



CSR Evaluation and Sustainability Reporting

- The connection between integration and improvement

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Abstract

Organizations state that their responsibilities are growing and that one of the most common issues is how to integrate CSR internally with the business, where the main problem is how CSR should be evaluated. The connection between CSR integration and improvement has been unclear regarding what improvement means and how it is achieved. Interviews have been conducted with large businesses who have experience in CSR evaluation and sustainability reporting, in order to investigate; *In the context of large business organizations, how can CSR be evaluated in terms of sustainability reporting, in order to understand the internal connection between integration and improvement?* Research findings emphasize that CSR has transformed into the wider concept sustainability. Sustainability reporting has become institutionalized in large businesses. However, *how* to conduct sustainability reporting is not fully institutionalized since businesses can select what to include. Internal techniques are considered more important for the evaluation than the report itself. The analytical model is confirmed to an extent because the connection is concluded as a constant process. Particularly, because improvement is not always aimed for, since it can hinder other essential techniques. Finally, improvement is diffuse with different meanings in different industries, which should be encountered carefully.

KEYWORDS:

Corporate social responsibility (CSR), Sustainability, Sustainability reporting, Evaluation, Integration, Improvement

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1. Introduction

An increasing number of businesses organizations across the world state that their responsibilities are growing (Borglund et al., 2009; Grafström et al., 2015:17; Idowu & Leal Filho, 2009; Vogel, 2005; Windell, 2006). The pressure to maintain control and full insight has increased in order to create and maintain competitive advantage within *Corporate social responsibility* (CSR) (Djelic, 2014; Grafström et al., 2015:25; Hatch, 2013:80; Idowu & Leal Filho, 2009; Waddock et al., 2002). The stakeholders external view of organizations CSR integration is vital to develop a competitive advantage and long-term stakeholder relations (Morimoto et al., 2005; Porter & Kramer, 2006:92; Windell, 2009). CSR is firstly developed internally according to specific circumstances within the organization. This includes challenges in avoiding develop it as a marketing campaign, but instead as shared value with the purpose to connect it with improvement (Porter & Kramer, 2011). Contemporary businesses therefore need to critically evaluate CSR internally (Porter & Kramer, 2006:92; Porter & Kramer, 2011; Windell, 2009).

Scholars have studied businesses social concerns for decades (Aguinis & Glavas, 2012; Maignan & Ralston, 2002; Waddock et al., 2002). As a consequence of the remarkable global crisis 2008, it has become even more vital that corporate entities demonstrate the highest order of responsibility in their business - in order to benefit society and satisfy stakeholder demands (Idowu & Leal Filho, 2009). Power (1997) explains that we are living in *the audit society*, a society governed by the need to evaluate, scrutinize and control actions to enhance responsibility. This has influenced the field of CSR in terms of increased demands on finding tools for evaluation (Djelic & Etchanchu, 2017). Improved evaluation of CSR is needed, something that Cochran & Wood (1984) already argued 1984. Contemporary businesses are increasingly taking on new environmental and social responsibilities, which has resulted in initiatives in response to increased criticism towards businesses and demands for CSR, why it has become institutionalized (Aguinis & Glavas, 2012; DiMaggio & Powell, 1983).

In an era when the interest in CSR is accelerating rapidly, one of the most common issues in contemporary businesses is how to integrate CSR internally with the business strategy (Aguinis & Glavas, 2012; Morimoto et al., 2005; Caesarius & Hohenthal, 2013).

Porter & Kramer (2006:80) argue that strategies that do not connect CSR with business practices prevent the most beneficial integration. The correlation between a business CSR and its financial performance has been a lively debate since the 1960s (Cochran & Wood, 1984). There are currently no clear results regarding the connection between CSR and corporate profitability (Aguinis & Glavas, 2012; Grafström et al., 2015:23). However, one underlying reason for the initiation is the prevention of business scandals (Borglund, 2013; Hagemeyer, 2007; Laufer, 2003). The lack of CSR in businesses such as the Enron scandal has ruined the financial success and CSR is therefore seen as vital for business survival (Hagemeyer, 2007; Waddock et al., 2002). Hence, it is essential to connect CSR integration with the business, but the connection between CSR and improvement is rather unclear in terms of what improvement means and how it is achieved.

Djelic & Etchanchi (2017) emphasize that the main problem within CSR is still its discursive approach and the ambiguity of how it should be monitored and evaluated. However, there is no doubt that it will become increasingly important to competitive success (Porter & Kramer, 2006:92; Windell, 2009). A tool for integrating and evaluating CSR within contemporary businesses is sustainability reporting (Cochran & Wood, 1984; Morimoto et al., 2005). A context where sustainability reporting is prominent is large business organizations, where Jamali et al. (2015) and Waddock et al. (2002) emphasize that sustainability reporting has developed as an important part in order to enhance responsibility improvement. However, the connection between CSR integration and evaluation improvement seems to be diffuse due to the unclear relation between the two.

1.1 Problem Discussion

It exists no explicit definition of CSR and businesses can integrate it in several ways according to their individual context and needs (De Geer et al., 2009; Windell, 2009). This is consistent with Van Marrewijk (2003), who explains how the concepts CSR and sustainability often merge and are described as synonyms with vague definitions. Windell (2009) states that this can be the reason why it has become such a popular management idea. Researchers and practitioners of the civil society have been searching for clarification and definitions of CSR for a long time (Carroll, 1979; Carroll, 1999). The vague character of CSR, including human rights, labour rights, environmental responsibility, anti-corruption, social inclusion, equality as well as diversity, has led to disagreements over its definition, as well as the interesting

discussion regarding how social responsibility should be integrated and evaluated internally (Windell, 2009). The concepts CSR and sustainability both refer to business activities associated with an volunteering approach regarding social and environmental issues connected with internal activities and external stakeholders (Van Marrewijk, 2003).

Tools for evaluating CSR integration are desperately needed to minimize the complexity concerning the phenomenon (Cochran & Wood, 1984; Djelic & Etchanchu, 2017; Morimoto et al., 2005; Windell, 2009). Decoupling means that it exists a gap between businesses stated actions and the actual performance, which can be due to the fact that they aim to be perceived in a certain way and therefore mediate an external facade (Meyer & Rowan, 1977). Global standards are developed with the purpose to contribute with transparency and improvement in terms of CSR evaluation (Borglund et al., 2010; Waddock et al., 2002). Transparency has been originated as a response to external pressures and demands due to the mistrust of businesses, whereas transparency is vital to create and maintain legitimacy (Levay & Waks, 2009). Sustainability reporting has been highlighted as a tool to enhance transparency and to minimize the gap between words and action regarding CSR (Borglund et al., 2010). In contemporary businesses, sustainability reporting has obtained increased attention as a response to the intense pressure from stakeholders (Kolk, 2004; Kolk, 2008; Manetti & Becatti, 2009; Waddock et al., 2002; Waddock, 2004). Sustainability reports have become norms in order to act in accordance with CSR demands and to achieve legitimacy (Brown et al., 2009a; Dingwerth, 2007:132; Waddock et al., 2002). The pressure to integrate a standard for CSR evaluation is expected to continue growing in the future (Waddock et al., 2002).

Within this era, *Global Reporting Initiatives* (GRI) has been the dominant standard. This is due to the fact that it serves as a guideline for how CSR can be encountered, evaluated and disclosed for businesses internally. This creates opportunities for integrating sustainability into the reporting process and allows comparability between years and other businesses (Borglund et al., 2010). Another explanation for the increased use of GRI is the contribution with credibility to the concept of CSR and the improved communication with stakeholders (Hedberg & Von Malmborg, 2003). “*The guidelines represent a learning process for the companies*” (Borglund et al., 2010; Hedberg & Von Malmborg, 2003). Sustainability reporting and GRI are considered as steps towards improved evaluation of CSR since it guidelines and exemplify what and how to report, and to learn from previous years and other

businesses (Borglund et al., 2010; Hedberg & Von Malmberg, 2003). However, various businesses have highlighted obstacles with sustainability reporting and GRI standards due to the comprehensiveness, which makes it difficult to integrate it to the business internal situation and area where it is most needed. In addition, limited research focus on GRI and the field require further development (Borglund et al., 2010; Hedberg & Von Malmberg, 2003).

1.2 Research Question and Statement of Purpose

Sustainability reporting and GRI standards have emerged as tools in business organizations to enhance CSR evaluation and to minimize complexity regarding CSR. The underlying reason is to meet intense stakeholder demands in terms of transparency, credibility and legitimacy. However, limited research focus on if and how sustainability reporting and GRI standards in a business context lead to internal improvements regarding the integration and what improvement truly means, what challenges it brings, or if there exist other viewpoints of conducting sustainability reporting in terms of integration and improvement. Research regarding the connection between integration and improvement is therefore unclear, which makes it relevant to examine this further. This leads up to the following research question:

- *In the context of large business organizations, how can CSR be evaluated in terms of sustainability reporting, in order to understand the internal connection between integration and improvement?*

The aim of this thesis is to enrich the knowledge regarding how CSR can be evaluated in the context of large business organizations, in terms of sustainability reporting to understand the internal connection between integration and improvement. In order to study the research question, the background of CSR and sustainability reporting is firstly described to allow a foundation for increased understanding regarding vision, integration and improvement. Answers to the research question will be found through a review of existing documents and literature related to this topic and through interviews with businesses who have experience in the area of CSR and sustainability reporting. The aim is therefore to increase the knowledge within the complex field of CSR reporting in terms of integration and improvement.

2. Theoretical Framework

In the following section, the theoretical framework is presented. Firstly, the background theory of CSR from a business perspective is presented, including the theoretical background regarding the audit society and institutionalization theory. These two parts allow a foundation for then presenting CSR evaluation and the components for sustainability reporting. Finally, the theoretical framework is summarized.

2.1 Background to CSR

“Managers are not judged only by their financial performance anymore but also by their positive actions towards their stakeholders and the natural environment; in other words, how socially responsible they are” (Idowu & Filho, 2009:1).

At the end of the 1990s CSR was not a widely spread idea among Swedish businesses. However, already in 2005, 77 % of the businesses listed on the Stockholm Stock Exchange had webpages where they communicated their CSR work. It has become a widely spread management idea within the business community (De Geer et al., 2009; Göthberg et al., 2015:20; Idowu & Leal Filho, 2009; Furusten et al., 2012; Windell, 2007; Windell, 2009). The relationship between CSR and its outcomes change and according to Aguinis & Glavas (2012) it is only recently that interest in CSR has become more widespread. In contemporary businesses, CSR has become a matter of great concern and relevance and the vision of promoting business accountability to various stakeholders engaged in a given sector has never been more important (Djelic, 2014; Idowu & Leal Filho, 2009; Windell, 2009). However, CSR is stated to include more than only the responsibility of satisfying stakeholders. In order for a business to succeed within CSR, it needs to take into account aspects relating to environmental protection, sustainability and good governance in ways not seen before, to be able to perform business activities in a transparent and ethical way (De Geer et al., 2009; Hatch, 2013; Idowu & Leal Filho, 2009).

