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Corporate Social Responsibility and its Implications on Firm Performance

A case study of Emballator Lagan Plast



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Abstract

Corporate social responsibility is a widely discussed concept in today's business, with different perceptions as well as explanations regarding the meaning and impact of the concept. Organizations are becoming more aware of the concept as well as their responsibilities to the society, which in turn results in organizations devoting more resources into CSR related activities. Nowadays, it is significant to establish a proper CSR performance while also having a solid financial foundation in order to reach a long-term sustainable success.

The purpose of this study is to describe how CSR is connected to firm performance, in terms of market share and market growth. While a growing number of studies have been made regarding investigating CSR and its various dimensions, it is still unclear what the underlying factors that tie the relationship together are. This purpose was tested on a company in southern Sweden; this company Emballator Lagan Plast (ELP) produces plastic packaging solutions for a number of industries. Alongside the literature research, a case study with semi-structured interviews was conducted at ELP in order to collect data needed to answer the purpose and research questions.

One of the essential findings of the study revealed from the literature, which was also proven in the case study, was that CSR is a fundamental element in an organization and it should be implemented throughout the entire organization to gain maximum effect. Moreover, the findings indicate that CSR has a positive impact on ELP's performance. Even though the relationship is not direct, it still exists through mediating roles, and it has played an important role in the company's growth and success.

Keywords

Corporate social responsibility, firm performance, stakeholders.

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1 Introduction

Corporate social responsibility (CSR) is the idea that a company should behave in a legal and ethical way, while partaking in philanthropic activities and sustaining their economic viability (Carroll, 1999). CSR has been radically developed throughout the past years; it has become more and more common to implement it to different businesses (Hack, et al., 2014). Regardless of size, small, medium and large enterprises are realizing the importance of CSR; therefore, managers place large emphasis on it. These initiatives are mostly made to meet the demands of several stakeholder groups such as customers, employees, suppliers, community groups and governments. Consequently, organizations are devoting more resources into CSR activities (McWilliams & Siegel, 2001).

In today's society, quality is not the only thing that matters whenever a purchase is made, whether it is a product or a service; people are becoming more aware of other important factors that play a vital role. For instance, being environmentally friendly has become a trend in modern society, and consumers are paying more attention to eco-friendly products more than ever before (Jurišová & Ďurková, 2012). Moreover, a company's approach and the way they want to be perceived are critical. Therefore, many companies have implemented CSR in order to engage more responsibly in social as well as environmental issues.

CSR has played a critical role in businesses throughout the years; there have been cases where companies have been reprimanded due to the way they have acted with regards to corporate responsibilities. In 1970, Nestlé was accused for promoting and selling "deadly" milk powder for babies in third world countries (Business Insider, 2012). The powder had negative effects on the babies, causing them illnesses, since it was lacking vitamins. Moreover, they were accused of marketing the product inaccurately, by not stating the negative impacts the powder could cause (Ibid). The actions done by Nestle, is a typical way of acting unethically, and as a result, this is an issue that is still discussed today and has affected Nestlé's image and reputation.

While companies may invest in CSR from a purely bottom line perspective, others see it as a channel to generate goodwill and trust, both internally and externally through social activities with their customers and employees (Oghazi, 2014). Moreover, companies

may implement CSR to attain a competitive advantage, since they consider it a way to distinguish themselves from their competition (Ibid). These CSR implementations may also be reactionary to the competitive nature of the competition market, in addition to the high weight on organizations to succeed from diverse parties (Ibid).

1.1 Background

CSR was introduced and has steadily grown since the 1950's but has become blurred and distorted through the decades. It wasn't until the 1970's that it was further defined and clarified. However, it had no standard definition (Carroll, 1999). In the 1980s, few original definitions of CSR were witnessed however, more was done to measure and research CSR, and efforts were also made trying to find alternative frameworks to use (Carroll, 1999).

Over the course of the 1990s, CSR transformed significantly into different themes, some of these include; business ethics theory, corporate citizenship, corporate sustainable profitability and stakeholder theory (Carroll, 1999). While the thought of CSR was not rejected, it faced obstacles because of the lack of new definitions. The end of the 1990s brought thoughts of the new millennium and many thoughts of increased initiatives for measurement and theoretical developments (Ibid).

Organizations realized that as companies grow and go global, their impact and required resources on the planet would also grow (Hack, et al., 2014). Therefore there would be required commitments to behave in a manner which is beneficial to both the company(s) the social environment and the planet.

Carroll (1999) suggests that CSR can be framed in four defined areas of responsibility; economic, legal, ethical and philanthropic. While economic and legal responsibility has always been prevalent when discussing CSR, the ethical and philanthropic responsibilities have not been discussed much until recent years. Furthermore these four areas can be illustrated in a pyramid (see theoretical framework 2.3.1).

CSR has and will continue being a significant factor within businesses and its environment. The concept is continually supporting what the society is expecting from

organizations, which makes it important to take into account in regards to diverse business practices (Ibid).

1.2 Introduction to Emballator Lagan Plast

Emballator Lagan Plast (ELP) is a plastic packaging company, located in Ljungby, Sweden, and is part of the Herenco AB concern. ELP's main business concept has to do with the idea of developing, producing and marketing plastic packaging for food and chemical industries, in forms of buckets and cans. ELP was founded in 1974, and in 1980 they made their first trademark product, Ergopac® (Emballatorlagan, 2015).

They are managing their business under the lean philosophy (see theoretical framework 2.4.5), which has played a significant role in their organization. They focus on short lead times, delivery reliability, and maximum flexibility, eliminating all waste and in turn always being the most cost efficient option (Emballatorlagan, 2015).

Packaging plays an important role in modern industry and today's society, even though it may not be the most mentioned one. Emballator considers themselves as know-how experts where services and counseling are important elements in the process of developing their business. Emballator aims for improved packaging throughout the whole chain, from production to customers and also further to recycling. Environmental issues are very vital today and the concern keeps arising, it is also important for Emballator and they operate their organization with a high environmental focus, they point out that it is important to pay attention to this issue, and thus, make all their products recyclable (Emballatorlagan, 2015).

Even though they are a successful company today, this has not always been the case. In 2004 they were facing critical issues, which almost led to the end of ELP. They were losing market share, lost a significant profit and their competitors surpassed them. However, in 2005, Christian Silvasti became the new CEO of ELP; he then introduced the Lean concept and implemented it into their business strategy. In turn, they won the "Svenska Lean Priset" in 2011 (Swedish Lean Prize), for showing exceptional success with the lean concept (Dahlquist, 2012). Since then, the company has drastically developed and has kept growing, which has resulted in a well-established plastic packaging organization. The company's turnover from 2013 to 2014 went from 241

million SEK to 252 million SEK. Their goal for 2015 is to reach a turnover of 286 million SEK (see appendix 7).

1.3 Problem discussion

Because of the fact that CSR is based on legal, economic, ethical and philanthropic opinions, the perception of the subject itself varies significantly because of the perceived value different approaches foster (Hack, et al., 2014). Due to these factors, opinions run the risk of being biased depending on which corporations people identify themselves with. CSR is designed to work as a win-win scenario, meaning that the companies make profits whilst the society benefits as well (Porter, 2011).

However, there has been tension when analyzing the link between gathering profits and contributing to society. Companies focus on attaining profits and may therefore carefully select the CSR approaches in which they believe will give the highest return on investment (Aguilera, et al., 2007). This is because when looking at CSR through a solely financial perspective, it is considered an ill-advised course of action because it does not give any incentive to gather profits (Hack, et al., 2014). This has proven to create scenarios where people feel that the companies are only focusing on profits when they instead should focus on improving the society for the greater good (Ibid).

Researchers have proven that if consumers like what companies are offering, they will put more resources into that company, not only in terms of money but time as well (Rosenbaum-Elliott, et al., 2011). Since CSR is based on legal, ethical, economical and philanthropic aspects, it can influence corporations' image. In other words, how they are perceived by for instance stakeholders. For example, promoting or communicating a vision, companies can generate in an emotional response from consumers. As mentioned earlier, if consumers know that environmental issues are at a company's focus, this can mediate emotions to a consumer that can eventually impact their buying decision (Jurišová & Ďurková, 2012). Companies initiatives influences consumer's vision, in addition, organizations can guide consumers towards different directions based on their actions, since it is shown that emotion mediates behaviors (Rosenbaum-Elliott, et al., 2011).

