

How Swedish SMEs
perceive their Corporate
Social Responsibility

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Acknowledgements

In view of the fact that this dissertation almost certainly will be my last academic work, I found it important to study something I regard as interesting and Corporate Social Responsibility is indeed such a subject. The idea of executing a study on CSR was born when I saw that Volvo Cars was about to benchmark the automotive industry and how their competitors are dealing with CSR related issues. The idea of study small and medium sized Swedish enterprises was hatched after reviewing previously work on CSR. I consider SMEs as a very interesting segment to study due to its collective size and since CSR often is linked together with larger organisations. I would like to thank Anna Nyström Claesson who has supervised me during this study. Furthermore I want to express my gratitude to all the participating SMEs which made this dissertation feasible. Last but not least I would like to thank my class mates who I have been sharing many coffee breaks, lunches, tears and laughs with during the dissertation voyage.

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List of abbreviations

BRC.....	British Retail Consortium
CC	Corporate Citizenship
CSR	Corporate Social Responsibility
EMAS	Eco-Management and Audit Scheme
EMS	Environmental Management System
GRI	Global Reporting Initiative
HRM	Human Resources Management
HSM.....	High Speed Machining
IFBWW	International Federation of Building and Wood Workers
IfM	Ingenjörer För Miljön, ~ Engineers For the Environment
ILO	International Labour Organization
ISO.....	International Organization for Standardization
LCA.....	Life Cycle Analysis
OHSAS.....	Occupational Health and Safety Management System
OSHA.....	Occupational Safety and Health Act
PSR.....	Purchasing social responsibility
QBL	Quadruple Bottom Line
SD.....	Sustainable Development
SMEs.....	Small and Medium-sized Enterprises
TBL.....	Triple Bottom Line
WBCSD.....	World Business Council for Sustainable Development
WSSD	World Summit on Sustainable Development

Abstract .This report handles small and medium sized enterprises' (SMEs') perceptions on Corporate Social Responsibility (CSR). It is a subject where larger corporations traditionally have been in focus. Nonetheless, SMEs is a collectively large business segment and how they perceive their responsibility are therefore of interest in the present discussion regarding CSR. The report begins with a historical retrospect of the corporate world's responsibility over the years and presents modern theory on CSR. The study is based on interviews with five SMEs which are put into a theoretical context. The SMEs' perceived obstacles, driving forces and achievements in the spirit of CSR is discussed and analysed. The participating SMEs differ in size, type of business, location and how much they are focusing on CSR related issues. The aim is to get different view points from the Swedish corporate arena. CSR is an extremely complex issue with no general definition which contributes to a conceptual confusion which this report will try to remedy. The outcome of the study supports in many ways the current theoretical findings but also that the interviewed SMEs have more CSR activities than they are aware of. The results also stress the fact that companies need to see the benefits of dealing with CSR clearer in order to work with social and environmental issues. A complex topic concerning CSR seems to be the recognition perceived by the SMEs that the Swedish authorities are putting a greater responsibility on the SMEs than they desire. At the same time there is a pressure on the market and the SMEs to become more global at the same time as competitors tend to act less responsible. The focus of this report is to map general perceptions and activities in SMEs that are related to CSR.

Keywords: *Small and medium sized enterprises, SMEs, Corporate Social Responsibility, CSR, triple bottom Line, TBL, driving forces, ethics.*

1. Introduction

The trend among larger corporations is to report not only on the financial and the environmental progress but now also what the company has obtained from a social point of view. Sustainability reports are getting more and more common among the larger corporations, but are still rare among SMEs. Is this something that will change in the near future, is there any idea and benefit for SMEs to report on CSR, and how do SMEs themselves perceive the CSR agenda?

SMEs are an extremely important group due to its collective size with huge impact on the environment and for society in a broad-spectrum. The SME sector represent more than 99% of all private Swedish companies and account for 60 percent of total employment in the private sector (Antonsson, 2002, Nutek, 2004). This study will illuminate the fact that SMEs often are a neglected group of companies in the present discussion regarding CSR. The focus has often been on larger corporations within specific branch of industries along with infrastructure issues as transports, energy production and waste issues but it is essential to involved SMEs in CSR since they possess a unique role in local communities (Castka et al, 2004).

This study begins with bringing up CSR from a historically perspective to get a deeper understanding of potential driving forces on the field. Theory about bodies promoting CSR and why the corporate world is applying CSR are brought up together with potential obstacles. This study has got a qualitative approach carried out by company interviews based on a wide literature review and gathered information from a visited seminar arranged by IfM (Ingenjörer För Miljön, roughly translated as; Engineers for the Environment). IfM is an association which aims to disseminate knowledge and introduce discussions about sustainable technology. Some of their key issues are the role of technology in a sustainable society. In their view technology is a good tool but not the solution. The seminar's topic was: Do the companies take their CSR? At the seminar Catarina Munck af Rosenschöld, from Volvo Cars furthermore vice chairman of the developing process of the ISO 26000 standardisation series, which will be further explained in this report, and Magnus Enell, former responsible for ITT Flygt's work on Sustainable Development and CSR, were speaking about CSR and issues concerning the subject. The study is initially presenting the present theory on CSR in general and on SMEs in particular, followed by a presentation of the method used to fulfil this study. The gathered data is analysed, discussed and finally concluded before future research are suggested. Each chapter begins with a short preamble of the chapter scope to make the dissertation structure overview more lucid.

1.1 Purpose statement

The study will contribute with identifying reasons for SMEs to venture in specific CSR issues. Furthermore, the study will identify SMEs prevalent problems for applying CSR within their businesses as well as things that stimuli extensive work within the CSR field. The study will be focusing on SMEs that have an accommodative and proactive approach respectively.

The aim with the study is to see how SMEs consider their CSR and understand what they consider as important. Conclusions for future work on CSR for Swedish SMEs will be drawn. The study involves five companies which have contributed to the study by their experience from the corporate world. The purpose is not to become engrossed in the enterprises' work but to get a holistic view of what their driving forces, their stimuli's and their obstacles are.

1.1.1 Study question

To carry out this study, a study question which will establish a central direction of the study is defined. Osborne (2005) claims that it should specify some kind of measurable relationship between variables. Hence the question, which will serve as a foundation for the study, is merely designed as a variant of the study's title. The definition is:

How do Small and Medium sized Enterprises in Sweden perceive their Corporate Social Responsibility?

The scope of the study question is relatively wide and will not be possible to be answered if it is not divided into more specific questions. How this expansion of the study question is developed is presented in this report's method section but will cover areas of condition-, management- and operational performance indicators.

1.2 Delimitations

Most theory on CSR includes mixed empirical findings of the examined relationship between CSR and corporate performance, there findings have ranged from positive to negative to simply no relationship at all (Carter & Jennings, 2002). This report will, however, exclude this kind of theory and put the SMEs opinion on CRS in centre. No reactive (CSR-hostile) companies are participating in the study, and no master plan of how to achieve a Sustainable Development is presented.

2. Theoretical Framework

The theory on CSR is wide and could therefore be seen as complex and brushy. The intention with this chapter is, however, to clarify the scope of CSR and bring up its different dimensions.

2.1 Historical perspective

Sims (2003) claims that the interest for business ethics and CSR during the past three or four decades has heightened and is a result of major headline-grabbing scandals. Furthermore, the society has tended to taken an on-again, off- again interest in the topic, but lately this interest has grown to great concern. In a time when people demonstrate their concern and engagement in e.g. environmental issues, ethic or questions regarding multiethnic, it has also been expected for the corporative world to do so. According to the Confederation of Swedish Enterprise (2004) (Svenskt Näringsliv) the free business activity is the most important prosperity creating driving force in the world. Furthermore, the Confederation claims that the discussion regarding CSR too much have been focusing on environmental issues in the past and that it is of importance that the financial dimension will get more room, since money has a tendency to create new opportunities. The economic growth is preferable used as an engine for the development of social and environmental issues. From a historical perspective, there have been three different eras on the responsibility debate. The first era began in the 1960's, the second in the 1980's and the third in the mid 1990's.

2.1.1 The awakening – the first era

The first signs of that something is wrong appear; species of birds disappears and the seals are having problems reproduce themselves among other things. Pollution is held responsible for what is happening and at the United Nation's Environment conference in Stockholm 1972, the environmental issue is for the first time considered to be of internationally concern. As one of the first countries, Sweden introduces environmental legislation and the enterprises begin to invest in sewage treatment works along with other things (Bingel, Sjöberg & Sjöqvist, 2002).

2.1.2 Corporate environmental responsibility – the second era

After the discovery of the ozone hole and the UN conference in Rio de Janeiro 1992 the corporate world makes great progress in corporate responsibility. The ISO 14000 series is being developed and introduced and the focus are shifting from pollution to the actual products in shape of consumption and use of the products (Bingel, Sjöberg & Sjöqvist, 2002).

2.1.3 Global sustainability – the third era

The environmental issues are now day-to-day business within many companies. Within the existing global economy, the corporate world's power and initiative are being discussed. Trademarks are being attacked and many corporations are replying

with reporting their performance, not only within the field of the environment but also in the field of social issues. The concept of “sustainable development”, which has its origin in the Bruntland commission report: A common future, as early as 1987, are finally beginning to reach the big audiences. It becomes generally accepted that sustainable development is a matter not only of environmental issues but of economy and social responsibility. Focus has shifted from environmental issues alone towards social and ethical responsibility (Bingel, Sjöberg & Sjöqvist, 2002). One example of this is the “Decent Work and the Millennium Development Goals MDG 8” Which reflects the Millennium Declaration’s call for global partnership for development and addresses the way countries can work together to achieve goals (ILO, 2006).

2.2 Characteristics of SMEs

Before the theory on CSR is brought up, a definition of the characteristics of the investigated enterprise segment, small and medium sized enterprises (SMEs) will be done. Historically, the term “small and medium sized enterprises” has never had one single generally accepted definition in Sweden. There have been several different definitions of what categorize the sector, depending of the actual coherence and who declaring the definition. Today Sweden officially applies to the definition: “enterprises with fewer than 250 employees are categorised as small and medium sized enterprises and those with fewer than 50 employees are categorised as small” (Nutek, 2004). Furthermore, the European Union has recently introduced the term “Micro Enterprises”, for companies with less than 10 employees. The Swedish agency for trade and industry Nutek’s definition of a SME concurs with the European Union’s opinion and is displayed in table 2.1(Antonsson, 2002).

Within the SMEs category, the small sized enterprises (with less than 50 employees) are representing the utterly largest group. More than 99% of all enterprises in Sweden are classified as SMEs due to the fact that they have less than 250 employees. Of a total number of enterprises, about 580’000 are small and medium sized and 1000 are large. The utterly majority of the enterprises operating in Sweden (94%) have up to 9 employees whereas about 5% have between 10 and 49 employees. Approximately two-thirds of the enterprises have no employees at all. On the whole,

Definition of Small and Medium sized Enterprises			
Criteria	Micro sized	Small sized	Medium sized
Number of employees	< 10	< 50	< 250
Annual turnover or total balance sheet	----	< 7 million euro < 5 million euro	< 40 million euro < 27 million euro
Independent	----	A shareholder who not fulfil the two former criteria for SMEs possess not more than 25 % of the company's share capital or votes.	

Table 2.1. The European Union’s definition of SMEs.

the SME sector in Sweden accounts for 60% of total private employment (Nutek, 2004).

To further enlighten the importance of the SME sector, the turnover statistic ought to be displayed. The SME sector accounts for 57% of the total turnover. In terms of investments, the SME sector accounts for 66% of net investment. Hence, the SME sector in Sweden is of outmost importance both in terms of employment and economic contribution. The most common sectors for the smallest enterprises to operate within are the trade business and service sector (Nutek, 2004).

2.3 CSR definition

Unfortunately there is no generally accepted definition of Corporate Social Responsibility (CSR). The lack of a clear definition could partly depend of its relatively short existence but more likely because the issue is covering such a wide field of different topics. Different organisations have framed different definitions, although they have more or less the same implication.

The World Business Council for Sustainable Development (WBCSD) uses the following definition: “Corporate social responsibility is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life” (WBCSD, 2002). Mallenbaker (2005), states that “CSR is about how companies manage the business processes to produce an overall positive impact on society”.

Similarly, the European Commission (2005) declares “CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission, 2005a).

From a stakeholder perspective Whooley (2005) suggests that CSR in practical terms translates into “the integration of stakeholders’ social, environmental and other concerns into a company’s business operations”. Likewise, Castka et al (2004) suggest that CSR generally is about the business-stakeholder interface and that the emphasis on business-society interface makes the CSR agenda incomprehensible for business and especially for the SME sector due to its complex nature. Furthermore, Castka et al argues that the term “corporate” is misleading and that it can be implied that the CSR agenda only is related to multinational corporations and human rights issues. The term “corporate” ought to be understood in a broader sense and be applicable to all kinds of organisations no matter size, industry or ownership.

In this report the CSR definition is comparable with the European Commission’s but with, to some extent, a clearer announcement according to the present author.

“CSR is a concept where companies are working consciously on social and environmental issues in their everyday work with consideration to their stakeholders”

In addition to the different definitions several dimensions of the CSR agenda could be established (Castka, et al 2004). First of all there are the economic, environmental and social dimensions. Parallel to these dimensions there are the internal- and the external dimensions (European Commission, 2001). The European Commission (2001) emphasises that companies can use CSR with an inclusive financial, commercial and social approach which can help them to a long-term strategy minimising risks associated with its environmental and social footprints.

2.3.1 Sustainable Development

The expression Sustainable Development (SD) was first used in the Brundtland commission report; "A common future" in 1987, and has ever since become a more familiar phrase. From the present author's point of view CSR is illustrating the corporative world's involvement and the responsibility it has to obtain for working towards a sustainable development. To consider the development as sustainable the growth and the production have to be formed so that the ecosystem's own production ability is not harmed by exploitation or by discharge of harmful substances. The development must progress with the view of social- and financial issues. Democracy and participatory decision making are vital ingredients for a sustainable development (Confederation of Swedish Enterprise, 2004).

The first section of the United Nations' Sustainable Development document Agenda 21, concerns the social-, the ecological and the economical dimension. The paper concludes that international cooperation is considered necessary to accelerate sustainable development in developing countries and that the developed world has to take the lead in issues concerning the social and economic dimension. The document discuss the worlds' consumption pattern and states that the major cause of the continued deterioration of global environment is the unsustainable pattern of consumption and production; especially in industrialised countries, such as Sweden. The document's objectives are "to promote patterns of consumption and production that reduce environmental stress and will meet the basic needs of humanity" and "to develop a better understanding of the role of consumption and how to bring about more sustainable consumption patterns" (United Nations, 1992). The document are using terms like "strive to" and "should" frequently, which shows how hard it is must be to govern the world's nations and make them follow a written paper with the specific country's own conditions in mind. The document brings up its aspiration for less waste and pollution but also its desire for governments in cooperation with industry to encourage expansion of for instance environmental labelling. In the document's third section issues that in the end might be of concern for SMEs are brought up. It is about how to strengthening the role of business and industry. The document suggested a lot of different actions such as establishment of national councils for sustainable development, business and industry should ensure responsible and ethical management of products and processes from the point of view of health, safety, and environmental aspects. Business and industry ought to increase self-regulation, guided by appropriate codes. Fourteen years after the Agenda was set, one could conclude that much progress has been made on the field that involves the corporate world in the spirit of Agenda 21 but yet there are loads to do.

Together with Agenda 21 the "Millennium Declaration" (United Nations, 2000) has often been mentioned as a milestone for SD. However, it is obvious that the

declaration primarily is intended for governments and only indirect via the governments the corporate world and the SMEs. Nonetheless, there are several other organisations and frameworks that indeed are focusing on CSR. A paper which does so is named, the Green paper. The document states that “although many SMEs already take up their social responsibility, particularly through community involvement, further awareness-raising and support to disseminate good practice could to help promote corporate social responsibility among them” (European Commission, 2001).