According to several researchers, the vague definition of CSR is a fact (Grafström et al., 2015:17; De Geer et al., 2009; Windell, 2007; Windell, 2009). Windell (2007; 2009) emphasizes that there is no set definition of CSR. Popular management ideas, and the perception of them, perpetually change. Just like other actions in our contemporary society,

managers are guided by fashion-setters in the business industry (Windell, 2007). Nevertheless, CSR differs from other management ideas in the way it is not primarily an idea about improving management to increase corporate efficiency or financial performance, but an idea about responsibility, implying that businesses should expand the scope of their responsibilities (Cochran & Wood, 1984; Hatch, 2013; Windell, 2007). What constitutes the value creation ability of CSR actions depend on a series of factors and circumstances, but the core in the concept implicate that the society now demands that we should all behave responsibly (Grafström et al., 2015:16-17; Idowu & Leal Filho, 2009; Kang & Hustvedt, 2014). One cogent motivator for businesses to be transparent about their CSR efforts could be the knowledge that increasing transparency improves the relationship with their stakeholders. To receive this transparent relationship, it needs to be grounded on credibility. Credibility is the stakeholders belief that the business will act responsibly in all moves and acts in the best interest of the stakeholder and the society (Cochran & Wood, 1984; Kang & Hustvedt, 2014).

Critics have argued that CSR hinders businesses in performing well financially, in the way it is also argued that it takes resources away from the core business in order to prioritize to achieve legitimacy (Laufer, 2003; Windell, 2007). As the concerns about socially responsible investing have grown, the emergence of the term greenwashing has become emphasized as well. The emergence reflects an increased understanding that some businesses resourcefully manage their reputation by exaggerating CSR activities to gain social acceptance and achieve legitimacy (Laufer, 2003). Greenwashing further includes engaging in complex strategies and counter strategies, to shift focus and attention from the firm, in order to create confusion and undermine credibility. The criticism regarding CSR and greenwashing therefore also contains manipulating public opinion, to create and maintain good reputation (Laufer, 2003).

2.2 The audit society

Power (1997) explains that we are living in the audit society, a society governed by the need to evaluate, scrutinize and control every action with the purpose of greater accountability and responsibility. This has influenced CSR in terms of increased demands on finding tools for evaluating social responsibility (Djelic & Etchanchu, 2017). Increased demands on evaluating responsibility are viewed as a vital movement to achieve transparency concerning the integration (Mitchell, 2002; Waddock et al., 2002). In contrast, this process can lead to co modification of responsibility and can therefore create the opposite conditions, in terms of

corporate irresponsibility (Mitchell, 2002). Power (1994:33) furthermore explains critique against the audit society since the audit process has become taken for granted and institutionalized because organizations use this tool without being questioned. However, improved evaluation of CSR integration is desperately needed in order to minimize the complexity regarding the phenomenon (Cochran & Wood, 1984; Djelic & Etchanchu, 2017; Morimoto et al., 2005; Windell, 2009). This is due to the discursive approach and decoupling between words and action since CSR can be integrated in several ways and is therefore problematic to monitor completely (Djelic & Etchanchu, 2017).

Traditional institutional theory focuses on understanding how changes in the institutional environment influence businesses (Windell, 2007). Institutionalized structures have emerged as reflections of rationalized institutional rules within the businesses (Kvarnström, 2016; Meyer & Rowan, 1977). Berger & Luckmann (1929/1991) moreover state that anything that is repeated frequently creates a pattern, which leads to institutionalized rules becoming stock of knowledge, values taken for granted and at hand for actions. This action also implies a meaning for the individual when it becomes embedded in routines for people to use in their activities within the organization. Habitualization further implies that the actions will be performed again in the future - in the same manner and with the same economical effort. Another characteristic for institutionalized routines is that the choices seems narrowed, while in theory there may be hundreds of different ways to go. As a result, this frees the individual from the burden of the consequences of the choices made, providing a psychological relief that has its basis in an undirected instinctual structure - the habitualized choices (Berger & Luckmann, 1929/1991:70-71).

2.3 Sustainability reporting

Sustainability reporting is considered as an important tool for monitoring and evaluating CSR integration (Cochran & Wood, 1984; Morimoto et al., 2005). It translates social responsibility into a business practice in order to decrease complexity (Morimoto et al., 2005). The process includes explanation of the performed sustainability activities during previous periods (Borglund et al., 2010). During recent years, sustainability reporting has increased in popularity for businesses in order to meet pressure from stakeholders (Kolk, 2004; Kolk, 2008; Manetti & Becatti, 2009; Waddock et al., 2002; Waddock, 2004). The main standard within sustainability reporting is GRI (Brown et al., 2009a; Dingwerth, 2007:132; Waddock

et al, 2002). GRI is an independent organization and was developed in Boston 1997 with the purpose to mediate guidelines for CSR reports internationally (Borglund et al., 2010; Brown et al., 2009a; Brown et al., 2009b; Hedberg & Von Malmborg, 2003; White, 1999). The guidelines was initiated due to the fact that no standard was available regarding what CSR evaluation should include, which led to vagueness and made it unmanageable for comparability between businesses (Hedberg & Von Malmborg, 2003).

The GRI guidelines can be seen as a norm regarding how sustainability can be evaluated within organizations since it connects CSR with accountability and embrace mutual positive effects for businesses and society (Brown et al, 2009a; Dingwerth, 2007:132; Waddock et al., 2002). Auditing in accordance with the GRI standards should be overviewed by a third part, precisely as regular auditing (Borglund et al., 2010; Brown et al., 2009a; Dingwerth, 2007:129). The external auditing of GRI reporting contributes with credibility and validity (Waddock et al., 2002). The purpose with GRI includes monitoring CSR activities, but also integrating and improving evaluation since it is easier to compare between previous years and between businesses. Consequently, this increases transparency for businesses by mediating information to stakeholders (Borglund et al., 2010; Brown et al., 2009a; Dingwerth, 2007:129). In contrast, GRI can cause interference due to its large scope, because it can lead to difficulties regarding adapting the standards to the business internal situation and the area where it is most needed (Borglund et al., 2010; Hedberg & Von Malmborg, 2003).

2.4 Components in sustainability reporting

The increased use of sustainability reports and GRI reporting can be seen as a movement towards improved evaluation of CSR (Hedberg & Von Malmborg, 2003). Waddock et al. (2002) connect social responsibility with reporting by emphasizing three components; vision, integration and improvement with indicators based on total responsibility management. These components are affected by internal and external stakeholders and illustrate a figure of the CSR lifecycle (Figure 1) (Jamali et al., 2015; Waddock et al., 2002).

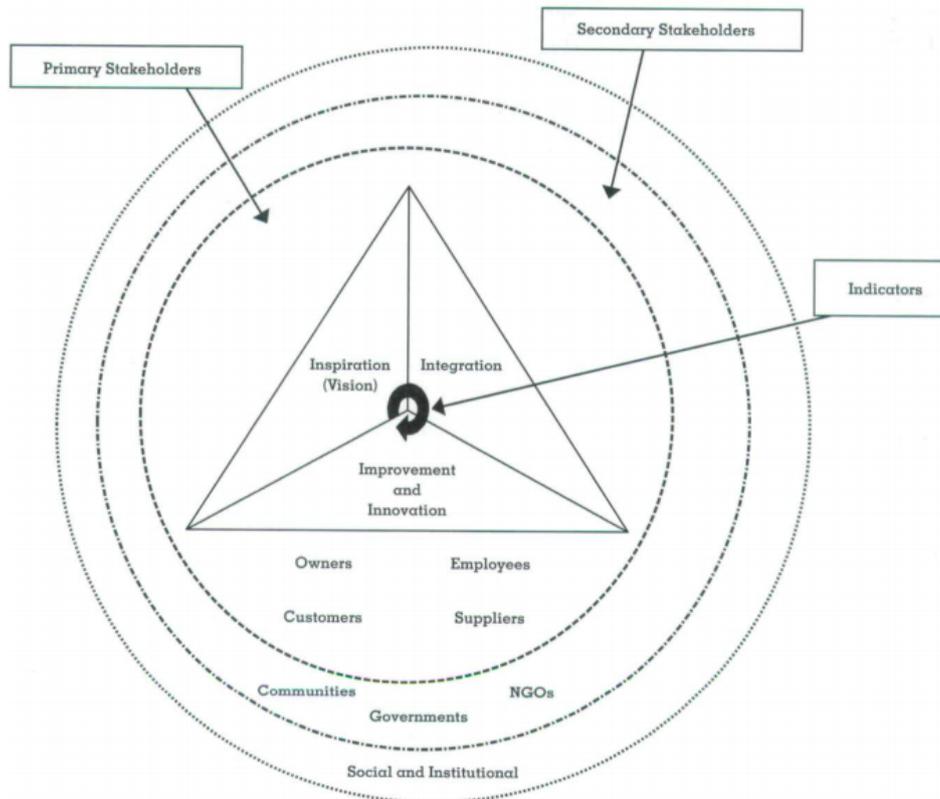


Figure 1. Total responsibility management (adopted from Waddock et al, 2002)

2.4.1 Vision

Vision refers to the importance of developing and institutionalizing an image of CSR values within organizations. This component is created by management and leadership with the purpose to develop increased knowledge and inspiration for the organizations' individuals and everyday activities (Jamali et al., 2015; Waddock et al., 2002). However, it is not solely institutionalized in one direction, instead it can be developed upwards, downwards, internally and with stakeholders. Codes of conduct are common ways to institutionalize the vision in order to communicate values and responsible expectations. An efficient code of conduct contains allegiance to change in the long-run (Waddock et al., 2002). Values should therefore be based on shared value, which concretize CSR by for instance transforming values in terms of doing good into values of financial and societal advantages in relation with cost and reporting (Porter & Kramer, 2006:92, Porter & Kramer, 2011).

2.4.2 Integration

Integration is when the vision is aimed to be transformed into reality, which connects the vision with crafting a strategy. Integration can be achieved through various practices such as

accountability, development of skills and management systems, by implementing the vision into the reporting process, internal activities, measurable systems and data (Waddock et al., 2002). Development of skills, learning and awareness within the business is a requirement to create long-term sustainability performance (Borglund et al., 2010). This is in accordance with Porter & Kramer (2006:88), who explain a successful integration as *“Typically the more closely tied a social issue is to a company’s business, the greater the opportunity to leverage the firm’s resources – and benefit society”*. An organization cannot solve the entire CSR issue by itself and therefore it needs to address what activities to integrate. Organizations must therefore select activities that align with their specific industry in order to contribute where it is possible for them and where their contribution is most powerful. However, this strategic perspective of the integration process can cause organizations to become selective and choose to report on activities that has limited effect in practice, but contributes positive to their reputation and marketing (Porter & Kramer, 2006). CSR should therefore be critically evaluated in order to enable opportunities for practical integration rather than for CSR as greenwashing or a marketing campaign (Porter & Kramer, 2006:92; Porter & Kramer, 2011).