There are numerous factors that can impact a firm's performance and there are several aspects linked to CSR that may possibly lead to effects on the firm's performance.

Examples of these would be the effect which CSR has on corporate image (Keller, 2013) as well as the performance of sales personnel (Korschun, et al., 2014). Previous research has shown that CSR can have negative, positive and neutral effects on a firm's performance (McWilliams & Siegel, 2000). This has enticed the authors to examine and describe the relationship to unveil and strengthen the underlying factor that links the perceived relationship together. To further aid the study, the authors have chosen to use market share and market growth as indicators of a firm's performance.

CSR is a trend and therefore it is imperative for companies to understand its importance and stay updated with its development, (Jurišová & Ďurková, 2012). Because of the fact that CSR is so broad in relation to definition, the authors wanted to examine a single company and see if there is a relation between the CSR efforts of the company and the company's firm performance. Thus, the authors believe CSR is an important area to study.

1.4 Purpose

The purpose of this study is to describe how CSR is connected to firm performance within Emballator Lagan Plast.

1.5 Research questions

In order to fulfill the purpose of this study, the authors have designed the following research questions:

1. How is CSR implemented in Emballator Lagan Plast?
2. How can opportunities be developed for Emballator Lagan Plast through the implementation ?
3. How does CSR affect Emballator Lagan Plast's firm performance?

1.6 Delimitations

Before finalizing the topic the authors decided that a study with a single company would be best, it was unanimously decided that Emballator Lagan Plast was the most suitable choice. With this choice in mind, the authors limited the study to a case study about Emballator Lagan Plast in Ljungby, Sweden.

2 Theoretical framework

This chapter will introduce theories from the literature that relates to the research questions, these theories will be used to guide the researches in answering the questions. This section has been divided into three categories consisting of Firm performance, Corporate Social Responsibility and Supplementary theories.

2.1 Firm performance

According to the Oxford English Dictionary (2011), performance is defined as: the extent to which an investment is profitable. The authors have decided to define firm performance through market growth as well as market share. Market share is defined as: company sales divided by market sales (Kotler & Armstrong, 2013). It implies how large a company is compared to its competitors in relation to the market size.

Market growth is the extent to which a company grows as a result of increased demand from consumers (Ibid).

According to Kotler and Armstrong (2013), organizations need growth in order to satisfy stakeholders, compete more effectively as well as attract top talent. Furthermore, organizations need to avoid making growth itself the aim of the company, rather, companies should focus on managing profitable growth through marketing strategies (Ibid). This can be easily identified among service firms, where number of employees in the service sector increased by 12% between 1995 and 2005; in contrast, the manufacturing industries experienced a 12% decrease in employment during the same period (Oghazi 2013; Oghazi 2014).

2.2 Theoretical perspectives of CSR

In order for companies to function, they are required to develop a strong financial base. Without the right economic thinking, companies would cease to exist (Ames & Wellsfry, 1983). With regards towards this, agency theory plays a crucial part in the economic development of companies. The theory was conceptualized by Friedman (1971) and as mentioned in Oghazi's research (2014), agency theory is explained as: "Managers are agents and have as their primary responsibility shareholder wealth maximization" (p. 126). With this in mind, it is understood that the basis of all companies, is to maximize their wealth. Without this, it would be merely impossible for companies to invest into other strategies (Brush & Chaganti, 1999). Therefore, agency

theory acts as the base for companies to grow upon. According to Eisenhardt (1989), “Agency theory can be regarded as enriching economies by offering a more complex view of organizations” (p. 60).

Companies also consist of stakeholders. Stakeholders represent any party which has a stake in the company, be it the customers, employees, local community etc. The theory was conceptualized by Freeman and Reed (1983) and entails the fact that companies need to build trust and rapport with their stakeholders through ethical management in an attempt to improve the state of the company.

To further build up an organized as well as efficient company, aspects related to institutional theory may play a crucial part. According to Jennings and Zandbergen (1995), institutional theory states that institutions have a large effect in molding what is appropriate within a specific background in order to build a socially responsible company. This is achieved through different forces; coercive (pressures of regulatory authorities), mimetic (pressures to copy competitors), as well as normative (pressures originated within markets). With these factors, different pressures make institutions conform to pressures, or enhance their performance through them (Jennings & Zandbergen, 1995).

Continuing on a company’s performance, theory of the firm can also be applicable. According to McWilliams and Siegel (2001), theory of the firm entails the adoption of supply and demand aspects which may be used to utilize the ideal investment of CSR through a cost-benefit analysis. With these theories in mind, the adaptation of what may help comprise CSR is shown, but also shows theoretical barriers.

2.3 Corporate social responsibility

Throughout the development of CSR, researches have attempted to identify as well as outline the concept. CSR is a broad and ill-defined theory and due to the differing opinions on what CSR is, there have been several different definitions proposed and suggested, nevertheless, researchers have not yet agreed upon one mutual definition of the concept (McWilliams et al., 2006). One of the proposed definitions was by McWilliams and Siegel (2006), explaining CSR as: “Actions that appear to further some social good beyond the interests of the firm and that which is required by the law” (p.1). In contrast, Dahlsrud (2008) defined CSR through five dimensions; the environment,

social, economic, stakeholder and voluntariness dimension. Furthermore, with regards towards the European Union, CSR is defined as a concept, when companies engage social as well as environmental issues in the organization's day-to-day activities. In addition, these issues or concerns should be integrated when interacting with stakeholders, on a voluntary basis. At last, Carroll (1999) defines CSR with a set of social responsibilities in a pyramid, where companies should achieve economic, legal, ethical and philanthropic responsibilities. After having sifted through the different definitions, the authors of this report have decided to use Carroll's definition of CSR as the fundamental frame for the research. The various definitions from the different authors are shown in the table below.

Table 1: Definitions of CSR

<i>Term</i>	<i>Meaning</i>	<i>Indicative studies</i>
CSR	"Actions that appear to further some social good beyond the interests of the firm and that which is required by the law"	McWilliams et al., 2006
CSR	Environmental, social, economic, stakeholder and voluntary responsibilities.	Dahlsrud, 2008
CSR	"The CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen."	Carroll, 1999
CSR	"CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."	EU Commission, 2002

2.3.1 The pyramid of corporate social responsibility

Even though CSR is very broad, Carroll (1999) has further defined it into smaller dimensions that provide a general perception. The concept has been categorized into four different areas that support socially responsible activities, which are the following: economic, legal, ethical and philanthropic responsibilities. The different areas of the concept have been applied into a pyramid (see figure 1) to further extend the understanding of CSR. From observations of the pyramid, it is clear that economic responsibilities are seen as the foundation of the whole pyramid, as it backs up the rest

of the components, which are eventually followed through. Carroll suggests that the different categories should not be followed in a chronological order; instead they should all be considered and implemented at the same time. Carroll concludes as he quotes: “The CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen” (p. 43).

