying understanding of the alternatives given. A majority of the companies reasoned around more than three choices, which makes the analysis of their answers more interpretational, i.e. their overall answer on the question is analyzed rather than only the alternatives they picked, which gives a more holistic picture of their motivations.

#### 6.1.1. Business objectives

According to Brown and Forster (2012) there is a legitimate business reason for engaging in CS activities because they can benefit the business through reducing costs and minimizing risks while also increasing the competitive advantage and overall reputation and legitimacy of the company. Many of those points are found to be true for the participating companies. Also Swanson (1995) and Parker et al. (2009) consider the economic aspects of working sustainably. The main reasons put forward in the study corresponding to business objectives are strengthening the competitiveness and profitability aspects and partly marketing, which show that the possible impact on business performance is an important reason behind working with CS. On the other hand, the companies that did not choose these reasons are seemingly more focused on other motivations, which drives the assumption that business objectives are important, although not the only reasons motivating companies to work with CS. Marketing was also ranked high as a motivation, which can be put under business objectives since good marketing leads to more customers and better reputation and consequently affects the business performance. Having a certain company profile attracts certain customers and will consequently increase the competitiveness towards a specific customer.

#### 6.1.2. External pressure

The demands and pressure from other stakeholders can be substantial. Brown and Forster (2012) mention coercive motives where there is an obligation for companies to provide social benefits while also pursuing reputational effects and reducing costs. Swanson (1995) put it differently in negative duty, which means meeting demands from stakeholders, implying that it is a duty wanted by stakeholders and not an initiative from within company. Parker et al. (2009) bring up compliance, i.e. following legislation and reacting to stakeholder demands. Companies following this motivation would only do what is required by law and nothing else since that would entail more costs. In this study the external pressure is not perceived to be that significant, other reasons for motivation ranked higher among the interviewed representatives. Some of the companies chose demand from customers, the public and threat from future legislation, however the numbers were very low overall. This can be interpreted that the participating companies are found to have more internal pressure than external pressure to perform sustainable business practices.



### 6.1.3. Morally driven

The most important reason for motivation overall among the companies turned out to be personal interest and commitment to the cause. Brown and Forster (2012) mention altruistic motives which disregards economic benefits while Swanson (1995) presents her notion of positive duty, which means helping others rather than having a self-interest to fulfill. Both Williams et al. (2013) and Hemingway (2005) emphasize the importance of values while Parker et al. (2009) propose an environment-driven company, which focuses more on environmental goals than financial goals. The results from the study show that the participating companies regard their own commitment and values highly and significant for pursuing a more sustainable business model. Some of the companies go as far as stating that it is the most important reason for motivation, which supports the theories that argue that companies can be morally rather than financially driven. Many of the interviewees mention the feeling of fulfillment, doing the right thing and having a clean conscience. All those things can be understood to be an effect of being morally driven; your inner self is filled with satisfaction from the actions you have taken to pursue your values.

## 6.2. Stakeholder theory

The approach taken regarding stakeholder theory was to apply the integrative type of stakeholder theory. That means an identification of relevant stakeholders, exploring the effect of stakeholder management on the accomplishment of business objectives and a discussion of the purpose of business today. The results from the interviews present a clear picture of which external stakeholders are relevant for the participating companies; customers, suppliers, corporate customers and the public. The relationship with these stakeholders often goes both ways, i.e. the companies try to influence and are influenced themselves by the stakeholders. Still, many of the companies emphasize their own commitment rather than the influence from external stakeholders as the most important driving force. They do take the opinions, inspiration and demands from these stakeholders into consideration, however, their own views and ambitions often influence them more. This is interesting because it shows how important it can be to have your own opinions, values and demands to follow rather than be affected by external voices. The interviewees were all agreeing on the point that what matters is your own attitude and approach. This can be understood that the purpose of business today is perceived to attend to societal needs and demands rather than only serving the company's business objectives. However, the business objectives might be to meet societal needs, in which case the two goals converge.

## 6.3. Implementation

According to the extant literature on CSR formal strategies and policies are common. However, another conclusion is that this kind of implementation style is more common among larger companies than among SMEs. The statements made by the interviewees support this view that smaller companies deal with sustainable business practice in ways that are seldom formal and often involve more pragmatic and hands-on activities. A summary of the described implementation theories in Chapter 2 is that companies can implement CS through compliance, internal change and through working with their external stakeholders, using tools that can aid the process. Additionally, the support from the management and employees is considered crucial for a successful implementation. The following sections will go through the three suggested approaches to implementation of CS.