2.3.2 The Triple Bottom Line approach

CSR are often described with the triple bottom line (TBL) approach. The TBL approach are usually visualised by three circles representing the economic-environmental- and social aspects (see figure 2.1). The approach illustrates the connection between the three areas and the importance of not excluding any of them. In most illustrations, the three areas have equal size, but depending on the specific perspective of the theory, the areas can be given different sizes.

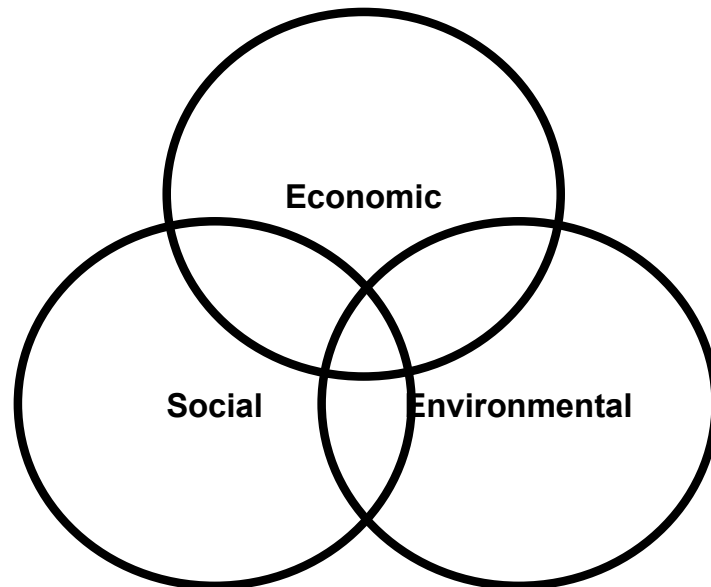


Figure 2.1. Illustration of the components in the TBL concept of CSR (Global Reporting Initiative, 2002).

Within the CSR theory, the expression “quadruple bottom line” (QBL) is sometimes used. Sometimes ‘governance’ has been added to the original three areas of the TBL approach whereas some theory states that the fourth areas in QBL are the economic, the legal, the philanthropic and the ethical area (Butrous & McBarron, 2004; Commonwealth of Australia, 2002; Matten and Crane 2005).

Oskarsson and von Malmborg (2005) recently presented a concept where the quality-, the ethic- and the long-term perspective have been given a central role together with the traditional TBL approach. Their way of expanding the traditional TBL approach is illustrated in figure 2.2.

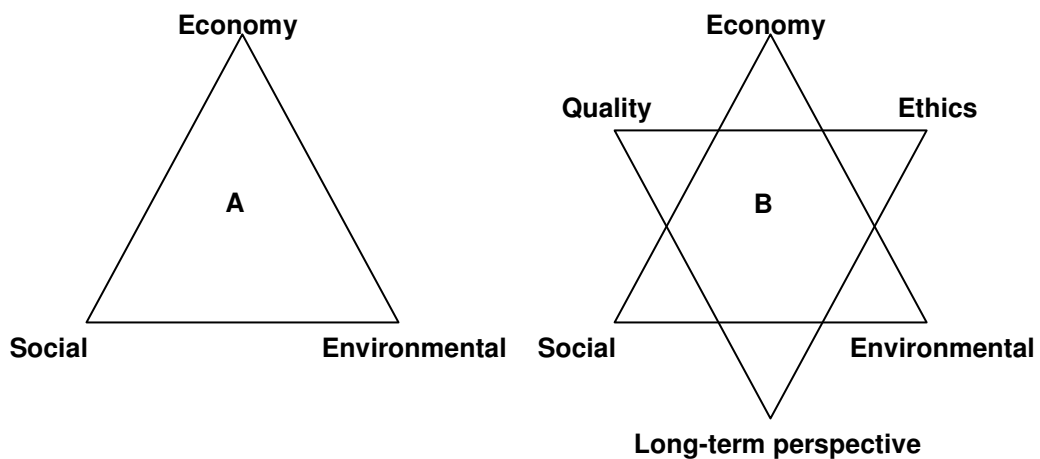


Figure 2.2. A demonstrates the traditional TBL concept in a triangle shape whereas B demonstrates Oskarsson and von Malmberg's sustainability hexagon.

The sustainability hexagon is interesting since topics that else often are hiding within the TBL approach are given a superior space and the importance of focusing on ethical behaviour, quality at all levels and the long-term perspective are given a fundamental position. The idea of connecting CSR with ethical behaviour and not only advocate financial interests puts the people behind the companies in the first room. Furthermore the hexagon illustrates a path of how the corporate world will be successful in their traditional TBL approach; by working with quality at all levels, good ethics and thereby establishing long-term relationships which will generate a sustainable economy. But no matter of what approach used, the important thing must be that they all point in the same direction; towards a sustainable process.

2.3.3 Corporate Citizenship

Corporate Citizenship (CC) has emerged as a well known term in the literature on SD, sometimes with more or less the same implication as CSR and might therefore contribute to conceptual confusion. There is, as with the CSR term, still no universal definition of CC. Matten and Crane, however, define the concept "citizenship" as an implication of membership in a bounded political community. CC which is following that idea implies that corporations are legal entities with rights and duties (Matten and Crane, 2005). Matten and Crane (2005) exemplifies what they consider as the limited view of CC by using Texas Instruments definition "giving back to the communities where we operate", because it "makes them better places to live and work, in turn making them better places to do business". Their own definition of CC finally becomes; "CC describes the role of the corporation in administering citizenship rights for individuals". The literature often uses the term CC in an ethical context and describes companies as world citizens with both constitutional rights and obligations. Windsor (2006) states that "an ideal citizenship interpretation restates ethical responsibility into voluntarism language intended to influence managerial discretion concerning universal human rights". This interpretation agrees with the interpretation of Oskarsson and von Malmberg (Oskarsson and von Malmberg 2005). CC covers the whole spectrum of ethical issues and one of the ethical categories is environmental

ethics. Environmental ethics focuses on the human interaction with the natural systems (Stenmark 2003).

2.3.4 It is all about responsibility

The vocabulary on CSR related issues are numerous. The literature uses terms like, TBL, QBL, and CC among others. Nevertheless, it is important to state that no matter of what expression which is used, the meaning is more or less about the same thing or at least with the same intention; to take responsibility (Enell, 2005; Enell Sustainable Business AB, 2005). Working towards a SD demands ethical behaviour, the CC concept implies that the corporate world not only posses rights but also obligations and CSR which supports the idea of CC in a wide spectra often with a foundation in the TBL approach, have all their foundations in the word: responsibility.



Figure 2.3. Illustrates that no matter of what CSR-connected term used; it is all about taking responsibility (Enell, 2005).

The responsibility covers the local society, customers, suppliers, employees, the environment and generations to come and all other possible stakeholders. TBL brings up responsibility towards the society, nature and the company's economy whereas CC are focusing on responsibility towards the society through the companies' rights (political, civil and juridical) but also through its duties as citizens in the society there they are operating. The SD concept is pushing on the corporate world's responsibility of joining the change of society which will lead to the sustainable society. But how great the responsibility then is could be discussed for eternity. The minimum responsibility in the corporate world is set by rules and legislations and at maximum what could be considerate as financial plausible.

2.4 Why CSR?

It is sometimes said that that CSR is nothing the corporate world should be dealing with, they should just focus on what they are best at- making money and let the legislation take care of the rest. The CC approach has already been presented with its way of considering a company as a world citizen. A company might not possess feelings or ethical values, but the people working in the name of the company surely have. Since CSR is a complex issue including a wide range of important topics, such as ethics, quality, environment etc., there is of course no simple and general answer to why some companies choose to take the question seriously and some chooses to ignore it completely. Below some reasons why companies start working with CSR are presented.

2.4.1 Loss of reputation and Market shares

Carnival Cruise Lines realised that illegally dumping waste from its ships into the world's waterways was not worth the expensive fines it had to pay. The tobacco industry discovered that lying about the products side-effects could be extremely costly business and create a bad reputation which will generate loss in sales (Sims, 2003). For some larger corporations the old proverb 'once bitten, twice shy' seems to be one of the most vital reasons to starting working with CSR. Side steps give bad publicity and market shares are likely to evaporate. For companies operating in the oil industry or in other business segment with a considerable risk of affecting the environment, CSR can be the result of Risk Management. The companies' preventative environmental work coincides with financial risks and the risk of hurting ones reputation (Enell, 2005).

The "Skandia-affair" in Sweden has a lot of similarities with the famous Enron case (further discussed in the next section). Skandia, a large insurance company, had to meet with a rebuff. The company's board had take hold of what the stakeholders saw as extreme-financial-benefits by deciding to remove an old rule that should have prevent this to happen. The board was sacked and a trial was established with the aim to investigate if the board not only had been unethical but also illegal. In the company's attempt to win the customers and other stakeholders' confidence back, a commercial series on the Swedish television screens was shown in 2005 which clearly stated that Skandia was ashamed of the way the old board had been dealing with the stockholders- and indirect with the customers saved capital. The commercial series showed a pig with the text "Ryktet" (in English: the reputation) entering different situations and disturbing the everyday insurance activities i.e. a discussion between a financial counsellor from Skandia and a couple interrupts when the pig suddenly appears (see figure 2.4 on the next page). With the commercial, Skandia wanted to deliver the message that they now had to work even harder, and give better deals for their customers because of their bad reputation. At Skandia's webpage the following pro-Skandia words of wisdom could be read "our reputation will follow us wherever we go, and we consider it as an advantage since people has got to expect more of us" (Skandia, 2005).

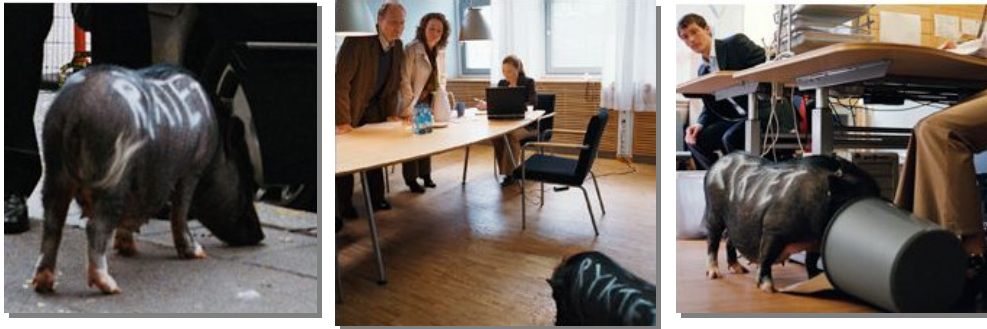


Figure 2.4. Sequences from Skandia's commercial series (Skandia, 2005).

The company wants to eliminate their bad reputation by giving information about the same and show that they do not tolerate the former conduct. The Skandia affair shows that reputation is not only about bad quality, bad environmental impact and dreadful social working conditions for the employees it is also a matter of unethical behaviour and greediness.

2.4.2 Corruption

Ignoring CRS and corporate ethics has historically sometimes shown to be devastating for the corporate world. One good example of this, from the segment of larger corporations, is the Enron case. Enron began as a merger of two Houston pipeline companies and was a successful enterprise that strived to attain short time profits at any costs and it was drawn too far at the expense of the ethical limits. The company was earlier seen as a highly responsible, ethic and successful driven company. Things changed, however, when a handful of highly paid executives were putting millions of dollars in their own pockets whereas the lifesavings of thousands of employees was evaporating. In addition to this, there were questionable accounting techniques, misleading statements, dishonest partnerships and ill-gotten personal gain. The company filed for bankruptcy and a large number of employees have been heard in court (Sims, 2003). This is of course an extreme of neglecting CSR, but yet an important warning lesson how fast everything can be devastating with an irresponsible company culture and dreadful management.

2.4.3 Benefits from working with CSR

The presented examples are taken from the segment of larger corporations there the number of stakeholders are higher and the media spotlight sharper than for most SMEs. However, the importance of not damage your reputation exists in all kinds of companies no matter of size or branch. Without the stakeholders support the business is soon domed. However, to be proactive is not to avoid a bad reputation but to create a very good reputation by taking more responsibility within ethical, environmental and social issues.

The European Commission (2001) claims that an increasing number of European companies recognise their social responsibility more and more clearly and actually consider CSR as a vital part of their identity. When a company states their position on CSR and voluntary taking on commitments which go beyond common regulatory and conventional requirements the companies attempt to increase the standards of environmental protection, social development but also the value of fundamental rights

and the integration of various stakeholders in an overall approach of quality and sustainability (European Commission, 2001). In figure 2.5 some of the benefits from CSR are presented.

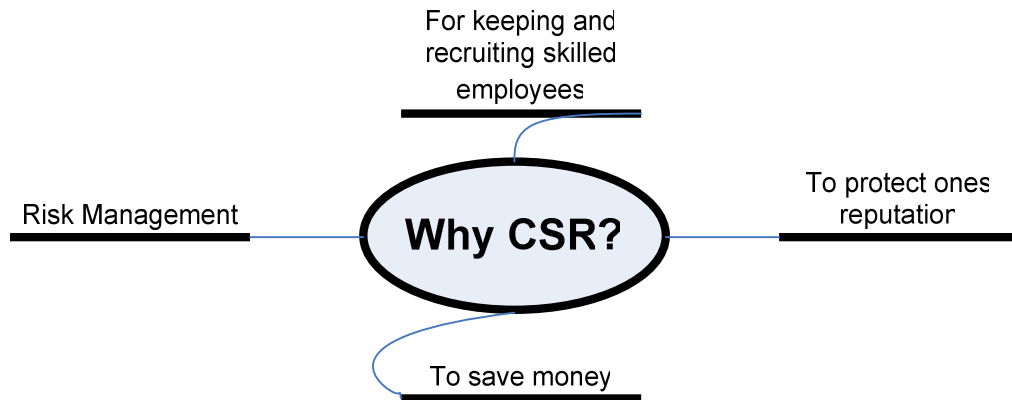


Figure 2.5. Enell's view of why companies ought to be working more on CSR.

It is clear from the examples above (Skandia and Enron) that if corporations are ignoring their responsibility toward society they are facing a risk of loosing goodwill and market shares. In the point of view of Enell (2005), companies such as Skandia and Enron could have avoided their scandals if they had a proper risk management in place. Further on, it is often more about saving money than making money, i.e. less transportations or sick-listed employees.

Hedberg and von Malmberg (2003) claim that generally speaking most companies seem to seek legitimacy in their organisation areas and society in general from their CSR activities. The benefits of addressing CSR can include enhanced brand value and reputation, good relations with the community, improved regulatory relations, more committed workers, improved risk management and at the end of the day a business that is trusted by its most important stakeholders (Whooley, 2005).

Another issue that Sims (2003) discusses is the recruiting and retaining of valued professionals. Organisations that have a reputation for unethical and uncaring behavior toward employees will be seen and recognised for that, with difficulties in recruiting desirable co-workers as a result. Attitudes among young people illuminates that they unlike the older population puts their spare time in the first room and demands better working conditions. CSR can therefore be a very powerful tool when it comes to recruiting skilled employees in the years to come.

The question "Why CSR?" seems to be as complex as the topic itself. Enell (2005) have, however, concluded why companies ought to work for a SD in a straight way. According to him it is about working with risk management (with Skandia and Enron in mind). As there is a huge population of Swedes, born in the 1940s, who are soon to be retired, it is predicted that there will be harder for the corporate world to get there hands of the most skilled co-workers.

2.5 Driving forces for CSR

“Goodwill”, profit by lean, increased motivation among the employees or perhaps supply chain pressure. The CSR driving forces are numerous and this chapter divides them into internal and external forces according to a classification made by Côté, Booth and Louis (2005), (see table 2.2).