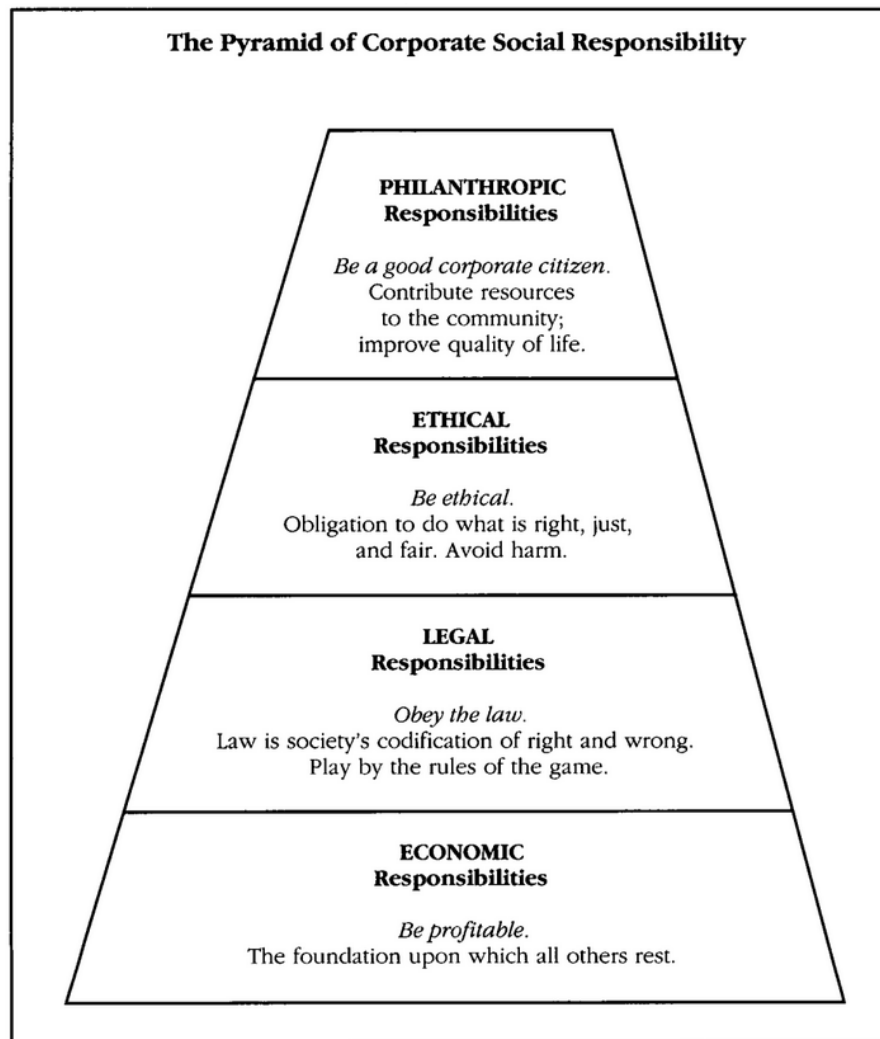


Figure 1: The Pyramid of Corporate Social Responsibility

Source: Adapted from Carroll, (1991) p. 42

The different dimensions of the pyramid (figure 1) are explained below.

2.3.1.1 Economic responsibilities

The economical responsibilities in a firm are seen as the most critical of all business responsibilities and also as the foundation for the rest, as previously mentioned; therefore the category is placed on the bottom of the pyramid. Without any economic

responsibility, it is nearly impossible to make any profits and stay competitive, which is the motive for most of the businesses today (Brush & Chaganti, 1999). Corporations need to know their objectives, stay committed and also strive for maximizing profits in order to compete in the market. Moreover, for organizations to be considered successful, they have to perform and profit in a consistent manner (Tang, et al., 2012).

2.3.1.2 Legal responsibilities

While Society has authorized businesses to operate under the motive of generating profit, they do so expecting businesses to follow the laws and regulations put forth by governments. Businesses are expected to pursue their goals of profit within the confines of the law, this is part of the “social contract” between businesses and society. The legal responsibility of companies is a sort of code of conduct that businesses should adhere to, otherwise legal sanctions may ensue. This code of conduct is established by lawmakers, the governing body of the area, be it local, state, federal or national. The legal responsibility category makes up the second level in Carroll's pyramid of Corporate Social Responsibility (see figure 1) and coexists with the economical responsibility as crucial of the free enterprise system (Ibid).

2.3.1.3 Ethical responsibilities

Even though economic and legal responsibilities cover actions that should be done that supports the law, the ethical responsibilities consists of the activities, which are expected by members of the society even though it does not necessarily follow any law or regulation. Ethical responsibilities are what the consumers, shareholders, employees and the community believes is fair and just. Ethical and moral norms are evolving and it is important to recognize in addition to adapt to new norms developed by the society. Respecting and protecting the moral rights of others is crucial in every business and all players involved, in order to achieve corporate citizenship. Furthermore, ethical activities are not only expected to obey and respect laws, but go above and beyond them (Ibid).

2.3.1.4 Philanthropic responsibilities

This section of the pyramid discusses the actions which corporations take which are a direct response to the expectations of society. Corporations need to behave as good corporate citizens by actively taking part in goodwill and human welfare. As explained by Carroll, “CSR includes philanthropic contributions but is not limited to them; in short, philanthropy is the icing on the cake” (Carroll, 1991. pp. 42). Companies which actively contribute resources towards the betterment of the society are also seen as companies which strive for philanthropic behavior (Ibid).

2.4 Supplementary theories

This section consists of theories that compliment the two major theories above.

2.4.1 Creating shared value

Michael Porter (2011) explained that value can be created for companies as well as people representing external parties, resulting in societal as well as economic benefits for both parties. This is because creating shared value is an investment that focuses on creating greater and more efficient suppliers and key players within an organization's offering, which results in greater benefits internally as well as externally. Porter argued that creating shared value (CSV) is the newest adaptation to the capitalist model because of the fact that societal benefits can in turn create economic growth for the companies which answer the needs of society. This can be achieved in 3 distinct ways;

- Reconceiving products and markets
- Redefining productivity in the value chain
- Building supportive industry clusters at the company's locations

2.4.1.1 Reconceiving products and markets

The needs of society are huge and always developing, the need for better standards, health, living et cetera. Because of this, companies have started tweaking their products and services in such a way that societal needs are met. For example, food distributors traditionally focused on the quantity as well as taste of their products to drive demand. However, now certain companies have started focusing on the nutrition values which their products offer towards their customers (Porter, 2011).

2.4.1.2 Redefining productivity in the value chain

A value chain involves several players and can be affected by numerous challenges. Societal issues can have a profound effect on a supply chain; issues such as depletion of natural resources, water consumption, health and safety and so on. Opportunities rise to create shared value because societal issues can have large effects on a company's internal economic costs (Porter, 2011). For example, innovations in the disposal and recycling of plastics used in marketplaces has decreased the amount of waste in landfills, resulting in millions of dollars' worth of disposal costs saved (Ibid). This means that shops are addressing the pressing matter of environmental concern whilst also creating a more efficient integral system for their value chain.

2.4.1.3 Building supportive industry clusters at the company's locations

Porter explained that innovation and productivity is largely influenced by geographic concentrations or "clusters". A cluster is a collection of related organizations, logistical infrastructure, service providers, institutions etc., in a particular field. Due to the high competition within these clusters, organizations are forced to innovate in order to maintain their position in the market.

2.4.2 Corporate image

Corporate image, (CI) is the view that consumers have of a firm or organization. The factors which help build a strong CI include different dimensions and allocation of resources. In essence, corporate image is the company's perceived reputation (Hultman et al 2008; Keller, 2013).

"91 percent of respondents in a large global survey of financial analysts and others in the investment community agreed that a company that fails to look after its reputation will endure financial difficulties."

(Keller, 2013 p. 415).

Corporate image (CI) can be divided into different dimensions. These factors include among other things the types of products or services which companies make, the actions they take, and the way in which they communicate to their consumers (Keller, 2013). Furthermore, the type of image a company has can create psychological ties which

consumers bond with. These can be perceptions such as relating a certain brand with a certain level of quality (Ibid). Companies are realizing that consumers want to know more than just the characteristics of a product or service; things like the environmental ideals of companies are being brought to light to appeal to consumers. This is making organizations scramble to establish a corporate image, some with CSR at its core (Jurišová & Ďurková, 2012).

2.4.3 Competitive advantage

It is safe to say that having a competitive advantage is a common goal for most of the businesses today (Powell, 2001; Oghazi et al 2012). Enterprises are doing everything in their power to stay ahead of the game while they are quick to acquire new trends as they try to meet the firm's financial goals (Goldsmith, 2013). Always being one step ahead of your competitors are clear signs of competitive advantage, yet the challenge is to constantly improve instead of settling (Ibid).