The integration process should therefore be monitored by an external actor who evaluates practices. The purpose is to improve the internal process and avoid issues concerning false or mislead data, which increases transparency. The sustainability report should further be reported continuously in order to contribute with legitimacy and credibility, whereas GRI can be an approach since it is often controlled by a third part (Waddock et al., 2002). The evaluation process is supported by the audit society, with the explanation where Power (1997) states that we live in a society governed by the need to monitor and evaluate every action with the purpose of greater accountability and responsibility. The pressure to evaluate and control CSR can enhance transparency regarding the integration (Mitchell, 2002; Waddock et al., 2002). It is of high importance to encourage and communicate CSR values both internally and externally in order to integrate it within the organization boundaries and outside to various stakeholders. This is due to the fact that it can increase employee’s involvement and awareness in CSR evaluation (Jamali et al., 2015).

2.4.3 Improvement

“The report does not need to be seen as the finishing line; rather it is the starting gun to set the sustainability process in motion” (Borglund et al., 2010:19).

Improvement includes the vital process of how reporting can embrace CSR evaluation by learning from previous experience, which contains how evaluation provides important internal information. This is to analyse outcomes and to compare vision and integration and if it has been implemented in accordance with the set objectives (Jamali et al., 2015; Waddock et al., 2002). Sustainability reporting itself and in alignment with standards such as GRI are supposed to be conducted during several years because it realizes comparability with earlier performances (Borglund et al., 2010; Brown et al., 2009a; Dingwerth, 2007:129). Improved CSR processes can be achieved through sustainability reporting in alignment with GRI since it enhances credibility if it is externally audited, which provides transparency for stakeholders. The external communication is vital for the improvement component. However, the report further delivers vital internal information regarding outcomes, where possible issues can be resolved internally (Waddock et al., 2002). Borglund et al. (2010:19) emphasize that sustainability reporting does not always lead to increased activities in practice, but it can improve sustainability evaluation.

2.5 Theoretical Summary

The theoretical framework has provided insights regarding the background to CSR, including the audit society and institutional rules. The CSR background is essential to enhance the understanding of CSR evaluation and sustainability reporting in terms of vision, integration and improvement. CSR is a popular management idea implying that businesses should expand their scope of responsibilities (Cochran & Wood, 1984; Hatch, 2013; Windell, 2007), meaning that businesses are not only judged by financial performance but further how socially responsible they are (De Geer et al., 2009; Idowu & Leal Filho, 2009). Critics have argued that CSR takes resources from the core business to achieve legitimacy (Laufer, 2003; Windell, 2007), which can cause greenwashing, as businesses resourcefully manage their reputation by exaggerating CSR activities in order to gain social acceptance (Laufer, 2003). Furthermore, Berger & Luckmann (1929/1991) state that anything that is repeated frequently, in this case the sustainability reporting, creates a pattern, which leads to institutionalized rules becoming stock of knowledge and values taken for granted. As a result, this frees the individual from the burden of consequences and proves a psychological relief (Berger & Luckmann, 1929/1991:70-71), which can lead to decoupling. However, sustainability reporting is considered as an important tool for evaluating CSR integration within the context

of business organizations (Cochran & Wood, 1984; Morimoto et al., 2005), as it translates CSR into a business practice to decrease complexity (Morimoto et al., 2005). The popularity of sustainability reporting has increased in order to meet stakeholders demands (Kolk, 2004; Kolk, 2008; Manetti & Becatti, 2009; Waddock et al., 2002; Waddock, 2004), in the way it creates transparency which is argued to improve the relationship with stakeholders in the way it enhances trust and legitimacy (Cochran & Wood, 1984; Kang & Hustvedt, 2014).

Figure 2 is based on Waddock et al. (2002) model of total responsibility and illustrates a foundation for how CSR can be institutionalized in contemporary organizations. The model is our illustration of how the theoretical framework is emphasized but does not illustrate how it is achieved in practice. Firstly, CSR as a vague concept leaves room for several interpretations, which creates the business vision. The vision includes the development of CSR values internally and the purpose of spreading knowledge. The vision component is transformed into integration when the vision is connected with strategy by integrating it into the reporting process and other internal practices. Sustainability reporting can be conducted in alignment with global standards such as GRI, which create a learning process and comparability between periods and businesses. The improvement component includes learning from previous experience since it provides vital internal information and comparability. The sustainability reporting could therefore be argued improving the evaluation of CSR by connecting integration and improvement.



Figure 2. Analytical model. The analytical model serves as a foundation for analysing how CSR in large business organizations can be evaluated in terms of sustainability reporting with the purpose to increase the understanding regarding the internal connection between integration and improvement.

3. Methodological concerns

The following section outlines the methodological choices of this study. The research method is qualitative and the reasoning of this choice is also provided in this section. The research is further based on an deductive approach and the data is collected through interviews together with an review of documents. Moreover, the description of the sample, operationalization of values and reflections about problems is presented.

3.1 Research Approach

This thesis aims to enrich the knowledge regarding how CSR can be evaluated in terms of sustainability reporting in order to increase understanding of the connection between integration and improvement. To find satisfying answers to the posted research question in this thesis, a deductive research method has been applied. According to Saunders et al. (2012) the deductive approach is theory driven and suitable if you as a researcher wish to adopt a clear theoretical position that you will test through the collection of data. This kind of research approach is particularly useful when you wish to clarify or deepen the understanding of a given topic or problem (Saunders et al., 2012), which is applicable in our thesis since we aim to enrich the knowledge of how CSR can be evaluated in a large business context. Focus will be placed on the evaluation of CSR, using the audit society and institutionalization theory as theoretical ground for analysis. Hence, a qualitative approach was further on preferable to a quantitative method in order to obtain the richness and fullness of data (Saunders et al., 2012). Furthermore, the deductive approach was used in this qualitative research to be able to conceptualize the relationship between theory and the empirical findings. This approach possesses several important features to conceive the relationship between theory and research, such as testing theoretical frameworks through an operationalization where the theory is translated into interview questions. Characteristic for the qualitative deductive approach is also that the researcher usually emphasizes meanings and words rather than drawing the analysis from quantitative numbers. Hence, the nature of the qualitative approach is rather explorative than confirmative, embracing rich empirical findings in order to create and explicate the theoretical framework (Bryman & Bell, 2015; Saunders et al., 2012).

3.2 Research Design

“An interview is not a window on social reality but it is a part, a sample of that reality”

(Czarniawska 2004:49, cited in Eidenskog, 2015)

This thesis builds on interviews combined with a review of documents regarding sustainability reporting. The interviews create an access to the way employees talk about sustainability outside their usual setting, which can bring about new discussions that would not have occurred otherwise, since it adds comments as to what is not being manifested in documents (Eidenskog, 2015). The questions to the informants have been formulated and based on existing theory and research, which is further explained in the operationalization (Table 4). However, when conducting a qualitative study through interviews it can be difficult to generalize the results, which is why this thesis will focus on enriching the knowledge concerning the evaluation of CSR. Through qualitative interviews the researcher gets the opportunity to discover new dimensions of the discussed problem, why this approach was moreover advantageous and suitable for our thesis (Saunders et al., 2012). Hence, a qualitative research approach is preferable when aiming to enrich the knowledge and understanding of a specific phenomenon.

3.2.1 Sampling

The process of finding and selecting respondents who could answer questions regarding CSR evaluation and reporting was initiated by internet research to examine businesses who had sustainability reports available on their website. The Internet research contributed with a deeper knowledge regarding potential respondents and the majority (8 out of 11) of the respondents were contacted from the website of CSR Sweden, which is Sweden's leading business network focusing on CSR and community engagement (CSR Sweden, 2018). Throughout all the selected respondents, they are all large businesses in different industries that are experienced in CSR reporting - a majority of them listed on the stock exchange. Hence, the choice of respondents was made due to the fact that the actors have a clearly communicated sustainability report and to a large extent are active in working with CSR and sustainability reporting. This study was based on a broad perspective in order to encounter the theory regarding CSR institutionalization in contemporary businesses. Of course, the findings would have varied if the selected respondents consisted of smaller businesses in the same industry, who were beginners in sustainability reporting. The findings may also have

yielded if the respondents would not have been anonymous, since they are maybe more likely to present their businesses in a more positive way when their business names are exposed, which is an important aspect to have in mind regarding what previous researchers mention about image and legitimacy. Because the aim of this thesis was to examine the connection between integration and improvement, in-depth viewpoints from business organizations who had conducted sustainability reporting for several years was seen as essential.

The potential respondents was contacted directly via email if possible or via another part in the organization, who recommended a certain respondent because of his or hers expertise knowledge regarding CSR evaluation and reporting. Several parts within the different businesses recommended that respondents on a management level should answer questions regarding this. This process lead to a snowballing effect, since a snowballing effect starts with an initial contact within a network regarding a topic, which creates identification regarding further contacts, which is a common method when using a qualitative approach (Biernacki & Waldorf, 1981). This process led to a number of eleven respondents from top management within CSR and sustainability in each organization. The different respondents were further selected based on availability, in accordance with Bryman & Bell (2015), who highlight the importance of planning time and resources to achieve a successful research.

Since the aim of the study was to enrich the knowledge regarding how CSR can be evaluated in terms of sustainability reporting in a large business context, the recommendation during the snowballing effect of focusing on management level creates opportunities to gain in-depth insights regarding the research topic. This enhanced reliability in terms of decreasing the possibility for participant bias, since respondents occupied management roles and expertise knowledge to be able to answer questions within the research topic (Robson, 2011). One interview was conducted face-to-face and ten interviews were conducted via Skype or telephone, which according to Bryman & Bell (2015) can cause restrictions regarding analysing body language such as concerns or unclerness in facial expressions compared with a face-to-face interview. In contrast, interviews via telephone can minimize the possibility for biases since the appearance and behaviour of the questioner does not affect the respondents as in face-to-face interviews (Bryman & Bell, 2015).

3.2.2 Explanation of sample

Table 3 illustrates the respondents with their specific positions, businesses name and industries. All of the respondents were offered anonymity, to ensure interview sensitivity. Some of the respondents preferred to be anonymous by name but all respondents were comfortable with showing the businesses name, which is illustrated below.