Internal	External
Cost reduction	Customer or consumer demand for “greener” products
Increases in quality of products and services	Shareholders
Innovation	Access to capital
Increases in employee motivation	Competition
Personal commitment/responsibility to community	Government pressure
Management of risks and liabilities	Global pressures (climate change)
Maintaining or increasing market share	

Table 2.2, Côté, Booth and Louis (2005) classification of internal and external driving forces.

Other internal driving forces that are relevant to companies are legal compliance, market opportunities and ethical considerations as well as external driving forces such as managing risk and supply chain networks (Kolk, 2000).

2.5.1 Internal forces

Many SMEs are engaged in CSR, often without knowing this is what they are doing. The internal driving forces for working with the CRS activities may be cost reduction, such as healthy and engaged employees since they are less expensive than employees that are sick-listed. Activities related to the driving forces of legal compliance are mainly working with environmental issues such as risk and health related issues and further on, the market opportunity driving force are the recruiting and maintaining of skilled personnel through offering continuous education and training. The ethical driving forces generate activities that may be related to engagement in different external areas of concern of the company.

Castka et al (2004) concludes that SMEs tend to be most focused on internal activities such as staffing issues, increasing employee skills and team building as well as morale and motivation within the organisation. Hence, much of the social, community and environmental initiatives are driven by or concentrated to impact on employees. Antonsson, 2002, claims that some small sized enterprise owners and employees mainly are driven by an idealistic approach when it comes to environmental and social activities. This approach is often reflected in their everyday business of the “good company” and is an internal driving force. The idealistic approach can have uncountable different reasons for its existence whereas the origin to the external driving forces on the other hand easier can be tracked. Personal engagement is often a very important driving force, both for larger corporations and SMEs (Bingel, Sjöberg & Sjöqvist, 2002).

2.5.2 CSR as an internal dimension

The internal dimension is closely linked to the internal driving forces. Socially responsible within the company first and foremost involve employees and concern issues such as investing in human capital, health and safety. In the European Commission's Green Paper (2001) the internal dimension is clarified and it is stated that it involves **Human resources management (HRM)**; involves attracting and recruiting skilled workers. It also involves education and information, empowerment of employees (empowerment, health, payment, follow up on sick-listed, careers), profit-sharing etc. **Health and safety at work**; traditionally driven by legislation outsourcing to contractors and suppliers have made companies depend on safety and health performance of their contractors, could be used like price and quality in competition in procuring products and services (European Commission, 2001). **Adaptation to change**; concerns long term survival due to dynamic surroundings and organisational change, which often raises concerns among the employees and stakeholders. Socially responsible restructuring is important and a matter of balance and consideration of the interests and concerns of the parties affected by the change (European Commission, 2001). **Management of environmental impacts and natural resources**; reduced consumption of resources reduces the impact on the environment. Cost savings that are beneficial both for business and the environment. Investment costs may be high but considered to be a long term investment and could create a win-win situation (European Commission, 2001).

2.5.3 External forces

Traditionally a company's first priority has been to generate profit but enterprises can at the same time contribute to social and environmental objectives. By integrating CSR as a strategic investment into the company's core business strategy it can result in direct economic value in shape of cost reduction, better customer relations and a more efficient manpower (European Commission, 2001).

CSR's external driving forces are created by the wide range of various stakeholders. Unfortunately, the claims of different stakeholder groups are likely to collide. A good example of this, as Sims (2003) uses, is the claims of governments and the general public which tend to limit profitability which apparently is a central claim of most creditors and stockholders.

Stakeholders

In 'Svenska Miljörapporten' (Strannegård, Wolff & Örnings 1998) it is stated that the Swedish enterprises consider the customers to be the most influential group to make them take environmental action. Antonsson's conclusion on the subject of customer demands on sustainable development is unfortunately that they have a minor role to play for SMEs than for larger corporations. The environmental issues are often focusing merely on products and not at the actual company or organisation. To make purchasing become that key issue it needs to be for sustainable development, it is suggested that people working with purchasing are provided with knowledge and tools that, in addition to the basic requirements of quality and economy, can contribute to a proactive purchase.

It is no doubt about the importance of stakeholders' claims when it comes to CRS. Different stakeholders have got different funds and methods to make their voices heard and to pressure the actual enterprise or the corporate world in general. For instance, concerned investors can protest at the annual shareholders' meeting, sell their stock or appeal to the board of directors. Employees can unionise and bargain collectively or seek employment elsewhere. Suppliers can find other buyers, customers can switch to competitors and the society can do everything from staging protest marches and urging boycotts to stimulating political and governmental action (Sims, 2003). The most important thing, besides genuine engagement, when it comes to promote work on CSR, however, is for the corporate world to discover the direct economic value. Sims states that some people believe stakeholder inclusion to be the key to company success in the twenty-first century, whereas others also have noted that business must address stakeholders because it is the ethical course of action (Sims 2003).

Supply chain pressure

Supply chain pressure is an important driving force for SMEs within the manufacturing industry and for SMEs in the service sector the pressure from the customers is of outmost importance. When it comes to implementation of EMS (Environmental Management Systems), customer demands and supply chain pressure is the utterly most vital driving force. Many SMEs consider EMS as something they must work with since it is a demand from the customers. Although, numerous sources claims that the EMS will pay off and be a very good investment in the long run. A more efficient business activity is likely to occur with less waste in shape of discarded products, material and energy among many things (Antonsson, 2002).

SMEs are to a higher extent motivated to work with CSR because of its own experienced benefits than larger corporations. External driving forces are of less importance for SMEs with exceptions in the manufacturing industry there the supply chain pressure seems to be an efficient tool. According to Antonsson (2002) the implementation of the systems often is a result of a supply chain/stakeholder pressure. Although a SME can have the right motivation and sustainable ambition, it might be difficult to reach as far as to a certificate.

Risk

In addition to this, national legislation is seen as an extremely essential tool to make the companies working with a proactive approach. The conclusions from a recent IVL report (Sustainable business) shows that SMEs often have got an incorrect picture of how the environment and working environment supervision works. The common opinion among SMEs is that they do not need any own surveillance since they assume that the supervision organ will control the company's totally observance of the law. The report states that there is a great need for clarifying what supervision involves for SMEs. The report claims that if the companies do not get any deviations they consider it as a receipt of that they are following the law at all points whereas the supervision organ on the other hand only are monitoring the currently most important items (Antonsson et al, 2005).

One frequently discussed issue concerning the supervisory authority is that since there are so many SMEs in the country some less serious businesses can easily escape from

the demands and the cost that are associated with them. The supervisory authorities are also differently active in different regions of the country, which make it easier for some SMEs to evade from their obligations. Since the financial margins are very thin for many SMEs more serious enterprises and enterprises with higher sustainable ambition for the long run are likely to suffer economically from their investments (Antonsson, 2002). This means that SMEs are facing a risk of not complying with regulation.

2.5.4 CSR as an external dimension

The external dimension is highly affected by stakeholders and the external driving forces and implies the various fields of external CSR areas which the company should work with in order to be a responsible enterprise. The Green Paper (European Commission, 2001) summarise some of the relations and influences. **Local communities;** companies provide jobs and contribute to the local community, which in turn generates tax revenues. The companies are depending on the community labour market and infrastructure. Additionally, most SMEs find their clients in the local area, the company's actions are important in terms of reputation and competitiveness (European Commission, 2001). **Business partners, suppliers and consumers;** supplier selection is more often based on reputation, alliances and partnerships than on the lowest bid. Long term relationships might result in fair prices, improved quality and reliable delivery, which benefits both suppliers and consumers. **Human Rights;** the topic is complex and represents political, legal and moral dilemmas. In SMEs it is often an issue concerning the company's supply chain (European Commission, 2001). **Global environmental concerns;** the company is an actor in the global environment. Supply chain pressure is one possible action for how the company can have a positive impact on the global arena (European Commission, 2001).

2.6 Incentives for CSR in SMEs

These days, a considerable number of players are affecting the field of social responsibility in comparison with how the climate was a couple of years ago. The companies have by different driving forces chosen to work more proactively and it is often not enough to have a close contact with the authority alone. As mentioned earlier in this report, CSR is a complex issue, and for companies in general and SMEs in particular, it might be difficult to know how to act to satisfy the wide range of stakeholders. Antonsson (2002) suggest that authority demands on CSR might work as a catalyst, but that they will not work alone. Not because the SMEs do not want to follow the demands, but because they do not know how to act and because the time is short when the core business has to be prioritised. SMEs wish for competitive neutrality might counteract the sustainability development and if the authority does not succeed in demanding the same requirement for all enterprises it might lead to a counteract sustainability effect.

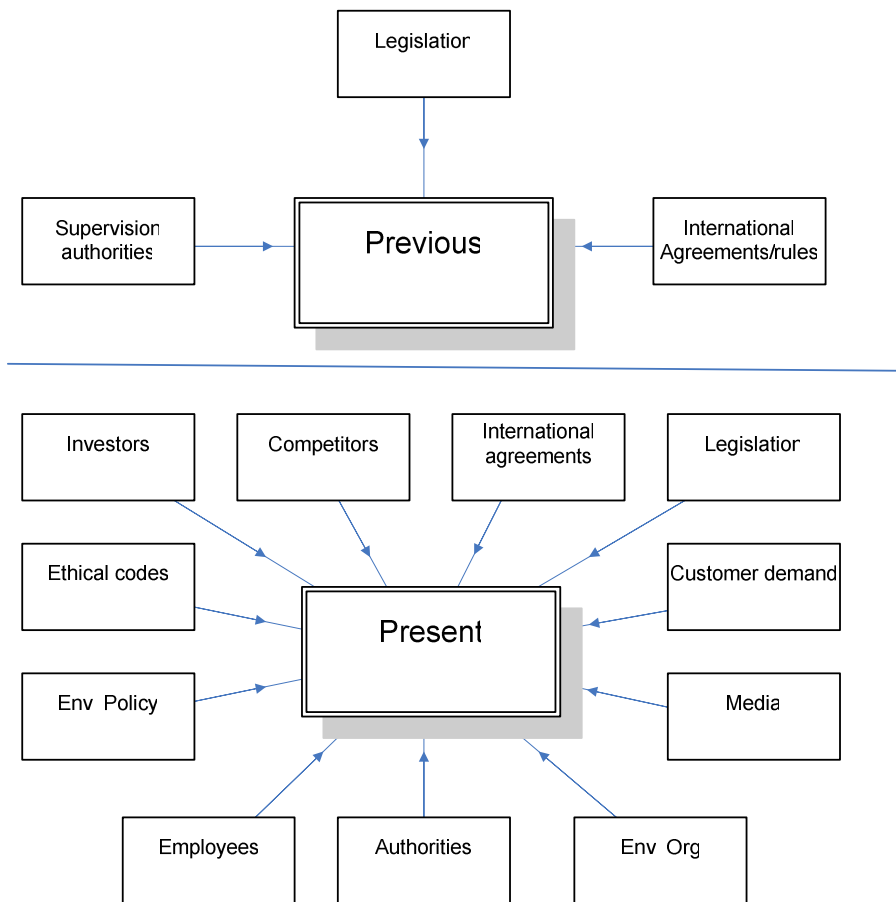


Figure 2.6. The influence on companies within environment and sustainable development (Bingel, Sjöberg & Sjöqvist p.39, 2002).

As mentioned earlier in this report, SMEs do not have as many stakeholders to put into consideration and the media spotlight is to a lesser extent pointing at the SMEs, both individual and collective, in comparison to the larger corporations.

Figure 2.6, illustrates the sources of influence in previous and present time and the fact that there are much more stakeholders to take in to consideration nowadays. The SME can not be looked at isolated but within a network of other actors. The number of influences and the external pressure on SME has increased as well as the variety of different kinds of pressure. This implies that the number of relations that SMEs must deal with also has increased.

2.6.1 Strategy development

Driving forces and the way SMEs and larger corporations perceive them creates different strategies within the field of CSR. The driving forces together with stakeholder pressure and the company's perception of what social responsibility are, leads to different levels of ambitions. In management theory it is common to present different levels of ambitions or strategies that companies adopt, these are defensive, reactive, accommodative and proactive this is presented in figure 2.7 (South-Western, a division of Thomson Learning, 2006). The level of ambition can be either top down (management approach) or bottom up (employee approach). SMEs are often found in

either manufacturing businesses or in knowledge generating businesses and in the manufacturing businesses it is common with an accommodative strategy that is what most SMEs can be expected to manage but in the innovation sector the proactive approach is of outmost importance.

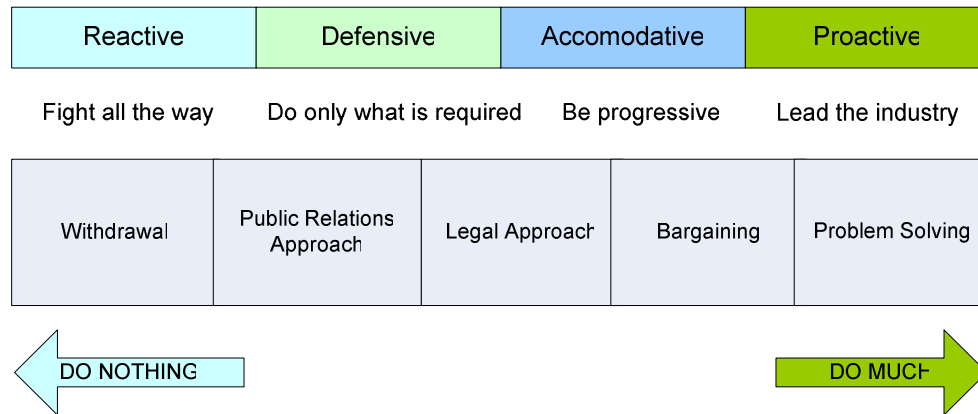


Figure 2.7. Different corporate strategies regarding CSR (South-Western, a division of Thomson Learning, 2006).

2.6.2 Larger corporations contra SMEs

The CSR concept is mainly driven by large companies, although socially responsible practices exist in all types of enterprises public as well as private and SMEs as well as large corporations and cooperatives (European Commission, 2001). There is, however, a strong call particularly from governmental bodies to further engage SMEs within the CSR concept (Castka, et al, 2004).

In the IVL (Swedish Environmental Research Institute) report “Sustainable business—the next generation” one of the stated main challenges of what the business today is facing is “Continue or begin supporting small businesses”. In IVL’s vision of a sustainable society in 2025, all companies have realised how economic, environmentally sustainable solutions can be profitable. The vision includes firms of many different sizes which exist side by side and collaborating constructively to deliver sustainable services, manufacturing solutions and products. In the report, the desires for a country which are working as a global prototype for how quality of life is central to business’s development are expressed.

The term ‘Purchasing social responsibility’ (PSR) could be used to describe the involvement of purchasing managers in socially responsible activities. It has been shown that PSR has a direct and positive impact on supplier performance but also an indirect mediated effect through improved trust and cooperation (Carter & Jennings, 2002). Nevertheless, the SME sector is vast widespread and different types of SMEs are differently likely to adopt the CSR agenda as a consequence of supply chain pressure.

The present author’s perception is that the concern for environmental issues amongst the Swedish population is generally good. Although, several market surveys indicates that only a small number of the citizens are willing to pay a higher price for a

comparable product which can be considered as environmentally suitable. The main reason for this is that consumers are expecting companies to take responsibility for their products and eliminating the impact they might have on the environment. Most companies are nowadays aware of this and are consequently demanding information, declaration about performance and other guarantees from their suppliers, with the intention to meet their customers' demand (Bingel, Sjöberg & Sjöqvist, 2002). The CSR concept is mainly driven by large companies, although socially responsible practices exist in all types of enterprises public as well as private and SMEs as well as large corporations and cooperatives (European Commission, 2001). There is, however, a strong call particularly from governmental bodies to further engage SMEs within the CSR concept (Castka, et al, 2004).