Market experts assume that consumers are starting to put more emphasis on the reputation and the perception one has regarding an organization, whenever making buying decisions (Keller, 2013). Having a strong reputation, states that consumers trust you and what you are offering; products or services. When businesses have gained a strong reputation as well as corporate image, in turn, they will have a competitive advantage (Rosenbaum-Elliot, et al., 2011).

Organizations follow trends such as CSR, which can eventually lead to a stronger corporate reputation, and companies that do not pay attention to their reputation will face financial difficulties (Rosenbaum-Elliot, et al., 2011). According to Porter and Kramer (2006) organizations gain advantage while applying their resources on social activities. In other words, CSR initiatives a firm engages in may lead to opportunity, innovation as well as competitive advantage. Furthermore, consumers do not only consider the characteristics of a product, companies have to look beyond that and try to gain a strong reputation through for instance implementing CSR. Also, when companies have gained a strong reputation, consumers will trust the company and the products whenever companies market new products that are trust intensive (Castaldo, et al., 2009). In addition, consumers who think that an organization is respecting their rights are more likely to trust them (Ibid).

2.4.4 Stakeholder theory

Normally when talking about corporations and their quest for maximum profits, some things are naturally assumed, like the notion that the corporation is only looking out for their stockholders, i.e. the people that have a vested financial interest in the economic performance of the company (Freeman & Reed, 1983). While this may be the basis for many companies, stakeholder theory challenges companies to consider a wider audience when making decisions (Ibid).

Stakeholder theory states that it is not only the stockholders that are affected by the economic integrity of the company, but everyone employed by the company or corporation as well as in some sense the customers of that business (Parmar et al., 2010).

Stakeholder theory was originally described by Freeman and Reed in 1983, they suggest that companies have a responsibility to many more than just the stockholders, hence the word ‘stakeholder’, i.e. anybody who has a ‘stake’ in the company.

Bidhan et al., (2010) suggest that companies should see themselves as a collection of relationships governed by management and executives. It is the executive’s job to ensure that these relationships function, if a problem occurs, it’s up to management to think up a favorable solution. Bidhan et al., (2010) goes on advocating that through this way of thinking businesses can better adapt to the challenging nature of doing business. Because it lacks a clear definition, CSR can be a difficult concept to understand, stakeholder theory seems to alleviate some of that making it easier for managers to realize the importance of the social and ethical intentions of CSR (Hah & Freeman, 2014).

2.4.5 Lean Production

The Lean philosophy is greatly recognized in the business world today. Many organizations have implemented Lean in their way of working and it is becoming more and more common. Big companies as for instance Toyota and Electrolux, all the way down to small companies in Sweden are implementing the concept to their business operations (Keyte & Locher, 2008).

The Lean concept focuses on eliminating all unnecessary resources as well as waste, while increasing value. The concept stands for good flexibility and re-using products that the company already has, to save resources while learning from your mistakes and constantly improving to maximize value (Liker, 2004). Simply put, it is about doing less for more. It is also important that every employee is aware of the philosophy and the changes it brings, to be able to work towards a mutual goal and a better environment (Ibid).

The Lean process emphasizes customer centric thinking, knowing how the value stream works and where value is created. This means, that it is important to get a full understanding of the company's processes (Liker, 2004). Lean also focuses on the importance of enhancing efficiency, to seek and solve problems early on to reduce their negative impact, such as overproduction. Having a better working environment while focusing on environmental responsibilities is an essential. For Lean to be successful, every employee needs to be involved and get familiar with the work process. With this in mind, it is vital that the managers are involved and work alongside the employees, in order to engage and integrate every department of the organization. This in turn will provide the maximized as well as utilized effects (Ibid).

3 Methodology

This chapter describes the method with which primary and secondary data important to the purpose and the research questions was gathered and obtained.

3.1 Research approach

In the following chapter, the authors will discuss the research approach chosen in order to be able to fulfill the purpose and answer the research questions for the study. This will include clarifications between inductive and deductive approaches and qualitative and quantitative research methods. The chosen approach for this study was deductive qualitative approach.

3.1.1 Inductive vs. Deductive research

Inductive research attempts to build a theory throughout the research and the empirical data, and provides a general conclusion, without specifics. In other words, it starts with

detailed observations, which eventually leads to theories and general conclusions (Bryman & Bell, 2011).

Deductive on the other hand, is based on a theory and is perceived as scientific research, which compared to inductive, uses theory to understand the data. It starts with a theory as mentioned, and gets narrowed down to hypothesis to be tested. Not only does deductive reasoning develop hypothesis and theory, but a research strategy is also developed, in order to be able to test the hypothesis. Deductive reasoning starts general and concludes more detailed, while inductive reasoning starts detailed and concludes more general (Saunders, et al., 2007).

Based on the explanations of inductive and deductive, a deductive approach was chosen since it was considered more suitable for the purpose of the report, as the authors are seeking to find specific and detailed conclusions and not general ones.

3.1.2 Qualitative vs. Quantitative

When choosing a research approach for studies, there are two different ways to consider, either a quantitative research or a qualitative research. In quantitative methods, the aim is to gain a complete understanding of the topic and also to test it on a larger sample of the population (Bryman & Bell, 2011). Also, quantitative research entails identifying problems, formulating as well as testing different hypothesis through conducting experiments of the chosen sample. In turn, the data gathered from the testing, will either reject or retain the hypothesis (Ibid).

On the other hand, qualitative methods can be applicable to different studies. Qualitative research methods focus more on smaller samples, in hopes of gathering more insight of a specific topic as well as detailed information regarding the area of study (Beheshti 2014 et al; Oghazi, 2009). Qualitative research entails words, pictures and description rather than numbers when seeking support and explanations (Ibid).

Based on the definitions provided above, the research style chosen for this study is a qualitative research approach, since the authors desire to obtain a deeper insight and knowledge regarding the topic.

3.2 Research design

The research design of a paper gives the reader the building blocks required in order to achieve the goals of the research questions and/or hypothesis which allows the reader to understand the nature of the study, be it qualitative or quantitative. Research design is divided into three categories, qualitative, quantitative and mixed methods. The design may reflect the overall research process from identifying a problem to the review of literature, the research questions, method and conclusions (Shah et al 2010; Harwell, 2011). The design of the paper will inherently affect several sub categories within the methodology. This is affected by the nature of the paper, be it a conclusive research approach or exploratory.

According to Harwell (2011), there are four key categories to consider in research design.

- The epistemology which informs the research.
- The philosophical viewpoint of the methodology (e.g., post-positivism, pragmatism, constructivism, etc.).
- The process itself regarding the methodology.
- The procedures and techniques used in order to obtain data.

3.2.1 Types of Approaches

The way in which a study is structured defines the type of study. Types of studies include but are not limited to; descriptive, experimental and exploratory (Krishnaswami & Satyaprasad, 2010).

3.2.1.1 *Exploratory*

This research approach focuses on areas where there is little or no evidence. The point of exploratory research is to gather ideas within a specific research topic. Exploratory research is not linked to the other types, but it may be correct to assume that it is the initial stage of the three facets; exploration, experimentation and description (Krishnaswami & Satyaprasad, 2010).

3.2.1.2 Conclusive

This research design is used to confirm judgments and may also be used to assist decision makers with regard to courses of action (Parasuraman & Grewal, 2007). The overall purpose is to assist with regard towards decisions pertaining to the better courses of action within a specific context. Conclusive research design often uses large samples which represent populations through quantitative analysis (Ibid).

3.2.1.3 Descriptive

In order for a study to be considered a descriptive paper, the author(s) need to have large knowledge banks within the specific context of the paper. Therefore, descriptive research papers usually obtain large amounts of relevant information through secondary sources. A descriptive research approach is the better course of action when the problem within the research paper is clearly defined (Churchill & Iacobucci, 2006). Furthermore, descriptive studies can be divided into cross-sectional and longitudinal design (Ibid).

3.2.1.4 Casual

Casual research is designed to explore relations between causes as well as symptoms (Hair et al., 2003). The purpose of casual studies is to evolve a theory which could be used to define the empirical findings which have been developed throughout the descriptive phase (Ibid).