### 6.3.1. Compliance

The majority of the interviewees consider themselves to be complying with regulations and norms of acting sustainably. The Swedish laws are already quite strict on areas like labor rights and working conditions, environmental issues and anti-corruption, thus a company only complying with the regulations is still better off than in other countries where there are less regulations on such areas. Developing standards of behavior to ensure a high level of ethical quality within the company does not seem to be an issue connected to compliance as such according to the empirical findings. These kind of standards seem a bit too standardized to fit with SMEs and their more diverse company structure. However, introducing new routines to secure the workplace and other measures can perhaps be seen as complying to norms and regulations.

### 6.3.2. Internal change

Many of the interviewees that believe compliance to be apparent and a necessity are more focused on the internal change in the company. The integrity strategy fits into how a majority of the companies work with CS; the responsibility and integrity are on the individual worker, which is reinforced by the internal routines and norms set by the management, often together with the employees. How successful the implementation turns out is also dependent on how well the employees respond to the imposed change; whether the change is seen as needed to develop in the right direction, how well the activities and plans correlate with the overall business model, and whether the change can be done efficiently. All those factors are mentioned in the responses to some degree, the most prevalent being whether the employees are willing to follow the management's lead.

Frans Meiszner, owner of *Meiszners Mekaniska AB*, describes how his employees were opposing the proposed improvements in the beginning and how they eventually realized the increased efficiency and risk reduction produced by the new routines. Thus, the employees can be persuaded over time to see the benefits from the activities, both for themselves and for the business. Other interviewees bring up how important it is that the employees are involved in the implementation as well as development of the CS activities. Thus, without the support from the employees the implementation has very little chance of succeeding. Eva Engelbert, vice manager of *Himla AB*, reflects that the company has been more focused on working within the company to change routines than communicating externally to their stakeholders. These statements support the second strategy, internal change. Almost all the interviewees are owners and often also in a managerial position, which means that they are at the center of the implementation and often in charge of the process themselves. Consequently, their support for CS is evident and strong. Many of the interviewees point out that it is their own commitment and values that decide how they work, which is more apparent in the self-employed companies where one holds all positions in the company; being both owner, manager and employee.

Although Graafland et al. (2015) promote an increased use of formalized tools in SMEs, the dominant tool used by the participating companies is ISO standards, both by themselves and through supporting customers in becoming certified. A few companies also work with life cycle assessment (LCA) tools, but it is also seen as a complex tool to use. This result is noteworthy because many of the companies also recommend more governmental support to make the transition easier for those companies still weighting whether to move towards more sustainable business practices or not. In that support more suitable tools for SMEs are suggested. One of the interviewees, Anita Roll, owner of *QTEMA AB*, started using an environmental management system in the company and then failed to keep up the work when the load became too much to be maintain over time, which she regrets now. The fact that management systems and other tools require constant maintenance and consumes a lot of time, personnel and money does not give SMEs incentives to use such tools.

### 6.3.3. Dialogue with external stakeholders

Dealing with stakeholders is definitely part of working with CS. The importance of accountability and transparency is perhaps not as apparent in SMEs than in larger companies, which are being more scrutinized by external stakeholders. The demand for sustainability reports and audits is found to not be frequent for the participating companies, and when there are demands for formal documentation it often comes from public stakeholders and bigger companies with more demands pressuring them. Then again, if the customers require better business practices, the interviewees maintain a willingness to respond to those demands as long as they are sensible, which some of the interviewees do find difficult sometimes. This discovery is interesting because it deals with how the companies choose to respond to the demands from external stakeholders. If the demands are seen as manageable and might possibly have a positive outcome on the business, then the reaction will most likely be to meet those demands. However, if the company perceives the demands to be unreasonable and based on lacking knowledge, then the response has been found to often be the opposite, or trying to compromise and show the stakeholders what would be a better solution with their greater knowledge of working with such issues.

Communication is assumed to be an important part of CS and the interviewees' answers show that communication can take many forms. It is seldom about reporting, auditing and presenting revenues, and rather about influencing customers directly to make them aware of their role in contributing to a more sustainable development as well as informing stakeholders about the companies' CS work. Environmental policies are common among the participating companies, however the policies often seem to be simple and straightforward, e.g. the policy provided by Göran Schnitzler, owner of *Skärgårdsarkitekterna AB*. His stated goals are simple in nature and involves concrete measures, i.e. accumulate less garbage, only buy products that are environmentally certified and use the car less while taking public transport more. Perhaps the internal communication is more important to these companies. Many of the interviewees try to involve their employees in the change process and the continuous work, often with good results. If the employees feel involved they are more receptive to further change, which increases the chances of a successful implementation. Eva Engelbert, vice manager of *Himla AB*, reasons that the company has been slow in marketing their CS work to customers and focusing more on the internal process, and in hindsight she is happy that it is not the other way around which would have been more questionable. Transparency and accountability might not be as relevant for SMEs as for larger corporations with more at stake, however keeping an open communication with stakeholders is still considered important, not least to keep up with the expectations and demands.