Respondent (R)	Position	Company	Industry
1	Sustainability Director	Telia Company	Telephone Network Operator
2	Head of Sustainability	Randstad	HR/Recruitment
3	Corporate Sustainability Lead for Europe, Middle East & Africa	Dell EMC	IT
4	Chief Sustainability Strategist	SEB	Finance
5	Senior Advisor Sustainability & Environment	PostNord	Logistics
6	Senior Sustainability Specialist	SEB	Finance
7	Sustainability Strategist	Skellefteå Kraft AB	Electric Company
8	CSR Manager	Pfizer	Medicine
9	Sustainability Specialist	Svenska Spel	Gaming Market
10	Sustainability Director	Löfbergs	Coffee Roastery

11	Corporate Citizenship Manager	IBM	IT & Consultancy
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Table 3. Illustration of the respondents and their roles within each organization

3.3 Data Collection

3.3.1 Semi-structured Interviews

Saunders et al. (2012) emphasize that semi-structured interviews are appropriate when a study is based on an explorative approach. Semi-structured interviews are based on themes to be discussed in addition with follow-up questions asked during the interview based on how the situation develops. This method allows for amplification from both the perspective of the respondents and the interviewer and aims to facilitate conversation (Eidenskog, 2015). Eleven interviews were conducted in order to collect data regarding the research topic. This study explore how CSR can be evaluated in terms of sustainability reporting in a business context, in order to understand the connection between integration and improvement, which made our research design suitable. Semi-structured interviews can lead to minor problems concerning the reliability due to the lack of standardization (Saunders et al., 2012). However, this research design was essential in order to conduct in-depth interviews where respondents could develop their answers. Saunders et al. (2012) explain the importance of providing information to the respondents before the interview to allow preparation for the respondents. The respondents obtained information prior the interviews regarding the research topic in terms of CSR evaluation and reporting with the purpose to confirm agreement of the topic to create a proper preparation before the interviews.

An interview guide (see Appendix 1) with questions was established based on the research areas in terms of CSR, the audit society, sustainability reporting, vision, integration and improvement. Semi-structured interviews allow planned questions to be answered but furthermore include the opportunity to add questions regarding the answer (Saunders et al., 2012). This was seen as an appropriate design since respondents had various roles and responsibilities, which contributed with flexibility and made added questions differ in order to examine important insights. Consent from the respondents was given prior the interviews

regarding that the conversations were recorded to enable transcribing the answers. The interviews were transcribed to guarantee appropriate data and accuracy for the analysis. All of the interviews, except one, were held in Swedish and translated into English since respondents preferred this since Swedish was their native language. The translation process could have led to misinterpretations and negative consequences for the study. The respondents obtained the transcribed conversations in order to prevent misinterpretations or restrained information and to ensure transparency, which is emphasized as suitable according to Hermerén (1938/2011). To ensure replicability of this study the interview guide used for the semi-structured interviews is included as Appendix 1.

3.3.2 Documents

To increase the possibilities for a critical and in-depth analysis, the interviews were complemented with secondary data in terms of a review of documents regarding the sustainability evaluation. However, Saunders et al. (2012) argue that secondary data can lead to framing of benefits from the business perspectives. Therefore, secondary data in terms of documents serve as a background to the interviews in this study. The documents were examined to gain increased knowledge regarding how the different businesses evaluated and reported CSR in order to create a solid base for respondents to be able to answer the questions for a proper interview. Saunders et al. (2012) emphasize that it is important to have a solid comprehension regarding organizations in order to prepare for the interviews, which was achieved through the document review.

3.4 Operationalization

The operationalization in this thesis was made to conceptualize the theoretical aspects in order to investigate the research problem through interview questions for empirical findings. The interview questions were conducted from different aspects in focus. Firstly, three introducing questions about the background for this thesis were formulated. Questions about this aspect contribute to and outline the understanding and the connection between the theory and the empirical findings. Secondly, three questions about sustainability reporting were formulated. Since CSR is argued to decrease complexity when translated into a business practice (Morimoto et al., 2005), we were interested in finding out what standards the organizations are working with, along with what motivates them and what challenges the reporting is associated with. Furthermore, questions regarding vision, integration and improvement were formulated, in order to enrich our knowledge drawn from our theoretical

model, originally created by Waddock et al. (2002). The interview questions concerning vision was based on the theories about shared value, in order to concretize CSR by for instance transforming values in terms of doing good into values of financial and societal advantages in relation with cost and data (Porter & Kramer, 2006; Porter & Kramer, 2011). Moreover, interview questions regarding integration were formulated in a manner to understand the evaluation of CSR and in order to minimize the complexity regarding CSR (Cochran & Wood, 1984; Djelic & Etchanchu, 2017; Morimoto et al., 2005; Windell, 2009). Finally, questions about improvement were designed with the intention to deepen our knowledge concerning how sustainability reporting may lead to improvement regarding the performed outcomes (Borglund et al., 2010; Brown et al., 2009a; Dingwerth, 2007:129). It should also be underlined that additional interview questions were developed along the way on the basis of the respondents' answers during the interview sessions.

Aspect in focus	Theory in focus	Interview Questions
<p>CSR & Auditing</p>	<p>It exist no explicit definition of CSR it can be integrated in several ways according to individual context and needs (De Geer et al., 2009; Windell, 2009).</p> <p>Djelic & Etchanchu (2017) emphasize that the main problem within CSR is its ambiguity of how it should be evaluated. Tools for evaluating CSR integration is desperately needed in order to minimize complexity concerning the phenomenon (Cochran & Wood, 1984; Djelic & Etchanchu, 2017; Morimoto et al., 2005; Windell, 2009)</p> <p>Power (1997) explains that we are living in <i>the audit society</i>, a society governed by the need to evaluate, scrutinize and control every action with the purpose of greater accountability and responsibility.</p>	<ol style="list-style-type: none"> 1. How is CSR defined within your company? 2. How do you monitor and evaluate CSR activities? 3. Why is monitoring and evaluating CSR activities important?

<p>Sustainability reporting</p>	<p>Sustainability auditing is considered as an important tool for evaluating CSR integration (Cochran & Wood, 1984; Morimoto et al., 2005). This translates social responsibility into a business practice in order to decrease complexity (Morimoto et al., 2005).</p> <p>Global guidelines and standards are developed with the purpose to audit and evaluate social responsibility and to improve transparency (Borglund et al., 2010; Waddock et al., 2002)</p>	<p>4. What standards do you use when addressing sustainability reporting and why?</p> <p>5. What motivates you to perform sustainability reporting and what are the advantages?</p> <p>6. What are the challenges or negative aspects regarding sustainability reporting?</p>
<p>Vision</p>	<p>Values should be based on shared value, which concretize CSR by for instance transforming values in terms of doing good into values of financial and societal advantages in relation with cost and data (Porter & Kramer, 2006:92, Porter & Kramer, 2011).</p>	<p>7. How can the vision of CSR be concretized at your company?</p> <p>8. How can your vision be transformed into concrete data?</p>
<p>Integration</p>	<p>Improved evaluation of CSR integration is desperately needed in order to minimize the complexity regarding the phenomena (Cochran & Wood, 1984; Djelic & Etchanchu, 2017; Morimoto et al., 2005; Windell, 2009).</p>	<p>9. How do you transform the vision into practical integration?</p> <p>10. In what way does the reporting minimize the complexity regarding the phenomenon CSR?</p> <p>11. How does sustainability reporting help you to achieve your objectives?</p>
<p>Improvement</p>	<p>Waddock et al. (2002) state that <i>improvement</i> can be achieved through sustainability reporting since it does not only provide transparency for stakeholders but furthermore vital information regarding corporate outcomes. The reporting is performed during different years and therefore realizes compatibility with earlier performances (Borglund et al., 2010; Brown et al., 2009; Dingwerth, 2007:129).</p>	<p>12. Do you/How do you develop your evaluation and reporting of CSR?</p> <p>13. How could you develop your sustainability reporting further?</p> <p>14. Does the evaluation and reporting lead to increased CSR activities?</p>

Table 4. Operationalization

3.5 Analysis of the Data

The theoretical aspects together with the interview questions in Table 4, outline the operationalization. The operationalization was constructed to understand details and general empirical findings. The interview guide was formulated with questions from each subheading in the theory section, in order to allow an analysis of each theme thoroughly. The analysis was conducted based on the transcribed interviews, which enabled an analysis of the respondents' reflections regarding the research problem. The transcribed material was thereafter coded with the purpose to identify keywords, themes and patterns. The material was translated from Swedish into English, which was shared with the respondents who could ensure that their statements had been translated correctly. Hence, we could draw great insights and use quotes from the transcribed interviews, which enabled an in-depth analysis of the empirical material. The analysis of data was guided by theoretical and empirical findings. Firstly, "5.1 Institutional frames affect large businesses" analysed how CSR evaluation and sustainability reporting have been institutionalized in large businesses. Secondly, "5.2 Sustainability is the new CSR" analysed the concepts CSR and sustainability. Thirdly, "Sustainability reporting - not only a report" discussed underlying assumptions and challenges of sustainability reporting. Fourthly, "5.4 A sustainable business vision" analysed how sustainability is spread within businesses. Lastly, the two final sections include an analysis regarding integration and improvement connected to underlying techniques and the continuous process of improving sustainability reporting.

4. Empirical findings

In this section, empirical findings from the interviews are presented. The structure is in alignment with the interview guide and firstly examines the background of how CSR can be evaluated in terms of sustainability reporting, to provide a foundation for then presenting how vision, integration and improvement is developed in practice. The empirical framework represents large businesses that have experience in CSR and sustainability reporting.

4.1 CSR as a concept

“Sustainable development is development that meets the needs of today without jeopardizing the potential of future generations to meet their needs” (R5).

The respondents (6 out of 11) interviewed in this study initially explain how they are not using the term CSR anymore, but instead use the term “Sustainability”. For instance, one of the respondents state that “*CSR is associated with charity*” (R1), whereas another sustainable strategist describes CSR as “old fashion” (R7). Sustainability is argued by two sustainability specialists to include more than corporate social responsibilities, but also ethics, financial responsibilities, customers, employees, shareholders and the society at large. Another concept used and explained by a corporate citizen manager is “Corporate Responsibility”, which means to be a “good corporate citizen” who focuses on social engagement and takes responsibility to develop the society - not only to manage society as it is (R11). This is further explained in their Corporate Responsibility Report (IBM, 2016:8), where good corporate citizenship is argued to help produce real value for both society and for stakeholders.

“We have a promise that we are committed to use our technology and core competences to do good at people and the world” (R3).

CSR, or sustainability, was from the beginning a concept that concerned the environmental aspects, but now has developed into including a responsibility for the influence on society at large as well as a good strategy and the stakeholders interests. One senior advisor within sustainability further states that the vision and objectives regarding the environment is sometimes easier to monitor and evaluate, for example Co2- goals, why sustainability

reporting regarding other areas sometimes can be harder to perform since it's harder to collect data in these areas (R5).