3.2.1.5 Cross-sectional

This section may be divided into two categories; single cross-sectional and multiple cross-sectional (Bryman & Bell, 2011). The single cross-sectional approach is used when there is only one sample which has been used as the focal point of research; such as focusing on only Sweden within a study. A multiple cross-sectional study is when a research paper involves two or more samples, for example using Sweden and Finland within a study (Ibid).

3.2.1.6 Longitudinal

The core strength of longitudinal studies is that they have to study change as well as developments. By observing events or people over time, researchers are able to maintain control over the variables being studied, as long as they are not influenced by the research procedures themselves. (Lewis et al., 2007).

3.2.1.7 Experimental

This is a classic form of research which is often used in natural sciences and often psychology. The purpose of experimental approaches is to study casual links, where a change in a variable may have an effect on another. More complex experiments may also analyze the size and scope of the change as well as the importance of the two or more variables (Creswell, 2009).

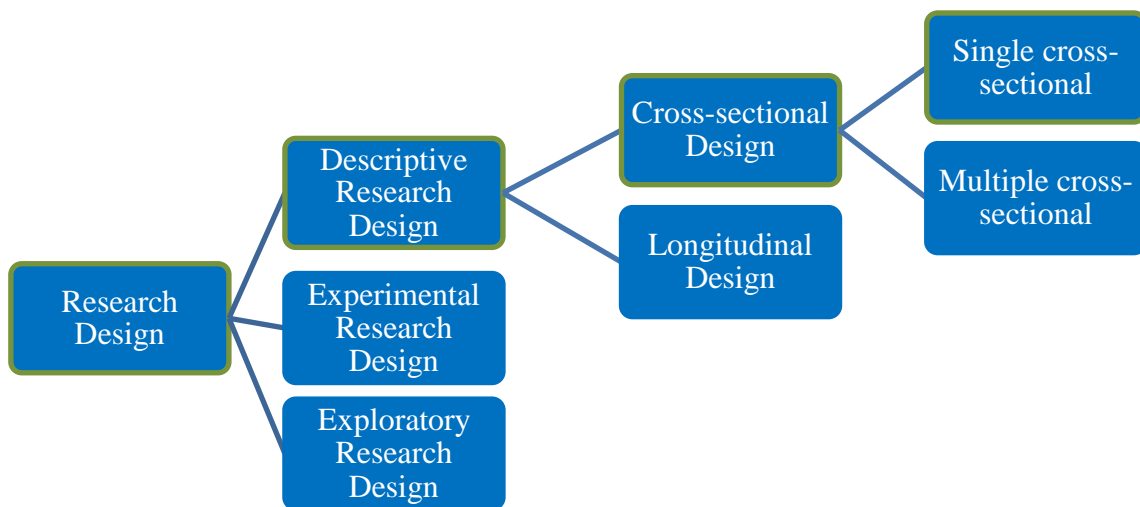


Figure 2: Research design.

Source: Adapted from Bryman & Bell (2011, p. 57)

3.3 Data sources

There are two different sorts of data sources, either primary or secondary (Krishnaswami & Satyaprasad, 2010). Primary data is considered as the data the researcher collects themselves in first hand for a specific purpose. Primary data can be collected through methods such as, interviews and observations. While secondary is data collected by other researchers, which is the data that already exists (Ibid).

The type chosen and applied to this study was mostly primary data, since considering the topic and the nature of the study; as primary data will provide more up-to-date and specific information, which will be needed to be able to fulfill the purpose. However, secondary data was also applied when collecting information regarding theories and concepts, which is used as a foundation for the study.

3.4 Research strategy

There are five different types of research strategies, which are the following; experiment, survey, case study, archival analysis and history (Yin, 2009). The following strategies will be explained below.

- *Experiment*: “Testing, for instance, the potential benefits of different kinds of incentives” (Yin, 2009).
- *Survey*: “Testing, for instance, the ability to survey startups in the first place” (Ibid).
- *Case Study*: “The basic case study entails the detailed and intensive analysis of a single case” (Bryman & Bell, 2011). Cases can be anything from a program, process, activity, an event or a person and this is a common approach in qualitative research (Ibid).
- *Archival Analysis*: This is a kind of observation method, where the researcher examines archives or documents of unit concerned, in order to grasp the research context.
- *History*: This is a method of gathering as well as analyzing historical documents, which is used when the relevant person is not alive. Researchers needs to rely on the documents regardless if it is primary or secondary, since the field of study is in the past (Ibid).

As defined by Yin (2014), the table below demonstrates the three different conditions to reflect on when determining the research strategy suitable for the particular study. The three aspects to consider is firstly the research question, secondly, the level of control exerted over behavioral events and thirdly, the extent of focus on contemporary events, in contrast to historical events.

Table 2: Research Strategies

METHOD	Form of Research Question	Requires Control of Behavioral Events?	Focuses on Contemporary Events?
Experiment	How, Why?	Yes	Yes
Survey	Who, what, where, how many, how much?	No	Yes

Archival Analysis	Who, what, where, how many, how much?	No	Yes/no
History	How, why?	No	No
Case Study	How, why?	No	Yes

Source: Adapted from Yin (2014, p. 9)

A case study is a popular approach of collecting information and data within business research. It emphasizes on a detailed analysis of a single process, activity or event, and in this case, it focuses on one single company (Bryman & Bell, 2011). Since the authors will interview various employees in one company, a case study approach is the most relevant one. Furthermore, the authors want to investigate a company as well as CSR in order to understand the relationship between the two variables. As the four other approaches presented, focus on different aspects and answer other questions than what the authors wish to achieve, a case study design was more suitable.

3.5 Data collection method

As mentioned in previous chapters the study is based on a qualitative, semi-structured interview approach. This was chosen because of the nature of the information sought; a quantitative approach would not tread deeply enough.

A semi-structured interview can be conducted in one of several ways, through face to face meetings, over the phone, Skype, or even through email, each with their own distinct advantages and disadvantages (Saunders, et al., 2009, p 342). As defined by Krishnaswami & Satyaprasad (2010): “Interviewing is one of the prominent methods of data collection. It may be defined as a two-way systematic conversation between an investigator and an informant, initiated for obtaining information relevant to a specific study. It involves not only conversation, but also learning the respondent’s gestures, facial expressions and pauses, and his environment” (Krishnaswami & Satyaprasad, 2010. pp. 99). All of these factors influence the way the answers are perceived, however, not all of the above mentioned factors play a part in all types of interviews, e.g. with phone interviews body and hand gestures play no part in the perception of the words, while emails remove everything but the text and basic linguistics.

Face to face interviews give the most variables in perception, but can easily be distorted by inexperienced interviewers and faulty equipment (Ibid).

3.6 Data collection instrument

3.6.1 Operationalization measurement of variables

As defined by Krishnaswami and Satyaprasad (2010) “Operational definitions of concepts are the means by which variables are quantified. They are always necessary in a research project. The process of operationalization or defining concepts is operationally a complex task, requiring extensive knowledge and reflective thinking. It involves a series of steps or procedures to be followed to obtain a measurement” (p. 39).

Operationalization is the conversion of concepts into two distinct parts, the tangible and the intangible, tangible being physical things that can be touched, felt and interacted with, the other intangible, which are more along the lines of adjectives, or descriptive concepts, while not tangible themselves, they are characteristics of the tangible assets, weight, height, width, length, intelligence etc. (Krishnaswami & Satyaprasad 2010).

The tables (see appendix 1, 2 & 3) shows how the study connects the theories and concepts to the various questions asked during our interviews, the keywords on the right of the table correspond to keywords marking the interview questions listed in appendix (see appendix 4 through 8) .The study is based on the concept of CSR and firm performance, while these concepts are quite broad, the authors have chosen theories relevant in each concept along with other supportive theories that connect the two. These theories were chosen in order to further explain the intention of the study, from these theories keywords were formed, these keywords were then used to craft questions.

3.6.2 Interview guide

Interviews are more often used in qualitative research. Furthermore, questions should only include one question rather than several because this allows the respondents to answer more specifically within a context (Bryman & Bell, 2011).