## 6.4. Effects of CS work

Many good effects are seen and perceived by the interviewees. Some of the companies have seen an increased interest from customers, an improved reputation and recognition leading to higher profits and economic savings. Others have noticed positive reactions from stakeholders, increased employee motivation, positive effects on company image and a feeling of satisfaction from making the right choices. These effects can be measured in both monetary and non-monetary terms, although very few actually measure the effects in numbers. Many of the interviewees have emphasized the intuitive feeling of doing the right thing, having a cleaner conscience, which is perhaps mostly a non-monetary effect and benefit of working with CS. Thus the CS work can be noticed to affect the business performance for the participating companies, at least on a perceptive level.

### 6.4.1. Economic, social and environmental effects

According to the empirical results many of the effects belong to the economic aspects of business performance, however some of them are also directly impacting the environment in a positive way, e.g. a more efficient resource management. Additionally, an improvement of the social environment

at the company most probably increases the productivity of the company, meaning that if the employees feel involved in the CS work they will also be more productive. Effect brought up by the interviewees can fit into both the economic, social and environmental box, which strongly shows that all three aspects can be connected to each other since one affects the other and vice versa in both positive and negative feedback loops.

All the benefits can be understood to affect the company's continuous work in a positive way, hence called benefits and not costs. Positive response and other benefits increase the support for and motivation to do more CS work; it becomes a positive feedback loop. However, one can question these responses when considering the fact that not too many of the participating companies actually evaluate their CS work in other terms than merely estimations of the effects. The question here is how the interviewees can claim to observe changes and effects if they are not evaluating or measuring the impact of their CS activities? Of all the companies only 1/3 follow formal procedures, which corresponds to the results presented in the report by Beyond Intent and Företagarna (2015). Some of the companies that use formal practices such as ISO standards and environmental reports do measure their impact in several areas to meet the requirements from the standards and stakeholders like the municipality where they operate. Perhaps the conclusion from these findings is that a perceived improvement and benefit are just as important as actual measurable numbers.

As mentioned by Morsing and Perrini (2009) the estimation of effects of CS is difficult, perhaps especially when it comes to the economic factors. If the CS work is fully part of the core business, how can a company separate and know for certain how CS has affected their business economically? Tools like ISO standards and various kinds of reports consume too much time for the average company in the study to engage in such practices. The tools that would be required to do precise measurements do not seem to exist for SMEs at least, which would most probably be time consuming as well. With a majority of participating companies estimating effects based on informal measurements and follow-up the perceived benefits must be questioned. However, perhaps perceiving a difference is enough to strengthen the motivation to continue on the sustainability path. The need for measurements and evaluations does not guide these companies' CS work. This might be a finding that is more aligned with how SMEs work than trying to force them to adopt more formal practices that require skills, manpower and time that many of them do not have.

## 6.5. Barriers to CS work

As stated in the section above, the benefits from working sustainably are found to be many. However, the costs and barriers are significant too. The issue with money and time can be connected to the size and more informal structure of SMEs, where fewer employees have more duties than one, which require them to prioritize issues. Sometimes that means prioritizing other duties than dealing with CS, since it is very time consuming. The heterogeneity in SMEs and the industries they operate in also make the group less predictable than larger companies that primarily tend to their shareholders. The fact that some governmental strategies for sustainable development are focused on the urban context, which was brought up by Robert Granström, and thus not taking into consideration the conditions for companies situated in rural areas and their possibilities and difficulties in meeting the same expectations is interesting. It is perhaps not the first barrier that one considers, however, it can be an important one if more companies in rural areas are to be motivated to do CS work. The idea of transitioning from a car society to a bike and public transport society is apparently less feasible on the countryside where distances are larger and transportation opportunities are fewer. Thus, there seems to be not only a gap between SMEs and larger companies, but also between rural and urban areas. This might be an aspect to study more to better understand how that might affect CS work in SMEs.