Larger corporations usually have much larger resources and financial backup than most SMEs and they have more people to work with CSR related issues, such as CSR guidelines. In addition to this, larger corporations are more visible in terms of media spotlight and numbers of stakeholders. They therefore must work more proactively to keep or amend their reputation. The world around us is constantly changing and new questions with global consequences have been added to the agenda. The most well known global question is undoubtedly global warming, but also the Asian penetration of the western market has raised questions concerning labour conditions and the responsibility of suppliers and subcontractors. Questions that seem more concentrated at the larger corporations, but that indeed are very essential for the SME sector, primary at a local level. The larger international corporations have a huge responsibility for the development of society in general, a responsibility many of them lately have started to show (IVL Swedish Environmental Research Institute et al, 2001).

The work of CSR follows the trends for the certification of EMS (Environmental Management System) and is more common for larger companies. As a comparison less than 40% of the companies with an ISO 14001 certificate have less than 50 employees, even though they constitute of more than 99% of the total amount of all companies (Antonsson, 2002).

2.6.3 CSR obstacles

CSR represents benefits for SMEs, but there are also obstacles. Fresner (2004) illuminates that directors in SMEs tend to underestimate the scale of their environmental impact. It is easy to overlook the collective responsibility. Additionally, Fresner states that printed information and local authorities seem to be the best road to access SMEs. A considerable part of the debate regarding the business climate in Sweden has focused on the role of administrative obstacles to private enterprises and new companies. Strannegård, Wolff & Örnings (1998) claim that Swedish enterprises' representatives' opinion about environmental main barriers mainly are focusing on the lack of support from the management group, the lack of competence and the lack of technical solutions together with financial support. This is also supported by Antonsson (2002) who states four important obstacles for CSR in SMEs.

- Lack of motivation
- Lack of time
- Lack of knowledge
- The surroundings lack of understanding for the former points as well as how SMEs are working.

The same arguments are used both in the environmental work and in working with other CSR issues. Working on CSR is considered as another burden, since time, money and knowledge often are scarce within the SME sector (Nutek, 2004) which makes the CSR issue more difficult for SMEs to deal with, in contrast to the larger corporations.

According to Castka et al (2004) the main barriers for most SMEs on CSR are the fear of bureaucracy, time and cost. However, the interesting thing in Castka et al's opinion is that this does not seem to be the case for companies who already are engaged in CSR. In other words, barriers tend to be built on perceptions rather than the actual case.

To manage these obstacles Antonsson (2002) suggest that the first thing to focus on is the motivation. If the motivation is there, especially within the management group but also among the employees, most companies will manage to take the time necessary for creating the knowledge and implement it. The surrounding can preferably assist with tools and methods that are simple but yet efficient to apply. The lack of knowledge can in the long run result in misdirected environmental work within SMEs and leave the most important issues behind for the benefit of easier detected issues.

2.6.4 Bodies promoting CSR

In IVL Swedish Environmental Research Institute's report 'Sustainable business- the next generation' (2001) a desire of control systems and international standards have evolved in the fields of quality (ISO 9000) and environment (ISO 14000, EMAS) but also in the arena of sustainable development in the year of 2025. The vision includes that global demands from both consumers, state and supranational organisations exist, which will put pressure on companies and organisations to show their paces even in respect of sustainability aspects in general. This desire has, however, made an important progress lately when it was declared that a new ISO standard on SD is under construction. "Guidance on Social Responsibility" or ISO 26000 as the new standard is called. The standard is predicted to be launched in 2008. Due to, the complex issue the standard concerns and the different perspectives different regions of the world has got on CSR, it will not be possible to be certified according to the standard. To exemplify the question of different view points on CSR financial condition, legacy of market condition, the view of gender equality and the dependency on other cultural related issues can be used. The intention of using the "standard" merely as a framework is to not frighten organisations and companies to work with these kinds of questions but to put CSR on the agenda (Enell, 2005). The intention with the standard (which actually not will be a real standard but a guideline) is to help the user with:

- Operationalizing social responsibility
- Identification and engaging with stakeholders
- Enhancing credibility of reports and claims made about social responsibility

ISO 26000 will use a TBL approach, using the Social-, Environmental- and Financial dimension (Swedish Standards Institute, 2005) and will be implemented on a voluntary basis. The new standard will be following the two already existing standards; ISO 9000 (quality) and ISO 14000 (environmental). The ISO 9000 series is the most widespread with about 560000 certifications in the world and more than 4600 in Sweden alone. The ISO 14000 series has certified some 50000 organisations in the world whence more than 3000 in Sweden alone (Swedish Standards Institute, 2005). It is to be hoped that the ISO 26000 will be spread down the supply chain, as the case have shown to be for the 9000 and 14000 series respectively. ISO 26000 are, however, not yet here but a lot of other organisations and tools are currently working on promoting CSR. Some organisations/tools are further presented in Appendix I.

Beside the arriving ISO 26000 there are already several organisations around the world that are working with CSR issues with the aim to prevail the perceived hindrance. Within the European Union the CSR issue is of concern as it might be a very positive contribution to the strategic goal decided in Lisbon: “to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” (European Commission, 2001). One way of promoting CSR among SMEs is to demonstrate “good examples” of companies which indeed have succeeded in their CSR. One good initiative on CSR among Swedish SMEs was the Triple Logic Project (TLP) which aimed to test and develop processes, methods and tools for sustainable business development but also to identify in what ways SMEs can integrate continuously learning about sustainable business development. The project has developed six principles there principle 1-3 have an internal focus whereas principle 4-6 are of external character (Triple Logic Business Development, 2004).

Update your attitude: The company has to start to see opportunities in improving environmental and social conditions.

Ground Triple Logic visions in values: By taking environmental and social issues seriously it will be easier to attract employees, customers and investors and to achieve its long term goals.

Keep your eyes on the prize: View the development of new products and services as the first step on the journey toward integrating social and environmental strategies into the core business strategy.

Become a trusted partner: This is vital to get hold of key partners and strengthen the positions in the marketplace.

Communicate: Do not overstate, social, environmental and economic concerns are constantly changing and it is therefore important that companies communicate both strengths and weaknesses of their product or service which also will make them more trusted in the long term.

Account for yourself: A company that is willing to learn from its mistakes and to initiate changes based on stakeholder feedback is accounting for itself.

For banks and insurance companies which are dealing with special ethical and ecological funds, the Dow Jones Sustainability Indexes could be helpful, but it is hardly a tool aimed for tracking sustainable SMEs (Dow Jones Sustainability Indexes, 2005). There seems to be no really developed and suitable tool for SMEs today. As the corporate world is waiting for ISO 26000 to see the crack of dawn, there are other guidelines on CSR.

2.6.5 Reporting on CSR

Another example of guidelines on CSR is the GRI Guidelines (Global Reporting Initiative, 2002) which are a framework for reporting on an organisation's economic, environmental and social performance. The guidelines present reporting principles and assist organisations in presenting a balanced picture of the three dimensions. Furthermore, the guidelines promote comparability of sustainability reports and supports benchmarking and assessment of the same whereas serving as an instrument to facilitate stakeholder engagement. According to GRI, it might be a special challenge for smaller organisations to report their sustainable work. An incremental approach of reporting is suggested and they welcome efforts to develop tools to help smaller organisations to gradually move toward more comprehensive reporting. GRI's statement shed light on the difficulties within SMEs to an active CSR. The problems most recognised are lack of time and motivation (Global Reporting Initiative, 2002). This problem is supported by Scott (2001) that asserts that "most companies communicating environmental issues are large, and efforts by SMEs are still almost invisible." Moreover Scott suggests that "SMEs need simple, straightforward guidance that not make disproportionate demands on resources from a small team; and the models with most influence - particularly that of the Global Reporting Initiative (GRI) tend to appeal to multinationals, particularly those based in developed countries". According to Hedberg and von Malmberg (2003) the GRI guidelines are more useful for internal than external communication and they are primarily helping the corporations to see what has been done within the actual organisation.

Table 2.3 on the next page shows the GRI's view of the TBL approach and consists of a wide range of important issues. The fact that each and every one of the aspects brought up in the table could be considered as relatively wide and complex implies that it is hard to find a subject which ought to be included in the table which not yet is included one way or another. Less general questions are likely to be found under the different aspects. The environmental field covers the external environment whereas the social field has been divided into four categories covering the fields of labour practices/decent work, human rights, the society and finally product responsibility.

	CATEGORY	ASPECT
ECONOMIC	Direct Economic Impacts	Customers
		Suppliers
		Employees
		Providers of capital
		Public sector
ENVIRONMENTAL	Environmental	Materials
		Energy
		Water
		Biodiversity
		Emissions, effluents and waste
		Suppliers
		Products and services
		Compliance
		Transport
		Overall
SOCIAL	Labour Practices and Decent Work	Employment
		Labour/ management relations
		Health and safety
		Training and education
		Diversity and opportunity
	Human Rights	Strategy and management
		Non-discrimination
		Freedom of association and collective bargaining
		Child labour
		Forced and compulsory labour
		Disciplinary practices
		Security practices
		Indigenous rights
	Society	Community
		Bribery and corruption
		Political contributions
		Competition and pricing
	Product Responsibility	Customer health and safety
	Products and services	
	Advertising	
	Respect of privacy	

Table 2.3. GRI's classification of the three dimensions (Global Reporting Initiative, 2002).

There are, however, more bodies promoting CSR. One of them is “CorporateRegister.com”. CorporateRegister.com is according to themselves the world’s largest most comprehensive directory of corporate non-financial (environment/social/sustainability/CSR) reports. With the word “comprehensive” in mind, it is remarkable that it should be so difficult to find a Swedish SME in the web-page’s register. In resemblance with GRI’s sustainability report register, there are plenty of larger corporations represented but the smaller are highly absent (CorporateRegister.com, 2005; Global Reporting Initiative, 2005).

CorporateRegister.com claims in similarity to GRI that “Sustainability reporting is still seen as a large multinational corporation (MNC) activity, state-owned enterprises and small companies have yet to appreciate the benefits of reporting to wide range of stakeholders on CSR issues”. However, it is the multinational companies which are helping to drive reporting forward among local companies and the development of common standards and efficient guidance will make it more realistic for smaller organisations (SMEs) to produce reports.

Guidelines primarily help the companies to start up their CSR or to formulate reports but there are other tools that will help the companies to evaluate the performance made within the CSR field. There is a Social Index which is aimed to be used as a value indicator of how good the company (or organisation) is on CSR. The index was originally developed in Denmark but since 2002 a Swedish version is available for our SMEs to adapt. The Index is designed as a questioner and will help to detect the strong and the weak CSR areas respectively. In Denmark it is possible to get the index monitored by an external expert group and if a score of minimum 60 credits (of 100 possible) is obtained the organisation is given the right to use a special social-responsibility-sign for three years before the index once again must be reviewed. The index is primary focusing on the working environment, the effort of getting sick-listed employees back into work, showing openness for people outside the labour market and finally engagement towards the local community (Arbetslivsinstitutet, 2002). A similar concept is developed by the European Commission. They have developed a tool kit focusing on SMEs’ CSR which is aimed to increase CSR among SMEs. The toolkit includes an introduction for SMEs on CSR, case studies, a questioner with the same aim as the Social Index previously discussed and some guidelines on how to communicate the CSR issue (European Commission, 2005b).

3. Methodology

This chapter focuses on the method undertaken in this study, the interview questions, the nature of the participating SMEs and how the study is analysed. The aim was to cover SMEs from a number of different perspectives such as size, business activities, locations and sustainability ambition.

3.1 Analytical model

To analyse the interviews Oskarsson’s and von Malmberg’s sustainability hexagon has been used as a foundation in combination with the internal and the external dimension respectively. Each topic within the sustainability hexagon will be analysed from both dimensions point of view. The different interview objects will be compared with each other as well as with the general theory on the subject.

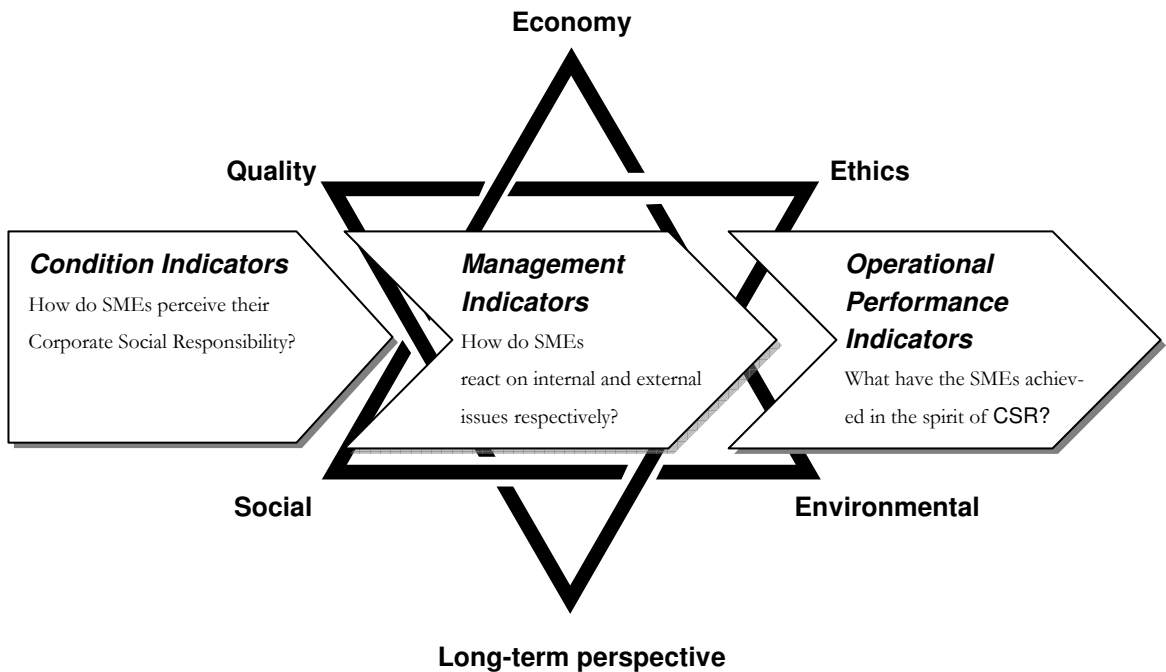


Figure 3.1. The report’s analytical model.

The participating SMEs were asked question about the six different topics of the hexagram. In addition to the classical TBL approach the long-term perspective-, the quality- and the ethical aspects are brought up in order to investigate if the SMEs clearly see the link between quality at every level, ethical behaviour and the long-term perspective. Indicators for each of the six topics is then recognised with the aim to clearly see how the SMEs perceive their CSR, how they react on different issues and what they have achieved in the spirit of CSR so far. Since environmental issues often are perceived as more concrete than for instance ethical issues, more material are likely to be analyzed within that field. The analysis will also primary be focusing on

condition indicators, since it is there this report's study question is to be found; how do SMEs perceive their CSR?

Interview questions

To find out what Swedish SMEs' opinions on CSR are, five SMEs have been interviewed on how they perceive CSR and what they have achieved so far. This study is conducted with a qualitative approach and the interviews have a semi-structured approach with open ended questions. Two of the participating SMEs could be perceived as proactive with accommodative influences whereas the others could be considered to be accommodative with defensive influences. The SMEs are of different sizes, operating in different business segment and are located at different places with the aim of covering a wide range of different view points. The SMEs and their activities are further presented later on in this chapter.