4.2 Sustainability evaluation

“What you can measure you can manage” (R3).

What earlier was a legal requirement for all state owned businesses in Sweden, GRI is nowadays stated by all of the respondents to be the most common used guideline for sustainability reporting even for not state owned businesses. GRI is argued by three of the sustainability directors to be a good guideline in order to have a comparable source, which make it easy to compare the annual sustainability reports between different organizations, and also for creating structure within the CSR activities. What also is mentioned by three sustainability specialists as a way to monitor and evaluate CSR activities is the integrated reporting. The objective, stated by one senior sustainability strategist, is to integrate all the activities in every process and to integrate the sustainability report in the annual report - as a statement to not distinguish the financial and the social responsibilities (R8). Moreover, one sustainability strategist also states that their objective is to integrate sustainability in everything that they do (R7), whereas another sustainability director means that it is included in their vision and their strategic goals, in order to be able to measure and evaluate the activities performed (R10). On the other hand, it is argued by one specialist within CSR that some objectives are more difficult to measure than others, for example the work regarding human rights and the freedom of speech. This is because it is difficult to say whether the measuring itself is a good or bad thing, but what is important however is to have a plan of how to work sustainable in all areas (R1). Furthermore, the same director also states that *why* they monitor their sustainability activities is in focus in today's debate, which they argue is more important than *how* they do it in a practical way.

“No doubt about the fact that if you put up a goal and you follow up, then it is more likely to have progress. People take you more seriously if you measure” (R3).

The evaluation of CSR activities is argued by the majority (7 out of 11) of the respondents to be important both for internal progress, but also for external parts to take part of. Internally it

is essential since it is important for all the employees in the organization to understand the monitoring and evaluation of sustainability activities, and for the employees to feel safe in the communication about it. However, the reporting is also mentioned by two of the specialist to serve as a tool to find out and manage expectations - both internally and externally (R7; R11). Furthermore, the sustainability report is emphasized to be important internally for business development as it is used as an instrument to evaluate what to improve and to find out *“where we are and in what direction we want to move”* (R2).

4.3 Sustainability reporting

The sustainability report is argued (6 out of 11) to be important for stakeholders of a business, such as investors, customers, as well as shareholders and the society as a whole. The sustainability report is mentioned by three of the sustainability directors to serve as a “communication tool”, which makes it possible to communicate with all the mentioned interests above. In order to clarify CSR activities to other interests outside the organization, the sustainability report plays an important role (R1). However, to quote one respondent; *“It is not only putting out a CSR report once year, it is also on-going communication on what’s going on”* (R3). Another senior sustainability strategist agrees to this and means that it is important to follow up what you do, to create an understanding within the organization of why they are working with sustainability, which gets easier and easier to understand as the phenomenon CSR is growing globally (R6).

In today’s global organizations it is important to be transparent, in order to build trust with your customers and the society as a whole (R11). As stated by one of the respondents, it is about *“To earn respect in society”* (R8). A sustainability director interviewed in this study claims that the sustainability report has led to further evaluation of sustainability activities, notably and no less than after the corruption scandal in 2013. The same director further argues that the report itself is a way to reclaim the trust from their clients, by reporting transparent (R1). Other organizations (4 out of 11) agree to the importance of reporting transparent in order to build trust. The sustainability report is further stated by four sustainability specialists to be crucial - something that you as a large organization are expected to perform in order to meet expectations both internally and externally.

On the question if there exist any negative aspects regarding the sustainability reporting, one of the respondents stated; *“No negative aspects - but maybe some challenges”* (R3). The main challenge expressed by several respondents (5 out of 11) is that sustainability reporting takes time and resources from the core business activities and to keep the report short, concise and appropriate to the right reader. It is therefore important to set the right objectives and to ask yourself who the reader is (R1). What is further expressed as important is that the report should not become some kind of marketing strategy where the organizations can boast about all the positive performed activities, but instead also demonstrate improvement potentials, challenges as well as failures (R8). By including failures in the report the organization could gain further trust (R5).

The corporate citizenship manager of a large business highlights that the reporting, including following different guidelines, can implicate some kind of “lock-in effect”, meaning that the reporting can take resources from the innovative and creative work, which can be a very important part of the core business. The same respondent further describes that they started their sustainability activities long before the standards and legal requirements existed, why they mean that they already take their responsibilities - regardless what is legally required or stated in the GRI guidelines (R11). One negative aspect expressed by another sustainability specialist could be that it is called “sustainability reporting” in itself, since it proves that sustainability is not 100 % integrated in the everyday business (R6). Conclusively, a background of CSR evaluation and sustainability reporting in the context of large businesses with associating challenges has been described to provide a foundation to understand how vision, integration and improvement is developed regarding this topic in practice, which is presented in the following section.

4.3.1 A sustainable business vision

“We don’t have a sustainability vision, we don’t want to have a separate business strategy and a separate sustainability strategy, we want to have a sustainable business strategy” (R1).

One sustainability director in this study explains that their sustainable business strategy is based on both responsible business and business development (R1), which further is expressed in their sustainability report (Telia, 2017). Several respondents (5 out of 11)

explain how they are integrating the sustainability vision with their overall business strategy. This vision has become a central and integrated part of the business strategy, where a clear example of this is how one sustainability strategist explains how they changed their vision in their sustainability report from “The best energy company *in* Sweden” to “The best energy company *for* Sweden” (R7; Skellefteå Kraft, 2017). The sustainability vision can be integrated in the annual report together with the financial report, as mentioned earlier. One senior specialist states that their business deliberately has chosen to not have a specific sustainability vision and instead has chosen to integrate the vision within each division, with the purpose to increase the understanding connected to the business vision (R6). The daily activities such as customer activities are extremely important and sustainability should therefore be integrated within on-going business activities (R4; R6). It is further highlighted by one senior advisor that the sustainability activities have transformed from being separate projects into aiming to merge the activities within every business activity (R5).

The sustainability vision can be emphasized in different types of internal governing documents. Tools for integrating this includes codes of conducts and other policies, processes and education (R7). Codes of conducts can contain both legislative compliance but also the business required expectations on themselves, employees and suppliers (R8; R9). It can be a very important central document, which can be spread within through case studies and education in order to communicate the purpose, which can be divided so it is spread both internally to employees and externally to stakeholders (R5).

Three of the respondents argue that the vision can be created and spread by communication within the business, such as communicating with employees. For instance, by conducting a study and examine why and where the business can contribute in terms of sustainability according to their own particular business. This can be to spread the vision and show how it is linked to core values and what the individual can do to contribute and to understand the business. This work must be integrated and match sustainability activities with strategic goals (R7). The vision can be benchmarked against standards such as the “17 sustainable development goals” and then allocate them into concrete internal goals, which is then expressed in the sustainability report. Another way to emphasize the sustainability vision is through connecting it with *Key Performance Indicators* (KPIs) in the report, which always should be a clear integrated part of decisions and strategies (R10).

4.3.2 Integration in practice

6 out of 11 respondents explain how an approach to spread the vision is to conduct internal education, which can include internal web pages and on-going meetings. For instance, by bringing the organization together and have education with the purpose to increase understanding regarding the entire picture it is a way of guiding sustainability activities internally within the organization (R9). Two sustainability managers further explain how businesses can have internal roles for different objectives associated with the report - with the purpose to spread it among the various divisions. For instance, specific roles such as someone who conducts follow-ups and someone who performs quality reviews (R8). Follow-ups are necessary for a proper integration, which include someone who revise the sustainability material and control data. One corporate citizenship manager highlights that their internal audit process is tough and it can be prioritized higher than meeting customers. This is because it is approached with the highest degree of seriousness and there are employees who have needed to quit due to this (R11). Another sustainability director highlight that a part of their sustainability evaluation is that employees can own different focus areas with the purpose to coordinate and ensure that each area is approached (R1).

“I think it is definitely minimizing the complexity. GRI standards, EU reporting and non-financial standards show how reports should look like. It makes it easier to compare and benchmark company performance” (R3).

The above director emphasizes the importance of developing sustainability reporting according to international frameworks in order to create an aligned framework to realize comparison between businesses and countries. Standards such as the GRI provide a foundation and support of what indicators that need to be reported (R10). This can guide and serve as a method for selecting indicators. It can exist a large amount of sustainability activities within businesses and the framework therefore helps what indicators to report and makes it manageable to a larger extent (R7). Sustainability reporting can be helpful in the process of structuring sustainability evaluation by allocating different activities to smaller tasks since focus must be prioritized on the most important indicators according to what stakeholders can relate to and what they want to know. Reporting can be a tool to get the information in a understandable and readable format to a larger extent (R5).

"Structure comes from both directions, from our business and what gap we need to fill with what is relevant to us. But GRI also contributes with structure, and then we choose areas we want to focus on, then we can check and see that we don't forget aspects that are important for our vision" (R2).

Standards such as the GRI do not have to be crucial for the report, what further matter is the business own specific goals and the responsibilities associated with these activities. The important aspect is to allocate sustainability and divide it into internal processes, which can be achieved by for instance reviewing activities and link categories with values in order to guide the organization, which can help goal achievement (R2). The same sustainability manager further highlights the increased structure associated with sustainability reporting and states; *"Without reporting and a clear structure, it can be diffuse and non-goal-oriented. Evaluation and reporting are a part of the quality work and very crucial. It awakens the sleepers" (R2).*

"I will not say that it reduces complexity, but it provides a compilation of the complex reality and all the different parameters provide the ability to control and identify where we are strong. The ability to follow up and control maybe reduces complexity but, above all, is given the opportunity to follow up and then control in complex sustainability reality we live in" (R8).

The CSR manager above explains that it is important to have written routines, follow-ups, data and structure and that it should be expressed in standards because it enables control and that visions and overall global goals are followed. The report is important for internal activities since businesses must have a explicit plan to report on their activities and to be able to follow up what they actually perform (R8). The report can contribute to create a clear framework and structure for evaluation and illustrate how businesses can work with it, which can be of incredibly high value (R1). The reporting contributes with clearness, perhaps not the report itself but instead the preconditions for developing it, because the report requires clearness regarding possessing certain internal processes (R11). Another senior sustainability specialist explains that the report does not minimize complexity by stating;

"I would probably say that it does not. It's not that easy. There is certainly GRI, framework, STG goals and legal requirements, but it's still a complex phenomenon that we constantly must relate to" (R6).

Several respondents (4 out of 11) criticize if the reporting lead to less complexity regarding the sustainability phenomenon. The report can help agreement of a concept but it still exists a jumble of other different concepts, abbreviations, initiatives and other aspects to relate to in the frameworks (R6). Standards such as GRI contain incredibly many indicators and it is complex and difficult because businesses cannot include everything. Businesses still need to select indicators they consider to be essential to report on in their business. It means selecting the most essential without losing important indicators, why it is important to work hard with these questions (R10). The business needs to base the reporting on its own specific business and navigate through a large amount of recommendations. It is a continuous work concerning the current requirements for the period and what the requirements contain exactly. The sustainability reporting does not always simplify sustainability, but it can lead to increased activities in the end (R6).