## 6.6. Summary

The empirical findings can be analyzed using the theoretical framework. Some interesting remarks is that the difference between industries was not found to be that noticeable in the study apart from some responses. A consensus around reasons for motivation to work with CS was unexpected with the preconceived assumption that a difference would be detected because of the diversity of branches and size variation. Furthermore, particularly external stakeholders have less influence over the participating companies' business objectives and implementation than anticipated. Although, one is expected to not bring personal preconceptions when conducting research, it is impossible since we are social beings and thus shaped by our social context, which we cannot escape. I have dealt with this issue by attempting to not include my preconceptions during the data collection and analysis process.

The developed theoretical and conceptual framework can be understood to interconnect all the various phases and aspects, leaving no one independent and unaffected by the others. We have found that stakeholders affect motivation and to some degree implementation, and vice versa are affected by the outcome of the implementation. The reasons for motivation affect implementation and are then affected by the outcomes of the CS work, both positive and negative. The implementation process is also affected by the outcome of the activities, possibly leading to improvements of the practices. The effects of the CS work are affected by the implementation as well as the support and engagement in that process, and in turn influence the stakeholders and their response, the continuous motivation and further implementation.

Summarizing the analysis, the empirical findings to a high degree confirm what was argued for and described by the presented scholars in the literature review and theoretical framework. The data also generated new insights to how the participating Swedish SMEs look at their role as a societal actor, which might be helpful to both practitioners and decision-makers in future support programs and tools for SMEs.

## 7. Discussion

The views presented by Spence, Jenkins and others have been confirmed by the empirical findings of this study; that SMEs behave and think differently from what is assumed about larger corporations. This affirms that there is a need to study SMEs more closely to understand their context and circumstances for working with CS. The question is whether it is possible to change the overall CSR research to cover SMEs more accurately. It is undoubtedly easier to interview large companies that might have a whole department working with sustainability issues and really want to promote their work rather than finding enough SMEs willing to participate in qualitative studies, which might require them to take time off to participate. My study with 18 participating companies would have been more difficult to conduct had it not been for my cooperation with the sustainability firm Beyond Intent, who provided me with contact details to these companies. The time spent on finding similar companies on my own would have consumed a lot of time.

The participating SMEs behave in various ways that cannot be likened with larger companies, they are not simply smaller versions of “big” companies. They do not have the same need for marketing their CS work with reports, policies, strategies, which is perhaps due to having less contact with customers and the public to the same extent as bigger enterprises, they are less scrutinized. The heterogeneity of SMEs is important to reflect on to understand how they behave. Different industries in Sweden have realized the importance for working sustainably to various degrees, at least according to some of the interviewees. For some sectors it is a necessity to have a good resource management and save money, which make the companies more sustainable because they also save resources. Others are less concerned with this because they consider their environmental impact to be very low and insignificant compared to other industries, thus thinking that they do not have the same obligation as others, which frustrated some interviewees.

The relevance of stakeholder theory to this study can be discussed. What responsibility do companies have towards their stakeholders and their demands? Do they have to meet them or can they cast those opinions aside if they think them unreasonable? This study has asserted that SMEs do care about their stakeholders, both internal and external. Additionally, some stakeholders have more influence than others on how the companies work with CS. All of the interviewees state that the companies actively work with their most important stakeholders to improve the relationship and meet demands. However, an interesting finding is that a majority of the interviewees emphasize their own influence on the business practice, that their own demands are as important or more so. Still, one can conclude that stakeholder theory is applicable when studying SMEs and their business behavior and relationships.

The simplistic understanding of companies doing profit-maximization and only complying with legislation as Friedman (1970) stated is not seen to be applicable here. According to some of the interviewees the mindset of resource management is inherently economic and is better for business, although it can be seen from an environmental perspective. The motivation is to a large degree personal and as such less driven by ordinary business goals. Many of the interviewees repeatedly mention that their own beliefs, values and commitment drive them to work sustainably, which sometimes go against their profitability. They can see the long term work and positive effects of CS, which is deemed more important by most of them. Even the interviewees that are not outspoken about their own commitment and rather pursue the economic benefits from working sustainably are contributing to reduce the overall environmental impact human civilization has on the planet.

The other aspect of sustainable development, the social dimension, has not been highlighted to a

notable degree in this study, the focus has often been on the environmental business practices that the companies engage in. Although some interviewees have mentioned their interest and concern for social engagement, it seems that these companies understand the environmental aspect to be of greater importance. Yet, one can wonder whether it is possible for SMEs to accurately measure their environmental impact if it requires tools they do not have or can manage. Another reading could be that most of the participating companies deal with services that are more closely linked to the environmental dimension, which require them to engage in social activities outside their business. Yet, quite a few of the companies work actively with improving working conditions, both within their own company and for their customers, that is a social aspect of CS.