The interviews that the SMEs were conducted with implied the following questions:

- Is the theory of the same opinion as the participating SMEs?
- Do larger corporations have a greater responsibility on CSR than SMEs due to their size and impact?
- What responsibility do the companies consider they have on CSR?
- What are the obstacles for CSR within SMEs?
- What are the CSR stimuli?
- How do the SMEs' perceived CSR manifest it self in their activities?
- What issues are prioritized, internal or external?

3.2 Presentation of interviewed SMEs

Hr Björkmans Entrémattor AB was founded in 1993 and is one of Skåne's (the south area of Sweden) leading carpet-letting firms. It is a company with 10 employees which has a quality system according to ISO 9000 and an environmental work according to the standards of EMAS, ISO 14001 and is eco-labelled. In the environmental field the company has its own methane gas station for the company's transports and a closed cleaning system for the carpets there 95-98% of the used water is recycled. This means that the company with some 1900 customers does not use more water for their carpet laundry than a usual household. Since the company is located in the very south of Sweden, the interview was made over telephone with the company's CEO and founder Carl-Johan Björkman (Hr Björkmans Entrémattor AB-Mattor för alla miljöer, 2005).

Major stakeholders	The customers, CEO, employees.
Driving forces	Ethical, preserved and improved environmental reputation and market opportunities.
Perceived environmental challenge	Stay ahead of the legislation; disseminate knowledge among suppliers, customers and employees with high quality products.
Future survival depends on	Convincing the stakeholders the importance of environmental issues.
Business strategy	Proactive with accommodative influences since they are adapting the latest (economical plausible) environmental friendly technology within all fields and profile themselves as a responsible company but not are developing new innovative environmental friendly products, services or processes themselves.
Activities	Using environmental friendly technology focusing on the using phase with laundry and transportations in mind but also using EMS.
Ownership	Private owned business which supports long-term investments and strategies.

Table 3.1. Hr Björkman's company description.

Ogeborg AB was founded in 1964; it is a family business and a floor-distribution-company operating in the textile-floor industry with currently 7 employees. Ogeborg delivers textile-floors to offices and other public environments and has focused a lot on the overall picture of human being and environment with well developed LCAs for their products. The company is EMAS registered, and certified according to the ISO 9000 and 14000 series respectively. The company has participated in a project arranged by IVL Swedish Environmental Research Institute which is directed to small and medium sized companies with environmental programmes. The interview was made over telephone with project manager Leif Göransson (Ogeborg AB, 2005a; Ogeborg AB, 2005b; SEMKO-DEKRA Certification Ltd, 2004; SEMKO-DEKRA Certification Ltd, 2005).

Major stakeholders	The customers, board, employees, floor setting companies architects and board.
Driving forces	Ethical and market opportunities.
Perceived environmental challenge	Decrease waste and transportations and material use.
Future survival depends on	Launch attractive, praiseworthy products with ecological and sustainable approaches.
Business strategy	Proactive, looking at the textile floor's impact over its whole lifecycle certifying their customers in how to take care of the floor in the best way and collaborating with technical development.
Activities	Lifecycle perspective, monitoring research and technical development, using EMS and have participated in a CSR project.
Ownership	Family business which supports long-term investments and strategies.

Table 3.2 Ogeborg's company description.

Vedum Kök och Bad AB was founded in 1919 and is Sweden's largest family owned kitchen- and bathroom company with some 220 employees. The company's business area covers developing, manufacturing, marketing and sales of interiors for kitchens- and bathrooms. Vedum Kök och Bad AB is located in Vedum, Sweden, but with exhibition in Malmö, Gothenburg and Stockholm as well. Norway, Denmark and Finland are the largest export markets which stands for about 20% of the totally turn over. The company is certified according to both ISO's 9000 and 14000 series. Vedum states that their responsibility covers both the internal and the external environment (Vedum Kök & Bad AB, köksinredning och badrumsinredning. En av landets äldsta tillverkare, 2005). The interview was made over telephone with their CEO Magnus Eframsson.

Major stakeholders	Construction companies, employees, people living in the area, customers and authorities.
Driving forces	Supply chain pressure, market opportunities and cost reduction.
Perceived environmental challenge	Decrease waste and material use.
Future survival depends on	The customers' attitudes towards "responsible products". The threat from other parts of the world who do not invest in CSR.
Business strategy	Takes a great responsibility for the local society in order to keep a competent workforce but knows that the customers are looking at other criteria than good CSR when choosing their products, could be seen as an accommodative business with defensive influences.
Activities	Sponsoring the local society and the company's wood waste is used to heat their own premises together with a local school and an old people's home and certified according to the 14000 series.
Ownership	Family business which supports long-term investments and strategies.

Table 3.3. Vedum Kök och Bad's company description.

Elimag Göteborg AB was initially a part of Ericsson Microwave Systems AB but become its own in 1990 (as Radarmekan AB). The company is now a free-standing part of the Beijer Alma Group, a publicly traded company listed on the Stockholm (Sweden) Stock Exchange. The company has currently got about 65 employees and is a high technology industrial company specializing in the manufacturing of precision parts for the European High Technology Industry. The material used is almost exclusively aluminium and the techniques used include high speed machining and salt bath dip brazing. The company is ISO 9000 certified and working according to ISO 14000 but are not certified. The company has integrated their work on quality, environment, working environment and other routines into one single comprehensive quality management system (Elimag, 2006). The interview was made with the company's CEO Lars Lundh at Elimag's facilities in Mölndal.

Major stakeholders	Beijer Alma Group, board, authorities, employees and customers.
Driving forces	Cost reduction, keeping and recruiting skilled employees and "goodwill".
Perceived environmental challenge	Decrease energy consumption.
Future survival depends on	If the larger corporations' CSR demands no longer only will be empty words, attitudes among the customers, the authorities legislation level; it is a threat that "too much" is done in Sweden but not in rest of the global market.
Business strategy	Rather spend money on activities which generate value than spending money on environmental reviews, have high technology equipment in the competition with low salary countries. Could be seen as a defensive company with accommodative influences.
Activities	Working according to ISO 14000 but not certified, involved in the local society.
Ownership	Is nowadays a part of the Beijer Alma Group will therefore answer to its board.

Table 3.4. Elimag's company description.

Civo BioScreening AB is still in its start-up phase (founded in 2006) and has its origin in a collaborative innovation project between Göteborg University and Chalmers School of Entrepreneurship. The company commercializes a patented methodology that makes the development of drug eluting biomaterials much easier. The company has mainly focused on so-called stents, a kind of metal net which is used as reinforcement for the vessel wall after balloon dilates. These stents can then be covered in different medical substances. Currently the company has got two fulltime employees. There are a total number of nine closed involved stakeholders who owns the company including scientists, former students at Chalmers School of Entrepreneurship among others. The project which has been transformed into a company has received financial support from ALMI, Innovationsbron Väst and is one of the projects that have attracted capital from Biomedicin I Väst which means that Civo has founding for the forthcoming year (Civo Bioscreening AB, 2006; Olsson, 2005; 2006). The interview was made with Civo's CEO Andreas Olsson at Civo's office at Sahlgrenska Science Park in Gothenburg.

Major stakeholders	The board, the shareholders and sponsors
Driving forces	"Goodwill", publicity and cost reduction, market opportunities.
Perceived environmental challenge	Not stated yet since the company still is in its initial phase but ought to be linked to the research.
Future survival depends on	Attitudes among the customers, the authorities' legislation level.
Business strategy	First of all finding customers and becoming an established company and then start looking at these issues regarding CSR. Could be seen as a defensive company with accommodative influences.
Activities	Following the present legislation and focusing on finding customers.
Ownership	Joint-stock company; scientists, former students at Chalmers School of Entrepreneurship among others.

Table 3.5. Civo's company description.

4. Result - The SMEs' reasons for adopting CSR

This chapter presents the outcome of the interviews and some thoughts from the visited seminar on CSR. The first and perhaps most interesting question this report will investigate is the different SMEs' reasons for working on CSR related issues, what are the SMEs' driving forces? It appears that the main interest working with CSR issues comes from environmental issues which are market and stakeholder driven incentives. The SMEs' primary reasons for working on CSR are presented in table 4.1.

Why working on CSR?	
Hr Björkmans Entré Mattor AB	Because it is possible and it creates a competitive edge.
Ogeborg AB	Mainly because good environmental work generates good business.
Vedum kök och bad AB	Creates healthy and reliable co-workers and comfort in the local community etc.
Elimag Göteborg AB	Pressure from the authorities, some issues generates a win-win situation for the company and the concerned party.
CIVO BioScreening AB	

Table 4.1, Why working on CSR?

The answers from the interviews show that there are a number of different driving forces both internal and external. The results are subdivided according to the triple bottom line. In table 4.1 the general opinions perceived by the companies are summarised. In the texts these opinions are further explored.

4.1 Internal driving forces

Each and every one of the interviewed SMEs believes that environmental reporting should be made on a voluntary basis. "The more laws and rules, the more complicated everything gets", Efraimsson, 2005. The interviewed SMEs seem to think that it would not be harder to report on social issues than environmental. In the interviews it is pronounced that the most obvious approach to CSR is through the environmental work in the company. There are also economic and social driving forces that the companies are working with.

4.1.1 Environment

The environmental work appears to be the easiest to relate to within in the field of CSR. There are several internal driving forces in the companies that are further explored below.

Legislation

Elimag is one of two companies in this study which not is certified according to ISO 14000. Their CEO L, Lundh explains that the company is working according to the 14000 standard but has chosen not to certify the company since it is a great extra expense they rather invest in something else. Lundh claims that their environmental work primary is driven by rules and legislation but also of win-win situations for the bank account and the environment respectively.

A, Olsson at Civo declares that the company not really could be seen as a manufacturing industry and therefore has a very limited impact on the environment. The company obeys under the legislation concerning laboratories which of course also concerns environmental issues. Olsson explains that there are so many things to take into consideration in a start-up phase and since the company not are dealing with activities with a great impact on the environment these issues are not to be found on the daily agenda yet.

Cost efficiency

Vedum's CEO M, Efraimsson states that there are two sides of the environmental coin. On the one side there are the things that cost a lot of money, administration cost and investments in pollution treatment works (the company recently had to invest 2.5 million SEK in a new system in order to reduce their solvent discharge) and on the other side there are the cost reduction activities that benefit both the company and the environment.

Lundh (Elimag) explains that the cost reduction side is something that they always have been working on and probably most enterprises are working with since they clearly can see the benefit from it. Even though Elimag is not 14000 certified they work with both sides of the coin, within reasonable limits and a proof of that, Lundh declares, is that the company was rewarded Mölndals municipality environmental reward in 2002.

Market opportunities

Björkman's (Hr Björkman) main reason for working proactive on environmental issues is to create an environmental profile towards the customers and build its competitive edge round the proactive nature of the company. For some customers, Björkmans have been chosen as their carpet supplier much because of their environmental profile, whereas for others the environmental thinking was thrown in, in their choice of carpet supplier.

Göransson, Project Manager at Ogeborg, explains that on the contrary to many of their competitors, Ogeborg has chosen to think in environmental terms at all levels, at all time. They are not just focusing on their finished product (the textile-floor) but at the whole lifecycle. Göransson explains that sometimes they have got some major

contracts thanks to their environmental approach, but he has seen a tendency that during the last two or three years there have been a recession in the industry and hand in hand with recession the customers willing to pay for environmental friendly products decreases. Ogeborg's explanation of why they are focusing so much on environmental issues, even though they do not operate within a business sector which as clear as for instance the petroleum industry has a major impact on the environment, these issues has become their competitive edge.

Ethical

Hr Björkman's CEO C-J, Björkman explains that working proactive with environmental issues partly can be the result of his own engagement in these kinds of issues. He believes that no matter of what business he would run or what branch he would be involved in the personal engagement in environmental issues would presumably be given a lot of space. In the spirit of a CEO running a proactive company Björkman explains that "the reason for working so much with environmental issues is because it is possible".

The interviewed SMEs have many different driving forces which depend on how their management has find benefits of working with CSR related issues. It is also a question of attitudes, and sometimes lack of time.

4.1.2 Economy

The economy aspect is to be found in both the environmental work as well as in the social work on CSR. Cost efficiency and market opportunities have already been mentioned and more subjects related to the topic is presented below.

Certificate costs

Regarding the cost for certification Ogeborg which is a proactive company declares that it is rather expensive to work so much on the environmentally documentation. Ogeborg is participating in "Byggtjänsts" (roughly translated as construction-service) database with environmental declarations of about fifteen of their most popular products. Each declaration costs between 10 and 15 thousand SEK, a document consisting of about 14 pages describing the textile-floor down to the atom-level. It is a large expense for a company with only 7 employees. Elimag rather invest in an operator (blue collar) who is producing things the company can debit for, than paying an administrator who will monitor that the company is fulfilling the environmental administrative demands. He explains that currently the company does not have the costume which allows them to hold that extra administrative cost.

4.1.3 Social

The third aspect of the TBL approach is the social which remains to be looked into is the social part of CSR. This aspect covers internal issues and is further explored below.

Workforce health

The companies will benefit more of having healthy employees since employees that are sick-listed are expensive. The question about employees reporting sick seems to be of the highest interests for the interviewed SMEs. Efraimsson states "well with the

internal issues you see the result at once, if the employees enjoy their workplace and you have an excellent working environment the business is going better". All interviewed SMEs seem to think that the working environment and taking care of the employees is one of the most important issues in the complex world of CSR. Vedum is primary focusing on having a well structured and clear organisation. A clear responsibility allocation with professional managers and always having a high rate of manpower for the work that must be done is Efraimsson's recipe for making the employees enjoy themselves at Vedum and stay healthy. He believes that it will be more and more important to protect companies' employees by giving them a good working environment but on the other hand he has experienced a decreasing interest of environmental issues in comparison of how it was six or seven years ago.

Gender issues

The common opinion among the interviewed SMEs is that female allocation of quotas is not a path towards the equal society. The companies advocate recruitment based on competence, experience and social ability rather than on gender. Olsson at Civo who recently has graduated from Chalmers School of Entrepreneurship informs about his education and that the students have talked a great deal about the importance of diversification when running a business. Olsson's opinion which seems to be the overall opinion among the interviewed SMEs is that one should strive for a 50/50 proportion between the genders but it should never become an absolutely must. The society ought to concentrate on the recruiting process to the universities and not force the companies to recruit someone who might not be the most suitable for the post.

Internal communication

Göransson at Ogeborg explains that these issues are similar to information; to make the external communication work one must first make the internal communication reliable. This is something that is more important in complicated businesses and perhaps not as important for assembly line operators just to mention one group. Civo's perspective is that it is almost obvious that the internal issues are more important initially (together with the customer and supplier relationship).

4.2 External driving forces

This section will focus on the "outside worlds" influence on the SMEs. What makes them act the way they are doing and who the most important stakeholders are?

Stakeholder

The general opinion among the interviewed companies on what would make them (and SMEs in general) work more with CSR related issues is an increased customer demand. Larger corporations' influence on SMEs and legislation is also mentioned as vital bricks in the sustainable wall. The different SMEs are operating within different segments, they have stated why they are working on CSR and with the aim of illuminate this even more the SMEs' most important CSR-stakeholders are listed in table 4.2. It is the stakeholders who are generating the company's external driving forces.

Most important Stakeholders

Hr Björkmans Entré Mattor AB	The customers, CEO, employees.
Ogeborg AB	Complex issue, but the short answer would be the customers and the architects together with the CEO.
Vedum kök och bad AB	For working on environmental issues it is the large construction companies and authorities.
Elimag Göteborg AB	The authorities, but the larger corporations have the power to be very important if what they say and do would agree.
CIVO BioScreening AB	The board, the shareholders and sponsors.

Table 4.2, Most important stakeholders.