4.3.3 Techniques to improve the evaluation process

Three sustainability strategists state that sustainability evaluation and reporting always can be developed additionally. Contemporary standards are developing and changing on an on-going basis and new standards are occurring, which lead to the constant development. New areas within sustainability reporting are also deriving continuously and it is a development process that does not have an end, which can be the main point (R7). It is crucial to constantly develop and improve the evaluation and reporting of sustainability. However, the development can be difficult because it can lead to a misleading curve if constant changes are done since it hinders the comparison between earlier periods (R5).

"I believe that businesses can constantly develop sustainability reporting by incorporating actors from outside and challenging and reviewing their own sustainability work from the outside" (R2).

The same sustainability director emphasizes that it is important to constantly question the report and not rely on earlier performance, because the reporting can always be improved and it is vital to have the attitude to scrutinize the business, dare to ask others, obtain help externally and to be prestigeless. This is consistent with what is stated by another corporate sustainability lead, who argues that evaluation of sustainability reporting can be based on feedback from internal and external stakeholders (R3). In addition, external actors such as consultants can improve the sustainability evaluation since they can be experts and advice within the area (R9).

One CSR manager describes that the business needs to prioritize the most important indicators according to their own product portfolio and not getting too focused on GRI (R8). Three sustainability directors further state that the evaluation of sustainability could be improved by making the reporting more simplified and concise so stakeholders can find appropriate data more easily by making it more comprehensible. Contemporary sustainability reports require a lot of administrative work, which could be refined and conducted more efficient (R9). Sustainability reporting could be improved by decreasing the administrative part and increasing focus areas, since standards such as GRI obtain a lot of information to navigate in. For instance, by adapting more to the indicators where a business can contribute the most (R2). Businesses could report to infinity, but there is a breakpoint when the benefit is reached “good enough”, because reporting too much can steal resources from other important core activities (R4).

Sustainability reporting has already been developed a lot, next step could be strategy integration (R1). This is consistent with what is stated by a CSR manager, who means that an improvement could be to dare transform soft indicators to hard numbers to a larger extent. To enhance efficiency, one improvement could be to integrate sustainability reporting in the financial reporting to a larger extent. This is because it already exist a well-known system that evaluates KPIs and performance (R4; R6). Integrated reporting could develop and improve the evaluation by illustrating the business benefit of working with sustainability to a larger extent in order to create shared value in terms of how to solve challenges in a profitable way (R1). Two sustainability managers emphasize that challenges and difficulties should be included in the report. One sustainability manager further highlights that the

purpose is to enhance trust, whereas another one emphasizes that it can minimize the chance for businesses to misuse the report as a marketing strategy. Lastly, the majority of the empirical material highlights that sustainability reporting does not consequently need to improve sustainability actions in practice.

Sustainability reporting is claimed by several CSR directors (4 out of 11) as leading to increased sustainability actions in practice. One of them further states that the report indicates needs and starts a process for change, whereas another one emphasizes that it creates clarity, understanding and a connection between sustainability and business development. Another explanation is if objectives are set initially it can connect objectives with results. Actions are first performed and then reported, which therefore does not have to mean that it is the reporting itself that lead to increased activities, but instead the set goals (R1). Several businesses (3 out of 11) argue that the reporting does not increase actions in practice, but it contributes with emphasizing focus on sustainability issues within the business (R4). The report illustrates performed activities and is therefore a response to actions, rather than the opposite - that the reporting effect and control actions (R8; R10). Except one aspect, that numbers are quality assured before reported, which can lead to identification of negative aspects that can improved (R8).

4.4 Empirical summary

The empirical framework describes how large businesses with long experience in CSR encounter CSR evaluation and sustainability reporting. Firstly, the background of CSR is presented in order to create understanding for how the concept has changed from CSR into the wider concept of sustainability. Secondly, sustainability reporting and GRI have helped businesses to structure their sustainability activities regarding task- and accountability allocation, goal orientation and comparability. Thirdly, sustainability reporting includes challenges and is a constant process that requires specific internal conditions and techniques, which is seen as more important than the report itself. Fourthly, it is described how the vision can be developed in reality and then transformed into integrated sustainability activities from a sustainability reporting perspective. Lastly, improvement aspects with sustainability evaluation and reporting are emphasized, where the arguments are sprawling since improvement changes are not always the objective.

5. Analysis & discussion

In this section, the empirical findings are analysed and discussed in alignment with the analytical model. Firstly, the background of CSR evaluation and sustainability reporting is analysed which is followed by the components of sustainability reporting – vision, integration and improvement. Conclusively, contribution, limitations and future research is included.

5.1 Institutional frames affect large businesses

This study analyses large businesses with long experience in sustainability reporting and therefore some circumstances could be considered as underlying explanations since they are of large scale, well established and none of them are new in the field of CSR and sustainability reporting. In particular, the results could have varied if the empirical context represented younger or smaller businesses, or if the majority was government owned. The businesses in this study have worked with the complex phenomenon of CSR for a long time, where they have developed routines that can be difficult for them to identify and describe. In the same way as Berger & Luckmann, (1929/1991) emphasize how anything that is repeated frequently creates a pattern, it leads to institutionalized rules becoming stock of knowledge, values taken for granted and at hand for actions. Our findings illustrate that this can cause challenges in terms of lacking the ability to work outside institutionalized frames, which makes it difficult to change CSR and sustainability reporting. An example of this could be how one respondent states that there are no negative aspects regarding the sustainability reporting. The empirical findings are therefore confirmed by previous research within this field to a certain extent, where old routines can be deeply rooted and therefore perhaps difficult to change due to the underlying institutional inertia in the business. The process of sustainability reporting in large businesses has thereby become institutionalized.

5.1.1 CSR as institutionalized rules

Institutionalized rules are argued to free the individual from the burden of the consequences of the choices made, providing a psychological relief that has its basis in an undirected instinctual structure (Berger & Luckmann, 1929/1991:70-71). Consequently, the term greenwashing has become emphasized. Greenwashing includes how businesses can engage in complex strategies and counter strategies, to shift focus and attention from the business, in order to create confusion and undermine credibility. The criticism regarding CSR and greenwashing contain manipulating public opinion, to create and maintain good reputation

(Laufer, 2003). In connection to what is claimed by a respondent - the sustainability report has led to further evaluation of sustainability activities, notably and no less if a scandal has occurred. This relates to another underlying reason for the initiation of CSR, the prevention of scandals and failures (Borglund, 2013; Hagenmeyer, 2007; Laufer, 2003). The report can therefore be a way to reclaim trust from clients, by reporting transparent. This is criticized by Power (1994:33) who claims that the audit process, in this case sustainability reporting, has become taken for granted and institutionalized because this tool is used without being questioned. However, improved evaluation of CSR integration is confirmed as a challenge in order to minimize the complexity regarding the phenomenon (Cochran & Wood, 1984; Djelic & Etchanchu, 2017; Morimoto et al., 2005; Windell, 2009) and the decoupling between words and action (Djelic & Etchanchu, 2017). Therefore, underlying institutional rules leaves room variation between businesses, since sustainability reporting can sometimes be used without being questioned. This could lead to decoupling since business can select what to include. In contrast, the variation leaves room for businesses to adapt the reporting to its own specific industry and situation, which is argued as an essential aspect by several respondents. Thus, the process of how to conduct sustainability reporting is not fully institutionalized.

5.2 Sustainability is the new CSR

The majority (6 out of 11) of the respondents in this study explained how CSR has developed into the wider concept of sustainability, which is in line with the argument by Windell (2007) who describes that popular management ideas perpetually change. The research findings show that there is no set definition of sustainability, like researchers argue there is no set definition of CSR. An interesting empirical finding is that the majority of the respondents use the term sustainability, with the argument that CSR was initially related to welfare, charity or solely environmental impact. Windell (2007) equally implies that businesses should expand their scope of responsibilities, which is confirmed by two respondents who stated that sustainability is a wider concept that includes more than social responsibilities, but furthermore ethics, customers, employees, shareholders and the society at large. This argument is consistent with how a business will succeed with CSR or sustainability. To achieve this, it is of greatest importance to take into account aspects relating to sustainability in ways not seen before, to be able to perform business activities in a transparent and ethical way (De Geer et al., 2009; Hatch, 2013; Idowu & Leal Filho, 2009). Thereby, this study emphasize that sustainability is the new CSR.

5.3 Sustainability reporting - not only a report

Several respondents (5 out of 11) confirmed that transparency is an important factor regarding the report to build trust with customers and the society at large. In relation to the audit society's influence on CSR in terms of increased demands of finding tools for evaluation (Djelic & Etchanchu, 2017), the report is seen as a vital movement to achieve transparency (Mitchell, 2002; Waddock et al., 2002). In order to report transparent and to earn trust, all of the respondents mentioned GRI as the most common standard when conducting the sustainability report. GRI standards are confirmed by previous researchers (Brown et al., 2009a; Dingwerth, 2007:132; Waddock et al., 2002) to be the main standard in sustainability reporting. Thus, GRI is emphasized as the current norm within sustainability reporting. In the same way as Borglund et al. (2010) highlight that GRI integrates sustainability into the reporting process and creates opportunities for comparability, research findings show that GRI creates an aligned framework. This is because respondents explained how they are using GRI standards to create comparability between different businesses, as well as a comparable source from year to year. Sustainability reporting can therefore lead to less complexity regarding sustainability evaluation when frameworks such as GRI are used.

The GRI standard is highlighted by respondents to create a structure within CSR activities, which can be connected to the argumentation regarding following up objectives to measure progress. One sustainability director argued that sustainability is integrated in their vision and strategic goals, to be able to measure and evaluate the performed activities, which is in line by Power's (1997) theory about the audit society. This theory is verified by a corporate sustainability lead who stated; *"What you can measure you can manage"* (R3), and who explained the importance of goal orientation and measurements regarding sustainability, since businesses are perceived more serious. Hence, the empirical findings show that it is crucial to measure in order to increase the ability to evaluate. To add on what is argued by Power (1997) regarding the audit society, the sustainability report is stated to have an important function in the work with measuring and evaluating business activities. However, the underlying aspects for why businesses evaluate sustainability activities is emphasized by respondents to be more important than how they do it, which slightly differs from Powers (1997) theory. This illustrates once again that the specific process of how to conduct sustainability reports is not completely institutionalized. In particular, it is the underlying techniques behind the report that are essential, which is discussed more in-depth later.