An interview guide is designed for the interviewer to remain on topic, regardless of the answers he/she may encounter. Furthermore, the research questions allow the

interviewer to analyze the interviewee's view upon the social world in a given context (Parida et al 2014; Bryman & Bell, 2011).

In order for an interview to be well executed, there are certain areas to use as well as avoid. There are for example “good” questions as well as questions to avoid. Because of factors such as these, interviews need to be designed to maintain open dialogue by avoiding leading, yes/no as well as multiple questions. By avoiding these types of questions, the conducting of the interview will transition smoothly rather than creating barriers for the data collection (Ibid). The table below describes good questions, questions to avoid as well as examples.

Table 3: Good questions vs. Questions to avoid

Good questions		Questions to avoid	
<i>Type of question</i>	<i>Example</i>	<i>Type of question</i>	<i>Example</i>
Hypothetical question: asks what the respondent might do or what it might be like in a particular situation; usually begins with “what if” or “suppose”	Suppose you had the chance to be a manager, how would you go about it?	Multiple Questions	How do you feel about the town and local schools?
Devil’s advocate question: challenges the respondent to consider an opposing view	Some claim that education is a waste of resources, what would you say to them?	Leading Questions	Why is it good to study?
Ideal position question: asks the respondent to describe an ideal situation	What is your ideal job?	Yes or No Questions	Do you like your job?
Interpretive questions: advanced tentative interpretation of what the respondent has been saying and asks for a reaction	Would you say that finding a new job would be easier now since you have done it before?		

Source: Adapted from Merriam (1998, p.77-79)

According to Research Methods for Business Students (Saunders, et al., 2007), an interview guide needs to consist of questions following the theme of the paper as well as probing questions for each individual question. In order to be able to probe questions, the interviewer needs to be knowledgeable in the context and highly receptive and understanding (Ibid). Furthermore, there is a method to questioning known as critical incident technique. This technique works by allowing the interviewee to bring up previous incidents within the represented organization which has a relation towards the theme of the study. This allows the interviewee to discuss the drawbacks within that scenario, which proves to the interviewer that the interviewee understands the theme (Ibid).

3.6.3 Types of interviews

3.6.3.1 Structured interview

An interview which is structured uses questionnaires with pre-determined as well as standardized questions. The questions are read in the same order to each interviewee and the answers are recorded according to a standardized schedule. Each interviewee must receive the same set of questions and in the same manner in order to avoid bias (Saunders et al., 2007).

3.6.3.2 Semi-structured interview

For these interviews, the interviewer will follow a specific theme which is relevant to the purpose of the research but will allow for deviances if necessary. The interviewer allows new scenarios to unfold allowing for better discussion (Saunders et al., 2007). Semi-structured interviews are flexible, because the order of questions can be scrambled as well as tweaked depending on who is being interviewed as well as their position within an organization (Ibid).

3.6.3.3 Unstructured interview

Unstructured interviews explore in-depth details about a research area in which you are interested in (Saunders et al., 2007). The interviews are strictly informal and have no predetermined list of questions which need to be followed. Discussion is free, allowing the interviewees to discuss events, behavior and feelings towards the subject (Ibid).

Furthermore, it is the interviewee's attitudes towards the questions which guide the interview (Ibid).

Table 4: Types of Interviews

Structured Interviews	Semi-Structured Interviews	Unstructured Interviews
<ul style="list-style-type: none"> ▪ <i>Formal</i> ▪ <i>Questionnaires</i> ▪ <i>Wording of questions are predetermined</i> 	<ul style="list-style-type: none"> ▪ <i>List of themes to cover</i> ▪ <i>Mix of structured & unstructured</i> 	<ul style="list-style-type: none"> ▪ <i>Informal</i> ▪ <i>Flexible</i> ▪ <i>Open-ended questions</i>

Source: Adapted from Merriam (1998).

For the interviews, a semi-structured approach has been used due to the need of discussing with different employees on different levels within the organization. Due to this, the questions need to be adaptable depending on whom and which department is the focal point of the interview. The structure of the interviews will be flexible but always following the theme of CSR. Therefore, it is important to have semi-structured interviews in order to allow the respondents ample room for answers.

3.6.4 Interview characterizations

The different types of interviews can be chosen depending on the purpose of the study, since each approach focuses on gathering information in different ways (Saunders et al., 2007). In exploratory studies, unstructured and semi-structured interviews are common approaches since they seek to figure out what is happening and the interviewees gain an insight. Moreover, in descriptive studies, structured interviews are favorable since they are used when there is a need for recognizing typical patterns. Finally, explanatory studies are followed mostly by semi-structured in order to reveal the relationship between different variables (Ibid).

The figure below demonstrated the different uses of interviews in relation to the different research objectives.

Table 5: Interview Characterizations

	Exploratory	Descriptive	Explanatory
Structured		✓✓	✓

Semi-Structured	✓		✓✓
Unstructured	✓✓		

✓✓ = More frequent, ✓ = Less frequent

Source: Adapted from Saunders et al., (2007)

3.6.5 Pretesting

According to Bryman & Bell (2011), the questions should reflect the concept in such a way that the respondents understand its significance in relation to the subject. In cases such as these, it may be appropriate to allow the respondents to act as adjudicators with regard towards the subject because of their knowledge within that context.

“To make sure that data collection is done as accurately as possible and to assure the consistency of responses, it is recommended that the finalized version of a questionnaire should be pretested to confirm that there are no problems regarding the clarity of questions and instructions, to ascertain the aptness of the scaling, formatting, and wording, and to ensure that each question is relevant, clearly worded, and unambiguous” (Oghazi, 2009).

This was be done by having the questions checked before actually conducting the interviews. The interview questions were tested by a university professor as well two external third parties in order to be able to evaluate and modify the questions and in turn avoid unclear questions. By having the questions tested and proved by expertise, face validity was increased.

3.6.6 Sample

Bryman and Bell (2011) defines the sampling frame as “The listing of all units in the population from which the sample will be selected.” (p.176)

The authors conducted five interviews, whereas two took place with a Sustainability Manager, one with the Vice President who also is the Marketing Manager, one with a Senior Manager who previously was the Production Manager, and finally, one with the Development Manager.

The interviews took place at Emballator Lagan Plast’s office in Ljungby and lasts for about one hour each, while covering aspects related to CSR as well as the firm’s performance. The managers were chosen because of their positions and expertise on the

subject. Furthermore, the interviewees wished to keep their identity anonymous, therefore the responses will be provided with job titles only.

3.7 Data analysis method

The process of analyzing the data in qualitative research focuses merely on transforming the collected data into information and understanding it. Analyzing the data is a vital part of the method and can be done in a strategically manner, including: “Preparing the data for analysis, conducting different analyses, moving deeper and deeper into understanding the data, representing the data, and making an interpretation of the larger meaning of the data” (Creswell, 2009 p. 183).

During the interview, one of the interviewers took notes of what the interviewees were stating, and the first step for the authors was to re-write the information and making it more clear and easy to understand. The next step includes looking over all the data in order to reflect on the overall meaning (Creswell, 2009). Since all the interviews were recorded as well, the authors listened to the recordings several times in order to make perspective of the findings. Furthermore, by having the data in a visual format, it made the findings easier to comprehend, and also more organized.

The third step was the coding process, which entails a detailed process of organizing the data and categorizing the gathered findings into different segments (Creswell, 2009). In this phase, the authors studied each interview individually, and broke down the data into components, based on the different theories and concepts. This was done by every group member, and was later discussed together in order to mutually establish and identify core categories.

The fourth step involves the presentation of the themes and description; therefore the authors used a narrative approach to carry out the findings to be analyzed. In qualitative research it is common to use visuals, tables or figures in order to demonstrate descriptive information regarding the findings (Creswell, 2009). Consequently, the authors generated a figure to illustrate the relationship and link between the different themes explored.

The final step engages in interpretation of the findings gathered or the final results.