Göransson's opinion is that in order for SMEs to succeed towards their customers and suppliers, higher demands on the enterprises' SR will be made in the years to come. In the spirit of CSR, Björkmans emphasis on the public sectors lack of environmental consideration in their choice of suppliers. Björkmans customers are to be found in the private sector alone and even though the public purchasing policies often brings up things like "respect to the environment" lowest bid seems to be the only criteria, according to Björkmans.

Lundh exemplifies the problem; if for instance two companies are manufacturing the same product, they have the same numbers of employees, the same expenses and the same turnover but one of the companies chooses to 14000 certify itself. Suddenly this company has got an extra expense in shape of administrative costs; it costs money to keep the certification topical. In the end this extra cost is going to be charged by the customers and the customers will choose the other company's equivalent product with a lower price. Lundh states that their customers certainly not are saying "well it is okay, you are ten SEK more expensive but since you are environmental certified we will gladly pay that, it has never happened and will probably never happen, the customers take for granted that you are certified but nonetheless their orders are going to companies which not are fulfilling the requirements".

Supply chain pressure

Vedums's CEO Efraimsson declares that from the beginning, the environmental certification was a market demand from large construction companies among others. He also explains that it was the same thing with the ISO 9000 series, something that saw the daylight in the 1990s and which still has got a great influence of today's corporate world. Together with Vedum's growth rate the certification has also become a real management system, with a clear documentation and an efficient tool when it comes to instruct new people within the organisation. When it comes to supply chain pressure on ISO 14000 certification, Lundh (Elimag) explains that there are other things than environmental issues that concern the customers.

Risk

Risk management is not expressed as an essential driving force, but indirect the risk aspect is brought up anyway since the SMEs talks about the importance of establishing long-term relationships, recruiting skilled employees and goodwill.

4.3 Perceived CSR obstacles

In table 4.3 the SMEs' perceived obstacles for working on CSR are listed.

CSR obstacles	
Hr Björkmans Entré Mattor AB	No real obstacles, but a matter of general attitudes and lack of motivation.
Ogeborg AB	Time and Money. If you do not have time and money it does not matter how motivated you are.
Vedum kök och bad AB	The costs and the competition situation. The CSR demands in other parts of the world are lower and if the customers do not consider these questions as vital it will give these companies an advantage since they do not spend any money on CSR activities.
Elimag Göteborg AB	That the customer not are willing to pay for it, the costs, the global market with players that not have to invest in CSR activities, that supply chain pressure does not work in practice.
CIVO BioScreening AB	In the segment of gender equality it is old fashion attitudes among employees and board members.

Table 4.3. CSR obstacles.

Motivation

In the theory, lack of motivation often has been mentioned as a great obstacle for CSR. Interestingly, Ogeborg the proactive company somewhat reject the theory when it states that it does not matter how motivated you are if the conditions regarding, time and money is not there. Time and money must exist so that the motivation will not evaporate and the CSR will fade out. There are however many different forces that hold the CSR back. Efraimsson at Vedum states that the biggest threat against CSR is cost and the competitive climate. In the global world of today, the requirements of the Developing Countries are not as tough as they are for us. Björkmans has not experienced at lot of bureaucracy and believes that it is a myth that it has to be very costly and complicated to work proactively with environmental issues. Björkmans declares that a smaller enterprise in comparison with a larger corporation will have less paperwork and in addition to this the publicity might be even greater for SMEs since it still is relatively rare for SMEs to work with a genuine engagement on these kinds of questions. Lundh's opinion is that the corporate world will not do things in the spirit of CSR unless they can see what is in it for them.

Added value

"The tricky thing is if the customer does not see an added value in what we perform in the subject and only cares about the cheapest price" (Efraimsson, 2005). "That will put us in a position there we have a lot of extra expenses for keeping the environment

clean and taking responsibility, but no one wants to pay for it, that is not the path toward a sustainable development”(Efraimsson, 2005). Munk af Rosenschöld from Volvo Cars states that general speaking, consumers do not pay for improved environmental performance but by transforming “common good” into “private good” the ambition to create a SD will carry on.

4.4 Ethics and code of conduct

Ethic-policies seem to be quite a rare thing among Swedish SMEs that is, however, the view this study gives, see table 4.4.

Ethics	
Hr Björkmans Entré Mattor AB	The company has got no specific code of conduct or policy of ethics but is using common sense.
Ogeborg AB	No formal code of conduct, but the company has looked a lot into it within the IVL-project's framework.
Vedum kök och bad AB	No formal code of conduct, but have started to look at it when it comes to buying material from suppliers in Asia.
Elimag Göteborg AB	Have got many different kind of policies, but in the end it is all about common sense.
CIVO BioScreening AB	Using common sense.

Table 4.4, How the SMEs are looking at corporate ethics.

Common sense seems to be the tool the SMEs are using when it comes to ethical behaviour and code of conduct. Ogeborg which has been participating in a project, arranged by IVL Swedish Environmental Research Institute, directed to SMEs with environmental programmes has within the frame for the project looked quite a lot at ethical behaviour. Göransson states the importance of not neglecting the ethical behaviour within the corporate world. “If we would not be ethical neither our customers nor our employees would like to stay with us, there is some kind of self decontamination within that issue I believe” says Göransson. Good ethic creates long-term relationships without it you are doomed.

The overall picture declares that concerning responsibility one is of course focusing at the own company before starting to take responsibility for the world outside. Global environmental impact is something that larger global corporations will have to take a greater responsibility for, not primary SMEs. Efraimsson explains that from a responsibility perspective the internal issues are much closer to the business than the external issues. The general picture was also declaring that; larger corporations had a greater responsibility on these kinds of questions than SMEs something that to a certain extent was supported by Munk af Rosenschöld who claims that in issues such as child labour among others the responsibility is equal no matter of what size the corporation has got. Nevertheless, she states that larger corporations have got greater power and can therefore affect or sometimes even force their suppliers into change.

Something many SMEs can not do anything about and therefore not a responsibility they can shoulder.

Lundh at Elimag explains that if we are about to survive in the competition with the Chinese enterprises we have to do everything much better than they are doing it. According to Lundh, Sweden has achieved quite a lot when it comes to take responsibility for the workforce, this ought to be covered by the tax-bill but the government has used legislation to force the Swedish enterprises to take a greater CSR and this costs a lot of money. Lundh declares that this is a dilemma, if the Swedish government is pushing the corporate worlds' responsibility too far the result may be that "Sweden won the environmental award in 2011 but the whole system collapsed in 2015, there are such shocking examples there too much focus has been laid on being best in the class". Lundh states a simile with quality, there companies have won the award "Svensk Kvalité" (~Swedish Quality) and two or three years later the business has failed in a bankruptcy since they focused on things that should not be their primary activity. The biggest obstacle for CSR is that the customers not are requiring the activities and not are willing to pay for it according to Lundh. Efraimsson's opinion is that if there are too many demands on the suppliers in Asia for instance, there is a danger that the supplier's front gives one picture but behind the scenes the work might still be a disaster.

4.5 Other opinions brought up

The common opinion on CSR among the interviewed SMEs on some issues;

- It is an interesting and important topic.
- You are expected to work on these kinds of questions.
- The government is shouldering more and more responsibility on the corporate world.
- There are two sides of the CSR coin, one which cost money and another which saves money.

The SMEs are pointing out the importance of getting and seeing the benefits of working on CSR. Göransson states that if he would be operating within another business sector and he would have seen the same benefits of working proactive there, he definitely would.

"Through rules and legislation the corporate world has been given a greater SR on environmental- and SD issues in general, but the companies will not run these questions themselves as long as they do not see the economical benefit" Lundh, 2006.

An interesting issue was brought up by Munk af Rosenschöld (2005), the question of how far the corporate world ought to go in their responsibility. She declared that Volvo Cars, as a small player within the automotive industry (about 1% of the market share), may still exist much thanks to a responsible decision back in the 1950s; the decision of introducing the seat belt. That decision has made Volvo and Volvo Cars synonymous with safety thinking and has in many ways helped Volvo Cars to create their competitive edge. Munk af Rosenschöld (2005) explains that in the beginning of the 1950s, a car was the ultimate symbol for freedom but soon the other side of the

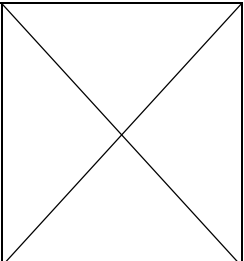
coin was visible in shape of accidents and injured consumers. So who was to blame, the driver, the road, the situation or the manufacturer. At that time Munk af Rosenschöld explains that Volvo took their responsibility by offering seat belts in their cars.

5. Analysis - What do SMEs do in their CSR?

This section analyse the result from the executed interviews. The different SMEs' opinions are compared not only with each other but with the theory. The chapter is divided into sub sections based on the analytical model taking what the SMEs say they are doing and what they actually have achieved into consideration.

5.1 Encapsulating result

The analysis will start with summing up the result section. A cite from Lundh is used to exemplify what the result section has shown us; "one should not be too romantic when one comes out to Swedish SMEs and think that we will shoulder a greater responsibility of pure kindness". Lundh gives his view of that there has to be something in it for the companies if the corporate world will take a greater responsibility. Even though companies' whole purpose is to generate revenues they are driven by people, people with ethics and engagement for different CSR-related issues this is further discussed in the analysis section. In table 5.1 result related to the analysis model are presented in order to shed light on the outcome of the interviews before the result is further analysed.

	Hr Björkmans Entré Mattor AB	Ogeborg AB	Vedum kök och bad AB	Elimag Göteborg AB	CIVO BioScreening AB
Founded	1993	1964	1919	1990 (initially as Radarmekan AB)	2006
Activity	Letting of entrance carpets with focus on delivery quality.	Floor-distribution-company operating in the textile-floor industry.	Developing, manufacturing, marketing and sales of interiors for kitchens- and bathrooms.	Specializing in the manufacturing of aluminium precision parts, using high speed machining and salt bath dip brazing.	The company commercializes patented methodology within the Biotech industry.
Number of employees	10	7	220	65	2
Location	Arlöv, Sweden	Stockholm, Sweden	Vedum, Sweden	Mölndal, Sweden	Göteborg, Sweden
Quality	Delivery quality involve everything which have something to do with the product i.e. the way the carpet is delivered as well as the carpet's quality. ISO 9000 certified.	It is vital for the company to keep a high standard of services, as well as using modern technology and well developed LCA. ISO 9000 certified.	Not only covering what is technical measurable but also things like the impression the customers gets from the organisation e.g. deliveries on time. ISO 9000 certified.	Have got an integrated system of quality, environment, working environment and company routines. The company is certified according to the ISO 9000 series.	

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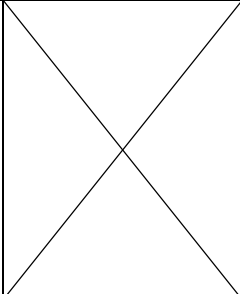
Economy	The company is one of Skåne's leading carpet letting companies much thanks to its proactive approach.	Have been given some larger projects thanks to the proactive approach, but recession make companies ignore everything but the price.	Consider it to be two sides of the CSR coin. One direct cost saving side and one which cost money but exists much thanks to the expectation of EMS among vital customers.	An annual turnover of approximately 100 million SEK. States that larger corporations supply chain pressure on CSR does not work in practice and that there must be a clear profit for working with CSR.	In a start-up phase, all businesses are very fragile and the absolutely most vital task is to get founding so that the business can secure its existence. Reducing the use of laboratory animals, used for experimental purposes will generate subsidies for the company.
Social dimension	Important but not reporting on the field, have sponsored customer related sports associations, a school anti-mobbing project and the victims of the Tsunami catastrophe.	In the IVL project, the company chooses to focus on competence within the company and issues such as sick leave. Not reporting on them yet.	Focusing on having a good and clear organisation with not too much work on the employees' shoulders in order to minimize the sick leave. Comfort activities and interior design where people are to enjoy themselves.	From a global perspective, it might be devastating if Swedish SMEs are forced to be top of the line on CSR if this is not something the customers are willing to pay for. Believes that much of what the companies nowadays have to pay for should be covered by the paid tax. Is working with school projects and supporting a local football club.	Are still too small and too young for having started to take these issues in consideration. The primary task is to survive and to stabilize the venture. But in the future Civo might be sponsoring scientific research and different school projects.
Environmental dimension	The company's competitive edge. According to the company, the markets most environmental friendly alternative with about 95-98% water recycling and almost all transportations made by the company's methane gas vehicles. EMAS registered, ISO 14000 certified and Eco-labelled (Svanmärkt).	The company's competitive edge. Ranked as number one within the government skeleton agreement for textile floor distributors. Have got well developed LCAs for their products. EMAS registered and ISO 14000 certified. Due to their proactive approach the company will be used as a good example within the field of SD.	According to ISO 14000, continuously working on improvements. For instance, the solvent discharge has decreased from 80 tons in the 1980s to a currently discharge of some 17 tons. Wood waste is used to heat their own premises together with a local school and an old people's home.	The company work in accordance with ISO 14000 but are rather investing what is cost to be certified in equipments which can benefit the business and in the end secure jobs. Winner of Mölndals municipality environment-award in 2002.	Since the company not is a manufacturing industry, producing components which could harm the environment but a scientific enterprise Civo is working according to the rules and the legislation relevant for laboratories. Perhaps the issue will be more vital when the company is expanding.
Long-term business	The most important thing when running the business is a good long-term relation with the customers, which is obtained by a long-term perspective of the company's business.	The proactive approach promotes both long- and short term business. The company's strategy is to become successfully by long term trustful customer relations.	The company was founded in 1919! This is a long-term business which always has find it natural to think in new ways. The new thinking is an old tradition which generates a long-term perspective.	Elimag is working with strategic alliances with high-tech partners which allows them to take on a total undertaking for major projects. The ambition is to develop a long-term relationship with their customers and the most cost-effective solutions are found.	

Table 5.1. Stated opinions.

5.1.1 Driving forces

The theory presents a wide range of different reasons of why enterprises ought to apply a CSR approach. Some of the reasons such as using it as a competitive edge, that rules are pushing the enterprises towards a CSR and customer demands, have been stated as reasons for the interviewed SMEs. Another reason or driving force that each and every one of the participating enterprises mentioned was however “cost reduction” which probably all enterprises are working with in one way or another. Compared with Enell’s (2005) theory of why companies ought to be working more on CSR the SMEs in this study did not directly brought up Risk Management as a reason or driving force. Indirect the risk aspect was mentioned anyway, when thinks like long-term relationships and the risk of losing skilled employees was brought up. So generally there was actually no result that contradicts the present theory on CSR. What the analysis section therefore primary will focus on is illuminating things that will support the present theory but also shed light on issues that the participating SMEs think is essential.

5.1.2 Attitudes, values and obstacles

A common opinion among the SMEs regarding a widespread implementation of CSR is that it must be simple to work these kinds of questions. It must also generate some kind of benefits for the actual SME, a person’s good conscience is not enough when a whole board sometimes has to be convinced regarding a specific CSR-related issue. According to the SMEs, customers do believe that SD issues are important but they are less interested in paying for them. Changed attitudes among SMEs towards a more proactive approach will therefore not be changed until the customers are willing to pay for it. The market decides the direction of the corporate world, but the authority’s power should not be forgotten. The SMEs in this study tends to think that there is a danger in pushing these questions too far. One medium sized company’s reason for being certified was that their larger customers required them to be certified and since they got certified they did not know if they actually would have lost contracts if they would not have followed the leverages. Even though a company lucidly is declaring for its suppliers what they have to obtain in terms of CSR, will a great contract fall just because of a small side step in their CSR obligations... probably not? How big is the grey zone then, the more one gets involved in CSR related issues the more issues seems to be raising. Supply chain pressure has shown to be an efficient tool sometimes, and is according to Antonsson (2002) a common phenomenon, but if companies are starting to feel that it is just empty words, as Elimag does, the whole idea with supply chain pressure might fall.