I have been fortunate enough to present my study at a seminar arranged by Almi, a government-owned company helping Swedish SMEs to grow and develop. The response from the listeners, mostly advisors, was very encouraging. During the subsequent discussion emphasis was put on increasing the collaboration between academia, the business sector and the public sector because the exchange of knowledge and experiences is crucial for a sustainable societal development. More studies about SMEs was also asked for, especially qualitative case studies.

Lastly, a discussion on the generalization of empirical findings to a higher level. The aim of the research undertaken was to answer three main questions about CS work in Swedish SMEs. With the abductive approach both empirics and theory are professed to be important. However, the aim was never to develop a new theory or test a theory, rather summarize what the prevailing dominating directions in the research field are and how my study can contribute to that development. The conclusions drawn in the report by Tillväxtverket (2015) correspond well to my study. Both the reasons for motivation and the perceived barriers are very similar. However, I have not found a significant difference between certain industries. Some of the interviewees operating within the same industry have presented differing views on the interest from stakeholders. This might be explained by the fact that the interviewees have experienced different environments and customers, which affect how they perceive the impact and influence they have. Thus, this is one of the differences between doing quantitative and qualitative research. Tillväxtverket might have detected the broader picture of sector differences through their survey, while I have studied individual differences within the same sector of business services in this case, showing that statistical findings might not explain the complexity of a whole population. Furthermore, neither of the reports by Tillväxtverket, and *Beyond Intent* and *Företagarna* include the diversity in gender, age and company age as possible explanations or circumstances that might affect whether SMEs choose to work with CS and how they implement their practices. These thoughts were brought up during the discussion at the seminar with advisors from Almi, which shows that they are possible angles for future research studies with relevance for practitioners and policymakers.

## 8. Conclusion

The aim of this qualitative study was to answer three overarching research questions: what motivates SMEs to work with CS, how do they implement CS and how is that managed, and lastly, what are the effects of CS work for the companies? Through semi-structured interviews I have collected responses from 18 representatives of SMEs in Sweden operating in various industries. The empirical results clarify the fact that SMEs behave in a certain way, which is also evident when studying how they manage their CS work. The interviewees express many reasons for motivation, with their own commitment and personal values being one of the major reasons. Other important motivations are strengthening the competitiveness, marketing, profitability and initiative from the management and board. The external stakeholders do have some degree of influence over how the companies implement their CS practices, however many of the interviewees emphasize their own commitment as significantly influential too.

The actual CS work in the participating companies is found to often be informal, practical and seldom following strict policies and strategies. Activities mentioned include transitioning to more environmental-friendly products and material, reducing emission of fossil fuels by taking public transport rather than car, recycling and a more efficient usage of material, and aid customers in becoming more sustainable by introducing routines, the right mindset and formal certifications. Some of the companies do work with more formal standards and such, however they also point out the importance of being a good example by conducting simple activities that lessen one's environmental impact. The social aspect of sustainable development has been mentioned when discussing the involvement of employees and improving working conditions. Some of the interviewees feel a social responsibility and consequently engage and contribute to social activities outside of the business.

When it comes to the effects of CS work, perceived and measured, the answers are often of a positive nature. The majority of the interviewees perceive that they get benefits from working with CS, especially a fulfilment of personal values and a clean conscience. Other benefits found are an increased interest from customers and other stakeholders, increasing profits, better reputation and image, more employee involvement and a stronger market position. However, many of the interviewees also mention barriers that make this transition for SMEs more difficult. CS work requires a lot of time and money, both of which SMEs often lack excess of. Other obstacles are how technical improvements often are very expensive, making them unaffordable for SMEs, and the lack of governmental support as well as the need for more appropriate tools for SMEs.

The empirical findings have answered the research questions in a satisfactory way. The study itself has generated knowledge which can hopefully be of use to researchers, practitioners and government officials in Sweden, and has the potential to inspire other scholars to conduct similar studies.

### 8.1. Suggestions for further research

Further qualitative research is needed to understand SMEs more completely. Observations over long periods of time to study the actual implementation and development of CS practices, and more in-depth interviews with various personnel within the same company would generate great sources of data and be a sound contribution to this research field. A greater diversity in age, gender and company age would also be valuable. Another interesting angle would be to study companies that have not made this sustainable transition and gain an understanding of their position, motivations and circumstances. Additionally, studying how governments are dealing with the governmental dimension of CS would be valuable to study as well.



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