Once the authors analyzed the findings, conclusions could be drawn regarding ELP and firm performance, and relationships could be linked between the diverse themes explored. A comparison between the different interviews as well as past knowledge gain from literature and theories was also made, which in turn provided the authors with an interpretation of the findings. The figure below demonstrated the different steps in the data analysis process.

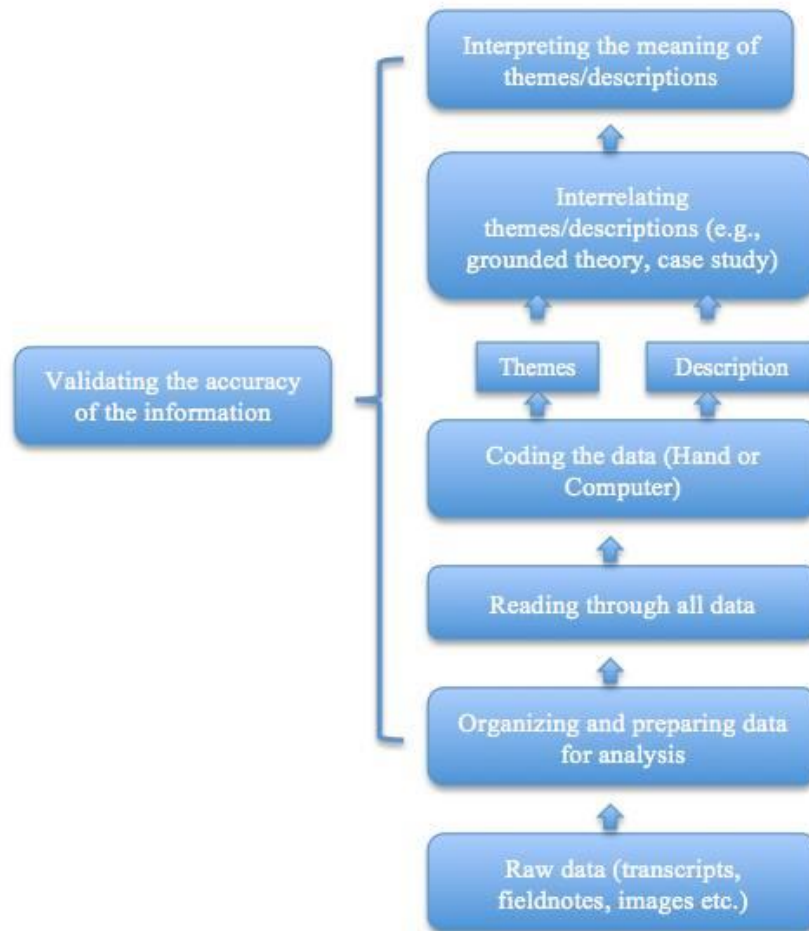


Figure 3: Data Analysis in Qualitative Research

Source: Adapted from Creswell, (2014).

3.8 Quality criteria

As researcher attempt to write academic papers, it is essential to try to maintain a high quality throughout the paper. In other words, to assure that the paper is of good quality, good measures must be used throughout the research. In order to test if the quality of a research is high or low, measures of validity and reliability are vital to use (Yin, 2014). According to Bryman and Bell (2011) “Validity refers to the issues of whether or not an

indicator, or set of indicators; that is devised to gauge if a concept really measures that concept” (p.159).

There are different categories within validity, which will be discussed below together with reliability.

3.8.1 Content validity

As stated by Bryman and Bell (2011) “...That is, that the measure apparently reflects the content of the concept in question. Content validity also known as face validity, might be established by asking other people whether or not the measure seems to be getting at the concept that is the focus of attention. In other words, people, possibly those with expertise or expertise in a field, might be asked to act as judges to determine whether or not on the face of it the measure seems to reflect the concept concerned” (p.160).

To be able to increase and achieve content validity, the authors needed to make sure that the questions asked in the interviews, did reflect on the concept. In order for the content to reflect on the concept, the authors were assisted by a university professor as well as an external third party, which reviewed the questions and helped reformulate and organize the questions.

3.8.2 Construct validity

Validity is the extent to which the researcher measures what they intend to measure. Also to assess if the instruments or devices used to measure, really does so. It is the process of finding out if the devices used to gain data and draw conclusions, are being measured accurately, and if they do, the results can be recognized as valid results. Furthermore, this is established when the researcher tests hypothesis based on theory that is related to the concept.

In order to reach construct validity, this study is based on 5 interviews with qualified and experienced individuals (see Sample 4.6.6). Since the questions in the different interviews are all based on the theories as well as the purpose of the study, it is possible to connect them all together, which also increases construct validity. The interviews were all recorded and have been studied after, together with written observations.

Moreover, the interviewees were carefully selected depending on their expertise for each of the conducted interviews, to be able to get as accurate responses as possible.

3.8.3 External validity

External validity is the extent to which the data can be generalized and applicable in different settings. This can be a problem in terms of qualitative research, since the research is often conducted on a small sample and also in precise settings. It is always a question if the gathered data and results can be assumed in other contexts, beyond the specific research context (Bryman & Bell, 2011).

Due to the fact that external validity may cause issues in qualitative research, the authors clarify that the conclusions drawn is based on the 5 interviews that were led, as well as connecting the results to secondary data found in literature and articles.

3.8.4 Reliability

Reliability is the consistency and authenticity in the answers that are given in a certain situation, being able to recreate these answers or choices regardless of the variables and also being able to differentiate coincidence from chance (Patel & Davidson, 2009).

It is important to understand whether or not the collected data is reliable or not. A study that has been repeated more than once using the same tools while providing the same results is seen as reliable, as it has proven its rights and shown consistency while being tested several times. Furthermore, studies that have been tested several times with the same tools, yet with fluctuating results, are seen as non-reliable measures in addition to showing lack of consistency (Bryman & Bell, 2011).

The extent of reliability of this research is shown by 5 interviews, including questions related to the theories as well as concepts presented. The results may not have been as reliable if the authors had drawn conclusion from one interview only, or interviewing individuals that are not suitable to answer the type of questions asked due to their expertise. Consequently, the authors believe that the path chosen for this study, contributes to reliable results. Moreover, critical viewpoints can be mentioned and discussed more freely since the participants chose to be anonymous. This provides with

more accurate responses, which in turn increases the reliability of the results and the study.

Furthermore, since this study is based on a deductive approach, the study can be relatively easily replicated. By following the framework, including the interview questions, the study can be repeated with more or less be the same results.

4 Empirical findings

The previous chapter introduced the methods for attaining the primary and secondary data, this chapter will present the information that was collected. The first section consists of secondary data regarding ELP. The second section consists of primary data collected through interviews. This chapter has been divided into three categories consisting of Firm performance, Corporate Social Responsibility and Supplementary theories.

4.1 Firm Performance

An interview took place with the Senior Manager in order to understand the effects ELP's CSR activities have on their market share and market growth.

The reconstruction of ELP in 2005 has shown significant improvements on the firm's performance, as their market share and market growth has increased. The company went from almost facing bankruptcy, to showing great success. However, during the interview with the Senior Manager it was mentioned that this improvement was not directly due to their CSR initiatives but rather that CSR had effects on a myriad of other factors that in turn had an effect on their market share and market growth. A factor mentioned by the interviewee was for instance that they have gained more visibility and that has positive impacts on their image as well as reputation.

After the reconstruction and implementation of Lean production, the company started engaging in CSR activities. The CSR initiatives that ELP has implemented have worked alongside Lean, to substantially increase their market share as well as market growth. During the interview, the Senior Manager shared that ELP today has 60% market share on the market in Scandinavia, which is double the market share they had prior to the implementation.

The Senior Manager also stated that CSR implementation is a vital factor in order for companies to have a sustainable organization. Social responsibilities have assisted the company to sustain, develop and grow, also to eventually increase their revenues, among other factors. ELP's turnover is today three times more, since the reconstruction of the organization. In addition, ELP's profit has significantly increased since the reconstruction. ELP's profit from the reconstruction and from the latest annual reports can be seen below.

Table 6: Emballator's Profits

2004	1 275 000 SEK
2005	3 520 000 SEK
2012	18 739 000 SEK
2013	15 863 000 SEK

Source: allabolag, (2015).