Respondents view regarding if sustainability reporting lead to increased activities in practice is divided. From one point of view, it can lead to increased actions. Arguments included enhanced process for change, understanding and a clearer connection between sustainability objectives and business development. However, these arguments can be considered as more connected to evaluation than practical activities. This relates to the argument that sustainability reporting is a tool for evaluating CSR and integrating sustainability activities internally (Cochran & Wood, 1984; Morimoto et al., 2005). As highlighted by Borglund et al. (2010:19), sustainability reporting does not always lead to increased activities, but can improve sustainability evaluation. This argument was underlines by several respondents. Therefore, our findings illustrate that sustainability reporting does not consequently has to improve sustainability actions in practice, but it is a step towards improved evaluation.

5.3.1 Challenges

Laufer (2003) and Windell (2007) claim that CSR activities can hinder businesses in performing well financially since CSR takes resources from the core business to achieve legitimacy. To add on previous research, our findings emphasize that this is further the case in sustainability reporting. Five respondents stated that negative aspects or challenges concerning sustainability reporting is that it steals time and resources from the core business. However, the respondents further emphasized that the sustainability report has become essential and expected from contemporary businesses. This is because it is vital to evaluate activities in order to meet both internal and external demands. As discussed by several researchers (Djelic, 2014; Idowu & Leal Filho, 2009; Windell, 2009), the promotion of CSR business activities has never been more important. Therefore, the sustainability report steals resources from other important business activities but is crucial for business development in the way it is used as an instrument to evaluate what to improve regarding sustainability, which is vital to meet stakeholder demands.

Porter & Kramer (2006:92; 2011) claim that sustainability reporting can be misused as a marketing campaign. The empirical findings illustrate that an existing challenge is that the sustainability report can, but should not serve as some kind of marketing tool where businesses can boast about the positive performed activities solely. This connects to what is argued by Porter & Kramer (2006), that the process of choosing indicators can lead to businesses becoming selective and choose to report on activities that contribute positively to their reputation. Nevertheless, respondents stated that the possibilities to select what to

include in the report also is showed on what activities they choose to perform. However, in the same way as it is possible for organizations to influence what activities to perform and what to report, they further have the capability to select to include only success, which can be connected to decoupling since the sustainability report should not distinguish between words and action (Djelic & Etchanchu, 2017). The risk of selecting indicators is therefore considered a challenge. Given the fact that a background of CSR evaluation and sustainability reporting has been analysed, the next sections examine techniques of sustainability reporting connected with the three components; vision, integration and improvement.

5.4. The communication of a sustainable business vision

Several respondents emphasized that the sustainability vision has become an integrated part of their overall business strategy and core values. The purpose is to increase the understanding of sustainability connected to the business vision and its strategy and to merge these actions within the daily business activities. This is in accordance with Jamali et al. (2015) and Waddock et al. (2002), who emphasize the importance of developing and institutionalizing CSR values within organizations by embracing increased knowledge and inspiration regarding sustainability evaluation for individuals and in everyday activities. Waddock et al. (2002) further argue that the vision is not solely institutionalized in one direction by managers, instead it can be developed also by employees. Respondents highlighted that a tool for achieving this can be by concretizing the vision into internal documents such as codes of conducts. The code of conduct is an important central document regarding sustainability to communicate the purpose and to spread it within the business and to stakeholders. This can be explained by Waddock et al. (2002), who argue that the vision can be institutionalized by codes of conduct in order to communicate responsible expectations and values internally and externally to stakeholders.

Within large businesses, the vision can be guided by standards and then be allocated into more concrete internal goals, which later is expressed in the sustainability report. Empirical findings show that KPIs is another way to concretize the vision since it connects it with objectives, which always should be a clear integrated part of decisions and strategies. By transforming sustainability values into financial and societal values, CSR can be based on shared value, which concretized the phenomenon to a larger extent (Porter & Kramer, 2006:92; Porter & Kramer, 2011). Thus, given the fact that the vision is a foundation to allow

integration, the connection between vision and integration can be considered as rather explicit. In contrast, the connection between integration and improvement is still unclear, which is analysed in the following sections.

5.5 Techniques for internal integration

5.5.1 Internal evaluation as a precondition

An interesting aspect derived from the empirical material is that the integration component can be seen as starting already initially. The argument is based on that the vision is created initially and has become an including part of the business strategy. Waddock et al. (2002) describe the integration component as the connection between vision and strategy by implementation of the vision into the reporting process, internal activities and measurable systems. This seems to be achieved through involving the reporting process and KPIs from the beginning, as mentioned earlier. Businesses can integrate the vision further by conducting internal education and on-going dialogues to increase knowledge and to guide sustainability internally within the business, whereas Borglund et al., (2010) emphasize that internal awareness is crucial to develop long-term performance. Important parts of the internal integration are practices such as development of skills and accountability (Waddock et al., 2002), which is evident in contemporary businesses. Accountability is connected to how businesses have internal roles associated with the sustainability report to create opportunities for a proper integration by closely revising and controlling sustainability data. This is a process that should be greatly prioritized and approached with the highest degree of seriousness, which can be a technique to critically evaluate sustainability internally.

This technique could increase opportunities for a practical integration and decrease the risk of greenwashing or to misuse it as a marketing campaign (Porter & Kramer, 2006:92, Porter & Kramer, 2011). Empirical findings show that businesses should take their responsibilities and also report failures and less successful activities regarding sustainability. Accordingly, it would increase the possibilities to ensure that the sustainability report is not only a marketing tool or marketing campaign, but also a way to show full transparency against stakeholders. Consequently, this could encounter the issue underlined by Porter & Kramer (2006:92; 2011), that the sustainability report can be misused as a marketing campaign. The internal evaluation is therefore of vital importance. In particular, since it integrates and concretizes the vision

into internal expectations, activities and systems. It engages the business in the evaluation process by involvement in sustainability reporting and by transforming values into data and more explicit objectives. In addition, the report contains vital internal information regarding corporate outcomes, where possible issues can be resolved internally (Waddock et al., 2002). Thereby, sustainability reporting conducts essential internal information regarding outcomes, where issues can be resolved before being publically released. The reporting process can therefore be argued as contributing to evaluation improvement. Thus, internal evaluation is a precondition for creating opportunities to connect integration and improvement.

5.5.2 How to face the complex reality of sustainability reporting

Sustainability reporting itself can be criticized whether it leads to less complexity or not within a business. Respondents emphasized that it is the structuring perspective and to have a plan that are vital parts since sustainability can otherwise be diffuse and neglect goal orientation. The empirical material shows that it is important to create opportunities to evaluate and control sustainability in a complex reality. This can put sustainability in another perspective by accepting the phenomenon as constant complex. An underlying aspect is therefore that sustainability reporting can be seen as a tool to function in the audit society (Power, 1997), since Djelic & Etchanchu (2017) emphasize that the audit society has influenced the field by increased demands on finding tools for evaluating and controlling sustainability. Sustainability reporting is argued by several respondents to be of extremely high importance for the internal evaluation. One explanation is because the reporting contributes with clearness, not the report itself but instead the preconditions for developing it because the report requires certain internal processes, as mentioned earlier. This shows the great importance of internal evaluation additionally, since it creates conditions for functioning in a complex environment. Thus, the underlying techniques of sustainability reporting are the vital parts.

5.6 Improvement

5.6.1 Integrated reporting as a step towards improvement

Several respondents highlighted that next improvement within sustainability reporting could be strategy integration and to dare transform soft indicators into hard numbers to a larger extent. Integrated reporting is therefore emphasized by businesses, which should be embraced to enhance efficiency and align the well-known financial system with the sustainability

system. This can be a step towards solving one of the most common issues in contemporary businesses - the issue of how to integrate and align sustainability with the business strategy (Aguinis & Glavas, 2012; Morimoto et al., 2005; Caesarius & Hohenthal, 2013).

To add on previous research by Porter & Kramer (2006:80) regarding that approaches that does not connect sustainability with business practices prevent the most beneficial integration, our findings illustrate that integrated reporting can be a technique to integrate sustainability evaluation into the core business additionally. In particular, it could improve evaluation by illustrating the business benefit of working with sustainability to a larger extent, with the purpose to create shared value in terms of how businesses can solve challenges in a profitable way. Porter & Kramer (2011) emphasize that CSR should be developed as shared value with the purpose to connect it with improvement. Therefore, integrated reporting could connect integration with improvement to a larger extent. A synergy can thereby be identified between sustainability reporting and the current well developed financial system. The synergy would combine internal activities instead of stealing resources from one another, which currently is a challenge in contemporary businesses. Consequently, it would increase opportunities to create a holistic view regarding sustainability, which is evident in the empirical material in order to improve evaluation. However, the issue of businesses being perhaps selective still remains. This study therefore shows that sustainability reporting should be constant evaluated to connect integration and improvement.

5.6.2 The continuous process of improving sustainability reporting

The empirical material highlights sustainability reporting and evaluation as a process that constantly can be developed, whereas an evident explanation is that standards are changing and new standards and focus areas are occurring. An interesting reasoning is therefore that the on-going development can be the objective with the entire process. This relates to the improvement component discussed by Jamali et al. (2015) and Waddock et al. (2002), where improvement can be achieved by analysing outcomes and learning from previous experience. It is to examine if the connection between vision and integration has been implemented in alignment with the set objectives by realizing comparability (Jamali et al., 2015; Waddock et al., 2002). Thus, CSR can be evaluated in terms of sustainability reporting to an extent, since it creates internal conditions for increased understanding regarding integration and improvement. The reporting process can connect the two components by linking the reporting process with learning from previous experience, which supports the analysis model.

Respondents emphasized the aim for constant development by challenging current activities with external scrutinizing, where GRI is included. A technique to improve sustainability evaluation is therefore to constantly question the report by having the attitude to scrutinize the business and to obtain external help. This can be connected to reporting in alignment with GRI since it enhances credibility if it is externally audited because it provides transparency for stakeholders, which improves sustainability processes (Waddock et al., 2002). In line with what is emphasized by Borglund et al. (2010) and Waddock et al. (2002) regarding that global standards are developed to improve evaluation, this study specifically describes that an essential part of GRI is the external scrutinizing, which is considered as an underlying aspect for improvement.

The internal evaluation can be improved by encouraging simplicity, which is underlined by several respondents. In particular, to make the report more concise so internal and external stakeholders easier can comprehend and find appropriate data and to enhance efficiency. Respondents stated that GRI standards contain a large amount of information to navigate in. Thereby, the simplicity could encounter a major obstacle with GRI that is emphasized by Borglund et al. (2010) and Hedberg & Von Malmborg (2003) - the comprehensiveness of GRI. The comprehensiveness of GRI can make it difficult to adapt the standards to the businesses internal situation and area where it is most needed (Borglund et al., 2010; Hedberg & Von Malmborg, 2003). Several businesses explained that sustainability reporting could be improved by minimizing the administrative part and instead increase adaptation aligned with focus areas according to where the business can contribute to most.