5.2 Environment

What the SMEs are saying that they are doing but also what they actually have achieved in relation to the environment is presented in table 5.1. Three of five companies are certified according to ISO 14000 and one company is working according to the standard but has chosen not to certify itself. Other examples from table 5.1 of what the SMEs have achieved are implementation of an environmental friendly laundry (95-58% water recycling), well developed LCAs for products,

decreased solvent discharges, winner of Mölndals municipality environment award in 2002 among other things.

5.2.1 Environmental activities

Considering the lifecycle, Göransson explains that it becomes obvious that the greatest environmental impact a textile-floor has during its lifetime is during its using phase, it is matter of how to keep the floor clean. On research in cooperation with the Royal Institute of Technology Ogeborg claims that properly cleaning of textile-floor will result in less use of water, less energy consumption and less cleaning agent than for other types of floors. Ogeborg's competitive edge is to be top of the line when it comes to environmental issues, but are the customers really requiring LCA and other things in the spirit of a sustainable development?

Björkmans explains that the reason for their environmental engagement has a lot to do with the business they are running. They consider themselves as being in the recycling business. By providing the customers with carpets and keeping the responsibility of having them laundered, what could be considered as a circulation is appearing-when the carpets have been laundered they will go back to the customers once again.

The other medium sized enterprises, which do not profile themselves as proactive companies have taking these issues seriously anyway. Vedum's CEO M, Efraimsson, states that a strong driving force for working with these issues is the ISO 14000 certification with continuously improvements on the agenda.

5.2.2 Environmental Management Systems as a driving force

The participating SMEs in this study have achieved quite a lot within the field of CSR. EMS works as an important driving force for some companies others have a more restricted CSR approach which consider rules and legislation as the main CSR catalyst. The SMEs have all thought about the different CSR elements, the only company which not yet has started to execute its CSR is the small bio technology company since it still is in its initial start-up phase and other issues has to be solved first. The pattern is, however, that the SMEs with a more proactive manner are much more conscious about their CSR than the others which not always realise that the actions they undertake is a good CSR. The picture the present author has been given is that the SMEs not are boastful on their work on CSR. They do not exaggerated what they do when comparing with what they actually have accomplished.

5.3 Economy

Making money and generate revenues is seen as the most central tasks a corporation has got. This does not necessary has to contradict a good CSR profile. The report has already presented activities there the SMEs has saved money but also have seen market opportunities by working with CSR.

5.3.1 Workforce and working environment

The question about employees reporting sick seems to be of the highest interests for the interviewed SMEs. Lundh would like to see clearer rules of how great the enterprises' responsibility really is. If the employee gets injured at work he believes that the company should take a greater responsibility than currently but if the employee gets injured during his or hers spare time, he definitely thinks that the society or the employee him or herself should pay for it. Today it seems like it does not matter where the employee gets injured and this will result in considerable tougher recruiting requirements. Olsson at Civo states that it probably will be even more difficult to employ people who do not suit the frame in the years to come with this trend. He thinks that many companies will use different parameters to investigate what physic condition the applying person has got. Communication with insurance companies and investigations of diseases in the family might be a negative side affect of giving the companies a greater responsibility in this area. The government should facilitate the employment of people outside the frame and not build up politics which will complicate employment of people in this segment. Olsson predicts a future there CSR among SMEs will be focusing on the individual level whereas larger corporations' CSR also will include the society in general.

5.3.2 Internalising or externalising costs

Bingel, Sjöberg and Sjöqvist (2002) states that only a small number of the citizens are willing to pay a higher prise for a comparable product which can be considerate as environmental suitable. The interviewed SMEs thought that the competition from other parts of the world there the companies does not need to take that much responsibility gives them an advantage since they can use their money building up the core business instead of investing in environmental friendly solutions or advantages for their employees. This was also one of the companies reason not to ISO 14000 certifies itself; they rather invest the money in actions which they could debit for. The company has never experienced that they have lost an order as a result of not being certified and therefore can not see what is in it for them. However, if they could see the benefits they would of course certify the company.

5.4 Social

When talking about the social aspect of CSR what first comes into mind might be working conditions, but as the theory already has declared, the topic is so much more than that, supporting the local neighborhood for instance.

5.4.1 Sponsoring and local activities

All the interviewed companies (except from Civo which is in its start-up phase) are sponsoring different local activities. Ogeborg supports a local handball club, their children's kindergarten and tries to support students in different ways in their thesis work. Björmans supports customer related sport associations, a project which is aimed to prevent mobbing in schools (in Hem & Skola's auspices) but also the Red Cross has been given money most recently after the Tsunami catastrophe in Asia. Elimag supports a local football club there children to several employees are playing. In addition to this, they work with teenagers by visiting schools and informing about

Swedish industry in general and Elimag’s activities in particular, what requirements the company employees must fulfil and what tomorrows requirements will look like. Elimag opens its doors for many school classes with the aim of showing what the working life might look like and is participating in something called “Handslaget” (~the handshake) there the company is working as a godfather for a upper secondary school class, helping them getting thesis work and things like that. Vedum which is named after the little place there the plant is located has helped the community building a sport centre. Vedum is a little place with only 1000 inhabitants and Efraimsson states that it is very important that there are things for the teenagers and the employees to do on their spare time so that they enjoy the neighbourhood and do not move from the community and give up their jobs at the company. Olsson at Civo thinks that the company will sponsor school projects in the future and gives a good example of how larger corporations sponsored both his entrepreneur class, when they were collecting money for a school trip, and younger students by letting entrepreneur students holding lectures. His class earned money for talking in schools about technical educations and entrepreneurship and giving the students case studies concerning the sponsoring corporations and thereby indirect sponsoring the schools with lecture material.

When it comes to what issues the interviewed SMEs primary are focusing on Björkmans was the only enterprise which stated that they thought it was more important working with environmental issues than social. The reason for this, according to Björkmans, was the character of their business with an own laundry and a lot of transportations, with no suppliers in countries with a doubtful view of human rights or child labour. Ogeborg which is the other proactive SME in this study states that since they already are top of the line when it comes to environmental issues their main focus should be on competence within the company and organisation, legible internal issues.

5.4.2 Internal versus external issues

In table 5.2 the SME’s priority regarding internal or external issues are presented.

Primary focusing on (why)	
Hr Björkmans Entré Mattor AB	External issues since they are the company's competitive edge.
Ogeborg AB	When the internal issues are working well you can start working on the external.
Vedum kök och bad AB	Internal issues are prioritised since they are much closer to the business.
Elimag Göteborg AB	Internal issues since they are much closer to the business.
CIVO BioScreening AB	Internal issues, stronger connection to the business interests.

Table 5.2, The SMEs’ choice between internal- and external issues.

Göransson at Ogeborg compares internal and external CSR issues with internal and external communication. You start with making the internal communication work and thereafter you may start looking at the external communication. This is something that is more important in complicated businesses and perhaps not as important for assembly line operators just to mention one group. Civo's perspective is that it is almost obvious that the internal issues are more important initially (together with the customer and supplier relationship).

In the choice between internal and external issues on CSR, the SMEs in this study prefer the internal ones as they consider them as more closely connected to their business. One has to put oneself in the first room and after that start care for everybody else. CSR seems not to be self generating; it must always be something in it that the company can benefit from. This is something that appears more or less in all interviews. The proactive companies see the benefits of working with environmental issues, even though at least one of the companies has experienced a recession which has affected the environmental thinking among the customers in a negative manner. Another company which is located in a small place with only 1000 inhabitants (with 220 employees) has invested in a local sport centre, this is because they want the employees and their families to have things to do on there spare time so that they will stay in the neighbourhood and at the company, another comprehensible action that benefit the actual company.

5.5 Ethics

The ethical aspect together with cost savings and market opportunities have been mentioned in this report as reasons for applying a CSR approach. The theory brings up the ethical aspect most clearly in the context of CC when companies are described as world citizens with both constitutional rights and obligations (Matten and Crane, 2005).

5.5.1 Local versus global

The general picture was however that; larger corporations had a greater responsibility on these kinds of questions than SMEs something that to a certain extent was supported by Munk af Rosenschöld who claims that in issues such as child labour among others the responsibility is equal no matter of what size the corporation has got. Nevertheless, she states that larger corporations have got greater power and can therefore affect or sometimes even force their suppliers into change. Something many SMEs can not do anything about and therefore not a responsibility they can shoulder.

The SMEs opinion was that concerning responsibility one is of course focusing at the own company before starting to take responsibility for the world outside. Global environmental impact is something that larger global corporations will have to take a greater responsibility for, not primary SMEs.

It seems like the fact that CSR is a global issue sometimes has been put in the shade of the CSR theory; it is stated but has to be much more illuminated. The anxious view of the CSR-neglecting offensive from Asia is also partly supported by Antonsson (2002) but her theory is primary focusing on the wish for competitive neutrality within

Sweden. Antonsson claims that if the authorities do not succeed in demanding the same requirements for all enterprises it might lead to a counteract sustainability effect. This challenging issue is attracted as one of the greatest hindrance for CSR and a SD according to this study. When the SMEs are talking about CSR focus has been on environmental issues. The reason for this might be because the subject has a longer tradition in Sweden with for instance ISO 14000 in mind. Regarding issues with a more social approach the question of how the company organisation is built up and the importance of making the employees enjoy themselves at the workplace seem to be the most important one. The SMEs do see the connection between the sustainability hexagon's different topics. To create a good revenues for the company one has work with the social dimension in order to get hold of skilled employees and create quality at all levels, act ethically correct both towards internal and external stakeholders, then long-term relationships are likely to appear.

5.5.2 Attitudes and values

For a widespread implementation of CSR among SMEs it has to be simple to work these kinds of questions and as mentioned in the beginning of this chapter; in the end it must generate some kind of benefits for the company, the good conscience alone is not enough as driving force. The outcome of the interviews has shown that customers in general, think that issues related to SD are important but when it comes to pay a little bit more for a “responsible product” the cheaper alternative are chosen anyway. So if the attitudes among SMEs will change into a more pro CSR approach, customers' attitudes must change first. The market decides the direction of the corporate world, but the authority's power should not be forgotten. The SMEs in this study tends to think that there is a danger in pushing these questions too far. The problem seems to be that the customers not are willing to pay for increased responsibility thinking within the corporate world. When the question of ethical guidelines was discussed the SMEs explained that there was no need for such things because of the limited size of the companies but that they were using “common sense” as a tool for ethical actions. But what is “common sense”? It is of course to a great extent very individual and depends on whom you are asking but it seems logical that it would derive from our cultural legacy and be the fruit of the norms and ethics we are told from day one in our Swedish school system. Furthermore, it promotes a harmonic development of the pupils towards responsible human beings and citizens. The school activities will be designed in accordance with elementary democratic values and encourage every person own value and respect for our common environment (SFS Författningstester, 2006).

5.6 Quality

The quality aspect from a historical point of view is something that the corporate world has been dealing with long before social- and environmental issues was taken into account but today quality involves much more than long lasting products. Quality can involve, quality for the employees taking spare time and family into account.

5.6.1 Price and quality

Elimag declares that what their customers really care about is first and foremost the price, secondly it is the quality and finally that the components are delivered on time. Therefore, Elimag can not see any benefits of being environmentally certified. Furthermore, Lundh explains that the municipality that require their suppliers to be certified according to the ISO 14000 series do not actually reject companies without the certificate. Lundh has never ever experienced that one would have any benefits of being certified since it cost money which could be invest in something that really would benefit the company. According to Göransson (Ogeborg), many potential customers are unfortunately only looking at the price.

In Vedum's annual customer investigation, environmental issues have shown to be ranked very low. There are other things that matters, what the customers primary are looking for are design, function and price.

The question illuminates that CSR in the end is extremely depending of the market. If the market consider something as unnecessary, it is not willing to pay for it. This is basic kindergarten value management; the customers must see the added value for everything extra they pay for. An eco-labelled product could be used to exemplify this. For someone who cares and wants to contribute in all different ways for a SD the product has got added value in shape of its limited environmental impact. For someone who does not really believe in the little mans power to make a difference or for someone who really does not care about the environment but in status symbols and has got a more materialistic approach, the more expensive eco-labelled product could generate added value in shape of status, since the customer can afford to pay a little bit more for a good thing. Added value could be very individual and have many faces, something the proactive companies constantly should be working with and the accommodative companies will be working with if they can see the demand.

5.7 Long term perspective

Hand in hand with good quality, ethical behaviour and a competitive product or services the long term relationship is established.

5.7.1 Regulation versus Voluntary initiatives

The demands on the corporate world is predicted by the SMEs to be greater from the authorities even though their reason for demanding more CSR is to cut their own expenses and lay it on the corporate world instead. The participating SMEs' opinion was that the rules are important but there is a danger in making the CSR work more bureaucratic. Environmental reporting should continue to be made on a voluntary basis. The SMEs prefer CSR-carrots instead of whips and declares that if they can see the benefits of taking a wider responsibility, they will.

The companies will benefit more of having healthy employees and therefore invest in such activities but on the other hand much higher demands will be put on the employees. For instance if the companies are forced to pay more for their sick

employees, the recruitment process may be even tougher than today and people with a bad health might find it difficult to get a job in the future.

For increasing the companies SR, firstly one has to work more on the consumers' attitudes and make them willing to pay a little bit more for products or services produced by responsible corporations and secondly use the authority's tools in the shape of rules and legislation.

In the result section Munk af Rosenschöld explains how Volvo Cars took their responsibility by implementing seat belts in the 1950s and that it might be because of this the company has succeeded in the tough competitive car manufacturer climate. Today the question of having seat belts is obvious but a relevant responsibility question, within the automotive industry is concerning implementation of the well known alcohol locks. An existing technique, but are responsible customers willing to pay more for something that they consider themselves as not needing, since they would not drink and drive anyway? An interesting question at issue, which of course could be applied in other circumstances related to business concerning SMEs.

Lobbying the consumers so that they start to care is the absolutely best way for a SD. Legislation is of course also an efficient tool, the tricky thing there seems to be that we are just one brick in a giant global paradigm which makes it a balancing issue of on the one hand, global competition and on the other hand the "good example" which the rest of the world should follow. Environmentally documentation is brought up as a major expense for SMEs which are using EMS and stated as the reason for not getting certified by one company. It is very much a matter of what business strategy the SME has got. It seems like there are three different characters of the CSR related costs. The one which occurs out of legislation (must), the one which could be seen as an investment (voluntary/market) and the one which has more of a personal touch (voluntary/ethical). CSR as an investment seems to have the absolutely greatest potential to increase CSR within the corporate world. The voluntary work on CSR the SMEs are carrying out is done because it benefits the business one way or another. Interestingly CSR tools on the internet and Social Index was nothing the SMEs were familiar with probably as it currently is not a self-generating demand of them among the SME sector.

5.7.2 CSR and ISO 26000

Since the world of today is extremely global and voices have been heard that see the competition, from for instance Asia, as a threat for CSR it will be extremely interesting to see how ISO 26000 will be received in different parts of the world. From the present author's point of view it is of out most importance to globalise CSR if it should be a sustainable issue to count with in the years to come. Since the market is global, so are CSR issues. ISO 26000 has an extremely difficult task to accomplish, unite the rich and the poor world and make them follow a similar framework. It is difficult but essential, and as voices from the study affirm, it could be devastating if Sweden alone is pushing these issues on the same time as the consumers are not willing to pay for it. There seems to be difficult to know how much the government should push these issues but it is indeed an essential driving force on the subject, much thanks to that it can save money by giving more responsibility to the companies themselves. This is of course also an interesting issue since the CSR often has been

considerate as concerning voluntary operations alone. If the legislation and the authorities are shouldering a greater responsibility on the corporate world, what previously was made on a voluntary basis is now a must and a CSR the enterprises have to deal with. This opinion might also contribute to voluntary operations since the corporate world often wants to be prepared for the future and therefore is one step in front of the anticipated legislation.