The challenge mentioned by Laufer (2003) and Windell (2007) earlier regarding that CSR processes can steal resources from the core business can be encountered by what several respondents highlighted as an improvement aspect. Several respondents stated that businesses should not get too focused on GRI, since it can steer the reporting away from prioritized indicators according to the organizations own product portfolio. A respondent emphasized that large businesses can face this issue by deciding a breakpoint where the benefit is reached without reporting to infinity and steal resources from other important internal activities. However, this can leave room for businesses to become selective, whereas the external scrutinizing emphasized earlier, can be of vital importance.

The improvement component is a continuous process and as in line with the phenomenon of CSR, there is no set definition of improvement. An interesting aspect derived from the empirical material shows that improvement can be difficult. As argued by Kvarnström (2016) and Meyer & Rowan (1977) regarding that institutionalized structures have emerged as reflections of rationalized institutional rules in businesses, the underlying assumptions can be that the improvement component is based on a rationalized perspective with the aim to constantly strive for efficiency. Improvement is difficult because it can cause a misleading curve if constant changes are conducted, since it hinders a consistent comparison between periods, which is an underlying important technique. This highlights the importance of comparability once again, but can perhaps create a situation where businesses can neglect changing practices. Accordingly, this shows how diffuse and difficult the improvement component can be. Particularly, improvement is not always the objective, since it can hinder other essential aspects that are vital for the report. In addition, improvement is associated with different meanings in different business industries. The argument is therefore that improvement should be approached carefully since it includes various aspects.

6. Concluding remarks

In an era when CSR is accelerating rapidly, one of the most common issues in the context of contemporary businesses is how to integrate CSR internally with the core business. Sustainability reporting has emerged as a step towards improved CSR evaluation and to minimize the complexity concerning the phenomenon. However, the connection between CSR integration and improvement has been rather unclear regarding what improvement truly means and how it is achieved. This study has therefore examined how CSR can be evaluated in terms of sustainability reporting in the context of large businesses, in order to understand the internal connection between integration and improvement. The empirical framework represents large businesses with long experience in sustainability, where the majority are listed on the stock list and members of CSR Sweden. Based on the empirical findings and the argument that popular management ideas constantly change, CSR is confirmed to have transformed into the wider concept of sustainability.

Research findings emphasize that CSR can be evaluated in terms of sustainability reporting, whereas sustainability reporting has become institutionalized in large businesses. Businesses can be affected by challenges to work outside institutionalized frames because old routines are deeply rooted and difficult to change due to the underlying institutional inertia. To add further on previous research, findings illustrate that *how* to conduct sustainability reporting is not fully institutionalized, since businesses can select what indicators to include. Therefore, this leaves room for variation between businesses, which can lead to decoupling since sustainability reporting and GRI can be approached with flexibility. On the other hand, it includes the vital aspect that businesses can adapt it to their own specific industry, which is essential in order to contribute where the impact is most powerful in practice.

In alignment with how previous research states that sustainability reporting is a step towards increased evaluation of CSR, our findings add that it is because sustainability reporting includes increased structure regarding task- and accountability allocation, goal orientation and comparability. The internal evaluation is therefore the precondition for creating opportunities to connect the components. Especially, this study highlights that sustainability reporting is not solely a report. Instead, it is the underlying techniques that are important, which connect integration with evaluation improvements to a certain extent. This includes

how businesses can be even more transparent if failures are illustrated in the report or emphasized by standards to be included, which can encounter the issue of businesses becoming selective and use the report as a marketing campaign. In addition, given the fact that integrated reporting is emphasized by the empirical material, sustainability reporting could be combined with the current well developed financial system, which creates a synergy effect. This can be a technique to integrate sustainability evaluation further into the core business. Consequently, it would increase opportunities for creating a holistic view regarding sustainability, which is an argument that is evident in this study to improve the evaluation.

Conclusively, this study contributes with enriched understanding regarding the connection between integration and improvement. The analytical model is confirmed to a certain extent and the connection is concluded as a constant process, where sustainability reporting is one step towards improved evaluation. This thesis has resulted in an explanation that it is difficult to fully understand the connection between integration and improvement. Particularly, this study adds to previous research that it is because improvement is not always aimed for, since it can hinder other essential techniques and is associated with different meanings in different industries. The underlying assumption is that the improvement concept is based on a rationalized perspective with the aim to constantly strive for efficiency. Improvement is thereby a diffuse concept in itself, which needs to be encountered carefully.

6.1 Contribution, limitations and further research

The aim of this thesis was to enrich the knowledge regarding how CSR can be evaluated in terms of sustainability reporting in the context of large businesses, in order to understand the internal connection between integration and improvement. This study contributes with academic relevance in terms of connecting CSR integration with improvement regarding evaluation to a certain extent, where underlying techniques of sustainability reporting have been identified and described. However, improvement is a diffuse concept and differs among businesses. Thus, contributing with enriched knowledge within a field that required further research. The empirical contribution includes understanding of how businesses evaluate CSR integration and techniques to improve the evaluation process. Empirical contribution furthermore contains how organizations can be even more transparent with their sustainability evaluation and how it can be linked to financial evaluation to a larger extent.

The thesis has some limitations. First of all, it includes the difficulty to analyse outside institutionalized frames, since the majority of our respondents represent large businesses with deeply rooted routines, where old routines are difficult to change due to the underlying institutional inertia routed in the business. We have chosen to investigate sustainability reporting from a wide perspective, to find out if the argument regarding institutionalization is durable. Hence, the research findings could have yielded different findings if smaller businesses with less experience within sustainability reporting would have been investigated. Secondly, the limitations consist of exploring evaluation regarding sustainability reporting in the context of the components vision, integration and improvement, where the results might have varied if other components were analysed. Finally, the research is a qualitative study, based upon interviews where the respondents had the possibility to talk about sustainability outside their usual setting. The limitations also concern time constraints, whereas it would have been desirable to conduct more than eleven interviews in order to gain a deeper understanding of the research question.

Future research could study a similar approach but in comparison with younger or smaller businesses, in order to analyse how the institutional frames differs and how smaller businesses encounter the complex phenomenon of CSR evaluation, and which routines and challenges it brings in comparison to operate as a large and stock listed business. In addition, to encounter the issue of businesses becoming selective, different industries could be examined to identify what indicators are chosen in alignment with different industries and if specific industry standards are developed or needs to be developed, which could examine what a new and specific industry standard should include according to different industries.

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Appendices

Appendix 1: Interview guide

To start with, we will present to you some background information to our thesis. Thereafter we are very interested in your role at your company, before we move on with the questions.

CSR and Auditing

1. How is *Corporate social responsibility* (CSR) defined within your company?
2. How do you monitor and evaluate CSR activities?
3. Is monitoring and evaluating CSR activities important - why/why not?

Sustainability reporting

4. What standards do you use when addressing sustainability reporting and why?
5. What motivates you to perform sustainability reporting and what are the advantages?
6. What are the challenges or negative aspects regarding sustainability reporting?

Vision

7. How can the vision of CSR be concretized at your company?
8. How can your vision be transformed into concrete data?

Integration

9. How do you transform the vision into practical integration?
10. In what way does the reporting minimize the complexity regarding the phenomenon CSR?
11. How does sustainability reporting help you to achieve your objectives?

Improvement

12. Do you/how do you develop your evaluation and reporting of CSR?
13. How could you develop your sustainability reporting further?
14. Does the evaluation and reporting lead to increased CSR activities?

Appendix 2: Empirical findings

Category	Findings	Emphasized by
CSR as a concept	<p>Use the term "sustainability" instead of CSR</p> <p>Sustainability is a wider concept which includes more than social responsibilities</p> <p>CSR has developed from only concerning environmental aspects into including a responsibility for the influence on society at large</p>	<p>(R1; R6; R7, R8; R9; R10)</p> <p>(R6; R7)</p> <p>(R6; R7; R9)</p>
Sustainability evaluation	<p>GRI is nowadays the most common used guideline for sustainability reporting</p> <p>GRI serves as a good guideline and a comparable source, in the way it creates a structure for CSR activities</p> <p>Integrated reporting is a way to monitor and evaluate CSR activities</p> <p>The evaluation of CSR activities is good for both external and internal progress</p> <p>The report is important internally for business development</p>	<p>(R1; R2; R3; R4; R5; R6; R7; R8; R9, R10; R11)</p> <p>(R1; R3; R5; R9)</p> <p>(R1; R6; R9)</p> <p>(R1; R2; R3; R6; R7; R9; R10)</p> <p>(R3; R7; R9)</p>

Sustainability reporting	<p>The sustainability report is important for investors, customers, shareholders and the society as a whole</p> <p>The report serve as a communication tool</p> <p>It is important to report transparent</p> <p>The report has become crucial</p> <p>The sustainability report takes time and resources from the core business</p>	<p>(R1; R2; R4; R6; R8; R11)</p> <p>(R8; R9; R10)</p> <p>(R2; R5; R9; R10)</p> <p>(R1; R2; R5; R9)</p> <p>(R1; R4; R6; R7, R9)</p>
<i>Vision</i>	<p>Companies are integrating the sustainability vision with their overall business strategy</p> <p>The sustainability vision is integrated in the overall business strategy</p> <p>The sustainability report can be integrated in the annual report</p> <p>The vision can be created and spread by communication within the company</p> <p>The vision can be benchmarked against standards</p> <p>The sustainability vision can be conducted through internal education</p>	<p>(R1; R5; R6; R7; R10)</p> <p>(R1; R5; R6; R7; R10)</p> <p>(R1; R6; R9)</p> <p>(R7; R10; R11)</p> <p>(R5, R9, R10)</p> <p>(R4; R5; R7; R9; R10)</p>

	<p>Several companies question if the reporting lead to less complexity regarding the sustainability phenomenon</p>	(R1; R4; R6; R8)
<i>Integration</i>	<p>Sustainability evaluation and reporting can always be developed additionally</p>	(R2; R4; R5; R6; R7; R8; R9; R10)
	<p>Standards change and develop, which lead to constant development regarding evaluation and sustainability reporting</p>	(R4; R6; R7)
	<p>The evaluation of sustainability could be improved by making the reporting more simplified and concise</p>	(R1; R3; R5)
<i>Improvement</i>	<p>Sustainability reporting could be improved by decreasing the administrative part and increasing focus areas</p>	(R1; R2)
	<p>Sustainability managers emphasize that challenges and difficulties should be included in the report</p>	(R5; R8)
	<p>Sustainability reporting can be argued as leading to increased sustainability actions in practice</p>	(R1; R2; R5; R6; R7)
	<p>Several companies argue that the reporting does not increase actions in practice</p>	(R4; R8; R11)