None of the participating SMEs was familiar with the ISO 26000 and they would like to get more information about it before they could say that it was something that they would apply. Guidelines for CSR, as ISO 26000, must be very easy to use, in other ways they will remain unexploited.

6. Discussion

When executing a study it is important to evaluate its outcome, how accurate the results are. The chapter is a critical review of the report and discusses the reports weaknesses as well as its strengths.

6.1 Selection of research method

When executing a study like this, the choice of method might affect the outcome drastically. To obtain the best outcome of the study, it is therefore of great concern to consider what technique will generate the best outcome, the quantitative or qualitative approach? Or will the best outcome be generated by a mix of the different techniques? When choosing the appropriate research method one must keep in mind that the research question is fairly complex and that the outcome of the study should be seen more as an indicator than the absolutely truth.

Quantitative or Qualitative?

One good thing about execute a quantitative study is that the big picture might come out of the fog. The helicopter perspective, often give a more justice picture of the climate and it is hoped that the mix of defensive, accommodative and proactive SMEs will be fair. In 'Svenska Miljöbarometern' (Strannegård, Wolff & Örninge, 1998) Swedish enterprises opinions on their environmental work is investigated with a quantitative approach and with surprisingly high response rate (52.3%). The study excluded small enterprises (less than 50 employees) and could therefore not be hold as the universal case for research on SMEs.

A more common picture of quantitative researches on SMEs tends to have a great, dark semi side in shape of absent responses. Historically, a very low response rate of quantitative researches on the field of CSR among SMEs has been the reality. The main reasons for this ought to be more or less the same as the theory considered as obstacles for CSR among SMEs. Lack of time, fear of more paperwork, time consuming and of course lack of motivation. As an example of the low quantitative response rate among SMEs, a UK study could be used. Pimenova (2004) carries out a quantitative survey called 'The role of support programmes and policies in improving SMEs environmental performance in developed and transition economies'. 250 questioners were handed out to different companies, 33 of them were returned of which nine states that it was their company's policy not to answer any environmental-related questionnaires. In addition to this, two companies classify them self as larger corporations and would not therefore participate in the study. Pimenova's survey is unfortunately not the exception which confirms the rule, it is a common phenomenon. Due to, the low response rate among quantitative SME studies in general, the benefit of the study, if carried out with a quantitative approach, run the risk of come to naught. It should be questioned if a survey with a response rate of 10 percent really could be considered as scientific. For instance, companies with a more proactive approach could stand for a much grater share of the returned responses

than the companies with a defensive or reactive approach and thereby mislead the conclusions.

Using case studies might be an alternative to the quantitative approach. Case studies is a very good approach when details are demanded, but a less good technique if the general picture is desired since the time are invested in a limited number of interesting cases. Case studies and questioners with all due respect, but a qualitative approach with interviews seem to be the most suitable method to carry out this study. With interviews, time could be invested in more companies and thereby generate a more justice picture of what the general opinion on CSR among SMEs currently is. By using semi-structured interviews with open ended questions, the main theme will be keep within a relevant framework, simultaneously as the interview object is given space to focus on his/hers main issues. The literature review will be used as a foundation for the interviews and bring up relevant questions. In the cases there the companies have given there permission, the interviews will be recorded and transcribed and then analysed in the search for a general pattern. In the cases there the companies did not wanted the interview to recorded, this have been respected and notes have instead been taken during the whole interview.

An alternative to the chosen research approach would be to mix qualitative research with quantitative for instance by first sending out questioners and based on the outcome from these set up the agenda for the interviews.

Generality of results

The weakest point regarding this report ought to be the limited numbers of participating SMEs. There is a danger that by only involving five SMEs, a fair picture of the most general opinions among SMEs not has appeared. The outcome of the study is extremely dependent of the participating SMEs' spokesmens' opinion on the subject. With five different SMEs the result might differ quite a lot. Therefore it is important to see what kind of SMEs this study is based on (two proactive/accommodative and three accommodative /defensive companies within different business segment). The present author has nonetheless tried to cover abroad spectrum of different SMEs in order to detect a wide range of different attitudes and opinions.

6.2 Selection of companies

It is difficult to find SMEs which actually is documenting their work on CSR. Johan Fock at the Swedish paper "Miljörapporten" was contacted about where to find information on SMEs with a good CSR policy, he declares that it is out of his knowledge but since they are small, generally speaking, the exposure of those kinds of risks related to the subject often are neglected (Fock, 2005). A similar answer is given from Agneta Hjort at "Lindebergs Grant Thornton" accounting firm's Gothenburg division. She would be surprised if the present author would find any Sustainability Reporting SMEs and supposes that it is only an issue for larger enterprises with corporative quotations (Hjort, 2005). In consistency, it ought to be mentioned that some 16000 Swedish entrepreneurs has Lindebergs Grant Thornton as their business advisor (Lindebergs Grant Thornton, 2005). Contact was also made with SIS and Kristina Sandberg who is involved with the work on the new ISO 26000 standards,

ISO the standard organisation which previously has shown to be spread their standards down the supply chain. Nevertheless, once again the received answer did not fulfil the expectations. SIS could assist with a list of larger corporations which were working close with the institute on CSR (Sandberg, 2005) but no smaller organisations.

The lack of SMEs with an expressly proactive CSR agenda made it wise to start looking at companies who have distinguish themselves by taking environmental issues seriously. This was done by research at EMAS-homepage there SMEs using EMS can be found (EMAS, 2005). To get a justice picture of SMEs opinion on CSR both small and medium sized companies were contacted from different areas of business, different areas of the country and different ambitions on CSR. The proactive companies are interesting to analyse since they have obtain so much in the area of CSR whereas the defensive companies are interesting since they are representing the majority of Swedish SMEs. The defensive/accommodative companies can really illuminate the most common attitudes on CSR. Not all literature is using the same classification of proactive, accommodative, defensive and reactive strategies. According to Antonsson (2002), there are only three different strategies. In addition to this she has changed the meaning of the defensive strategy with the reactive one. Antonsson's way of describing the strategies is not used in this report, it is however vital to critically view the meaning of the different strategies or else a misunderstanding easily will be appear.

	Used in this study	Not used in this study
Type of strategy	South-Western, a division of Thomson Learning, 2006 (among others)	Antonsson, 2002
Very responsible	Proactive	Proactive
Responsible	Accommodative	Reactive
/ only following the legislation	Defensive	
Not responsible; working against the legislation	Reactive	Defensive

Table 6.1. Demonstrates that once again the theory uses different terms to describe the same thing which cause confusion.

In addition to involve SMEs with different strategies, a company in the start-up phase was also contacted, driven by a young entrepreneur who recently was graduated from Chalmers School of Entrepreneurship, with the aim of illuminating what young entrepreneurs' attitudes and knowledge on the field of CSR is.

6.3 Tools for data collection

The chosen semi-structured open-ended interview technique is aimed to generate flexible interviews yet with a clear framework of relevant questions. The direction of the interviews and the covered areas was distributed a few days before the interviews were preformed.

Most interviews were recorded and transcribed to facilitate the compilation of the collected data. Another reason for the transcription was to secure the report quality and eliminate possible doubts of the study's outcome. However, when the interview object states that it is desired not to record the interview, this must of course be respected and notes have to be taken during the interview instead. The material which have been transcribed is, however, not to be found in the appendix section, since it was regarded as irrelevant then the presentation of the conclusions is what ought to be of interest. Before the interviews were performed the interview-parties were informed about the aim of the study.

6.4 Outcome of the study

What might appear as a complex analytical model was chosen for analysing the result but what the model really implies is just six relevant topics and three ways of looking at them. To get the helicopter view of the result the most interesting opinions have first been written down in tables and then presented in a more detailed way. The conclusions are then drawn out of the analysis and are presented in a straightforward way. After the interviews have been analysed one could see that it sometimes have been difficult to link the different areas of the subject. As a consequence of this, the same text-pieces sometimes appear under different topics since the content involves different topics (e.g. ethics and economy). There have been no real space for getting engrossed in a specific issue and the academic sensation have, perhaps because of that, been hard to find in the analysis section. If the study have been focusing on a thinner part of CSR it might have been easier to have found new findings.

To sum up the discussion of the study the greatest weaknesses lies in the relatively limited sample of participating SMEs and to a certain extend also in the broad scope whereas the greatest strengths is in shape of a broad and indispensable theoretical framework and an aspire of understanding the SMEs and not only cite their attitudes.

6.5 Strengths and weaknesses with the CSR concept

Voluntary CSR or legislation forcing the corporate world to take a greater responsibility has previously been discussed in this report. The present author's opinion on the subject is in line with the participating SMEs. The authorities should set the rules and make it profitable to take a greater responsibility. Nonetheless, the important thing when it comes to secure the future for CSR, is to involve the consumers and making them interested in the subject and willing to pay a little bit more for a responsible product. Rules are essential but to make CSR self generating, one must focus on the public attitudes.

One possible explanation of why CSR mainly have been an issue for the larger corporations ought to be the larger number of stakeholders, the generated benefits in shape of goodwill and risk elimination the larger corporations can provide for. Nonetheless, the larger corporations work on CSR is vital for SMEs' work on the same (e.g. supply chain pressure). The interviews have shown that generally speaking SMEs think that larger corporations have got a greater responsibility due to their size when it comes to CSR related issues. Even Volvo Cars strong woman on the subject

Munk af Rosenschöld partly agrees when she states that the larger corporations position gives them the power to affect other players in a totally different way than SMEs can do. If the larger corporations can show that working on CSR generate revenues or cost savings SMEs are likely to tread in the larger corporations footprints. In other words, large corporations might be able to shape the business strategy of the smaller enterprises from a more reactive approach towards a more proactive one.

One common prejudice among companies that the proactive theory brings up is that the companies are stating “we can not afford to work on environmental and CSR issues at the moment” although, working with decreasing the waste, decreasing the number of employees on the sick-list and other Lean-related actions will save money for the company the theory states that the old bias still imbue many boardrooms. The present author’s stand point in this is that it is not that simple. The interviewed companies have reduced their costs in different ways by actions that they in symbiosis with the environment have taken benefit from but on the other hand the companies have actually convinced me that the CSR work have more than one face. All participating companies are working with these cost reduction activities which are self generating. The difficult thing is to make the part of the CSR which cost money to be profitable as well.

7. Conclusion

The SMEs perceive that they have got a CSR but that this responsibility is getting greater by the day and that it might be contra productive if the Swedish SMEs' responsibility should be greater than other parts of the global market.

The SMEs will not run CSR related questions themselves as long as they do not see the economical benefit. The Ethical aspect should, however, not be forgotten but in many cases the legislation does not permit what could be seen as unethical.

A good CSR for SMEs often begins with an EMS, the management system enlighten areas which in other cases would have been forgotten. The outcome of the study gives a picture there the SMEs takes a greater CSR than they might realize. For most companies, CSR will not help them earning money, but saving money, this part of the CSR is also the most adopted one. Examples of this could be actions which promote recruiting skilled employees but also actions which promotes a healthy manpower and thereby generates cost savings.

For the SMEs to take a great CSR, some kind of internal driving force or strong external pressure ought to exist. Internal issues are perceived as more important than external due to that they are considered as more connected to the core business.

The major obstacle for working more with CSR this study has detected is that SMEs do not experience that the customers are willing to pay for it. The SMEs consider legislation as an essential tool for CSR but distinguish a danger in that Sweden always wants to be top of the line in issues like these, issues that according to the companies costs a lot of money which will give less responsible corporations' advantages. The SMEs states that CSR primary should be something voluntary and that there is enough legislation already, especially within the field of working environment.

The stimuli on the other hand seem to be a mix of rules which benefit the responsible enterprise and of course a greater interests in theses kind of questions from the customers.

Larger corporations are considered to have a greater responsibility than SMEs in terms of their bigger muscles and must therefore set as good examples and female allocation of quotas is according to the interviewed SMEs not the path towards the equal society.

The analysis model with the sustainability hexagon confirmed the governing idea of that good ethic and quality creates long-term relationship with economical benefits as a result. The social dimension was primary focusing on good organisation and the importance of the employees feeling comfortable with their work. CSR is currently most associated with environmental issues.

7.1 Future research

This study works as a random sample of the SMEs' opinion on CSR within the giant corporate sector. Therefore more similar studies must be executed to cover what might have been left out by the companies participating in this study. Currently most CSR theory tends to cover good examples of a proactive nature. It would be interesting to take a closer look at reactive SMEs and why they are neglecting the whole concept, if they like Enron only are focusing on short-term benefits or are ignoring future business challenges or what the reason might be? This study has illuminate attitudes and opinions on CSR and brought up what should be done for promoting a SD (focusing on consumers attitudes, working on a global legislation level etc) but left out a real master plan of how to achieve a SD. Future research could imply more concrete suggestions of how the SD-society should be progressing.

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Bodies promoting CSR

Name	Description
The World Business Council for Sustainable Development (WBCSD)	A coalition of 175 international companies united by a shared commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress.
OHSAS 18001	An international occupational health and safety management system, created via the concerted effort from a number of the worlds leading national standard, certification bodies and specialist consultancies.
OSHA	Created by the US Occupational Safety and Health Act and is the Occupational Safety & Health Administration. The act's purpose is to assure safe and healthful working conditions, providing for research, information, education and training in the field of occupational safety and health.
BS8800	A guide to occupational health and safety management systems with the aim to establish and maintain an environment that is good for both staff and business.
UN Global Compact	Has established ten principles including; human rights, labour standards, environment and anti-corruption. The UN's Global Compact asks companies to embrace, support and enact within their areas and set of core values within the four principle-fields.
United Nations Millennium Development Goals	UN has developed eight goals all 191 member states have pledged to meet by the year 2015 of which "ensure environmental sustainability" is included.
IFBWW- International Federation of Building and Wood Workers	10 million members in 287 trade unions in 124 countries in the building, building materials, wood, forestry and allied industries with the aim to promote and enforce workers rights in the perspective of sustainable development.
International Labour Organization –ILO	The UN specialized agency which seeks promotion of social justice and internationally recognized human labour rights. Building its work on conventions and recommendations.
CSR Europe	A non-profit organisation that promotes corporate social responsibility. The mission is to help companies achieve profitability, sustainable growth and human progress by placing corporate social responsibility in the mainstream of business practice
Global Reporting Initiative	An independent institution and a multi-stakeholder process whose assignment is to develop and distribute globally applicable sustainability Reporting Guidelines.
Transparency International	A leading global non-governmental organisation dedicated to combating corruption
World Summit on Sustainable Development (WSSD)	A UN convened in Johannesburg, South Africa in September 2002.
Fair Trade Federation	An association of fair trade wholesalers, retailers and producers whose members are committed to providing fair wages and good employment opportunities. FTF directly links low-income producers with consumer markets and educates consumers about the importance of purchasing fairly and traded products which support living wages and safe and healthy conditions for workers in the developing world.
SA 8000	A social accountability system and one way for retailers, brand companies, suppliers and other organisations to preserve just and decent working conditions throughout the supply chain.
Accountability Aa1000	A framework designed to improve accountability and performance by learning through stakeholder engagement. The aim is to integrate stakeholder engagement processes into daily activities.

(WBCSD, 2005; OHSAS 18001, OSHA and BS8800 Health and Safety Information, 2005; UN Global Compact, 2005; IFBWW- International Federation of Building and Wood Workers, 2005; International Labour Organization –ILO Web site, 2005; CSR Europe, 2005; Global Reporting Initiative, 2005; Transparency International, 2005; WSSD HOME, 2005; Fair Trade Federation, 2005; SA 8000, 2005; Accountability Aa1000, 2005)