4.2 Corporate Social Responsibility

The Sustainability Manager explained that ELP does not specifically use the term CSR, but rather social responsibility. Other essential factors included in social responsibilities are internal work environment, their external recognition as well as environmental concerns. These are essential responsibilities and concerns for the organization, and are implemented in their business strategy to be able to reach their objectives.

“We implement CSR in our business strategy to be able to reach pole position. We strive for long-term relationships with employees and customers.”

(Sustainability Manager, personal communication, 2015-04-14 Translated by the authors).

Furthermore, the company follows the guidelines for ISO (the International Organization for Standards) 26000 in relation to their organizational activities. ISO 26000 is a standard which was brought forth in 2010, this organization is well known and many of their standards are widespread. ISO 26000 is about social responsibility and consists of guidelines on how to, as a company, be more socially responsible towards people and places. Furthermore, the ISO 26000 agreement can be used by newcomers as well as established corporations who wish to improve current practices.

“The development process included representatives from over 90 countries, 40 international or broadly based regional organizations and more than 400 nominated experts from both academia and practice”

(Moratis, 2010. p 82)

4.2.1 Philanthropic

The Sustainability Manager explained that ELP takes part in societal practices by taking time to assist and inform young students in universities as well as local schools about the organization as well as offer tours. This in turn often leads to summer job applicants as well as potential future employees. These actions are very important for ELP, since in the interviewee's perception, CSR is about actively participating in the local community and working to strengthen the local area. Another example of societal issues which ELP takes part in involves employees within the organization which offer seminars and knowledge transfer regarding lean production methods among other things. This entails the helping of small or large organizations which want to improve their productions techniques.

The participant explained that the areas which receive the most resources regarding CSR fall under philanthropic as well as ethical responsibilities. These areas include among other things the amount of students and organizations which they assist with regarding knowledge transfer (philanthropic) as well as the environmental concerns of the company (ethical). According to the Sustainability Manager, CSR should mainly have philanthropic responsibilities as its main focal point.

4.2.2 Ethical

As mentioned above, ELP allocate large amounts of resources into ethical responsibilities. The environmental concern is one of the main concerns of the company and therefore they focus on different environmentally friendly initiatives. Throughout the interviews, the Sustainability Manager explained how they are certified under the ISO 14001 standard which is a set of guidelines which clarify how organizations can be certified under environmental concerns. Furthermore, the initiative of being certified under ISO 14001 came out of ELP's own volition. To extend on the ISO certification, ELP follow the guidelines of ISO 26000. ISO 26000 is about social responsibility and

consists of guidelines on how to, as a company, be more socially responsible towards people, places and environment. Furthermore, the ISO 26000 agreement can be used by newcomers as well as established corporations who wish to improve current practices.

“The standard was launched in 2010 following five years of negotiations between many different stakeholders across the world. Representatives from government, NGOs, industry, consumer groups and labor organizations around the world were involved in its development, which means it represents an international consensus.”

(ISO, 2015).

ELP follow the ISO 26000 guidelines in relation to acting socially responsible and also use several other approaches in which they deem to be as important. On another note, ISO 26000 is a standard which a company cannot be certified in; rather it is a type of one size fits all with regard towards social responsibility.

The Sustainability Manager considers environmental matters as ethical responsibilities, both to themselves as well as the surrounding community. As an example, the company uses water to cool the production machinery from their own internal well; this allows the company to have full control over the flow of water without the risk of contaminants dispersing into the local water supply. Furthermore, any products which prove to be defective in any way are sent through a recycling process which in turn results in new products. Therefore, plastic waste is minimal.

Apart from ISO standards, ELP follows the recommendations as well as requirements of a Swedish organization known as KRAV. KRAV is an association which places strict requirements on products with relation to the production techniques as well as the types of materials used. Furthermore, the packaging sector needs to fulfill strict requirements in order to ensure that the contents of the packages remain fresh and uncontaminated and without any quality deterioration.

On top of these factors, the plastic containers need to be produced in the most cost and environmentally efficient manner. The plastic containers need to also be tested in order to analyze if there is a reaction with the container and the contents which will be placed into it.

4.2.3 Legal

ELP is a Swedish company registered in Sweden among other companies, thus, it must abide to the laws that govern the businesses in the country they operate within. As per our interview with the sustainability manager, it was mentioned that the European Union is going to implement new laws in June/July of 2015 regarding how products should be stamped. It was further explaining that not adapting quickly could have a large negative impact on ELP and their customers. Because of factors like these, ELP is constantly monitoring upcoming laws and regulations in order to be able to react quickly.

4.2.4 Economic

Through the interview conducted with the Marketing Manager, it was mentioned that only being profitable is not their main goal, any potential profit is seen as a bonus, instead they emphasize on diverse factors such as CSR related activities. It was further discussed that CSR is viewed as a very long-term investment, with the aim to improve and become a more socially responsible organization leading the market. Nevertheless, it was further explained that they do not invest in CSR to get a return on that investment, but to invest in their own future. While they do get returns from CSR, it is not strictly financial returns only, yet they are still returns. For instance, study visits from local schools, may lead to potential summer jobs applicants or even future employees.

Moreover, ELP invest significantly in CSR in terms of time. By regularly having students over at the organization, takes time since that of course means that employees need to devote time to them. However, they believe that it is very rewarding and they gladly take visits from schools and do what they can to help students.

"The reason for implementing CSR is not profitability, it is a way to be perceived as a good company by customers, employees and the society."

(Marketing Manager, personal communication 2015-04-17. Translated by the authors.)

4.3 Supplementary theories

4.3.1 Creating shared value

The Development Manager explained that they constantly work with optimizing production as well as working with new materials due to the fact that materials change frequently. They believe that it is highly important to follow new product innovations with regard to plastics and packaging. ELP constantly improve their material handling by ensuring that waste is minimal and recycling is maximized. Furthermore, they pay attention to alternatives such as bio-based materials. The Development Manager concluded that by thinking in this manner, ELP are successful with innovative product designs.

With regard towards ELP's value chain, they have created a more efficient system by frequently negotiating and discussing with customers. This allows customers to have access to certain processes within ELP. Furthermore, technical support is continuously improving which allows ELP to aid different customers with their own processes. On the production side, they have consistently improved the efficiency of the production process, which in turn has improved the value which they offer.

ELP constantly pay attention to market trends and changes, especially with regard towards new innovations. The Development Manager explained that they often use their strategic business units (SBU's) as sources of innovation. Furthermore, ELP cooperate with research institutions as well as universities in order to optimize and utilize existing innovations within their production techniques.

4.3.2 Corporate image

The Sustainability Manager explained that their CSR initiatives have led to an increase in customer satisfaction. Their image has changed since they started implementing and focusing on CSR, and the way they are perceived now by their consumers is positive. Activities as for instance thinking green and respecting the environment, donating furniture to non-profit organizations as well as tutoring other organizations regarding

their production processes, has been strongly recognized and raised awareness among consumers and other stakeholders. Furthermore, it was explained that word of mouth has helped them immensely in gaining and keeping customers, mostly due to ELP's strong reputation.

"Lean and CSR has changed our reputation and image a lot, it is much more positive today and people perceive us differently."

(Sustainability Manager, personal communication 2015-05-19. Translated by the authors).

4.3.3 Competitive advantage

From the interview with the Sustainability Manager, it became clear that their CSR activities have had an impact on ELP's competitive position on the market. For instance winning the Swedish Lean prize in 2011 (Dahlquist, 2012), created awareness within the media, where different articles were written about ELP's outstanding work in obtaining an efficient organization. This publicity caught many companies attention and helped raise awareness around ELP.

Since their image and reputation changed due to their initiatives, it has in turn led to increased customer satisfaction and customer loyalty, which has resulted in success and a competing position on the market. The Sustainability Manager also mentioned that before their lean and CSR implementation, the company sought new ideas and innovation through other companies and their competitors, however today, the company itself inspires their competitors, among other companies. It was also explained that ELP see it as a great advantage to be able to inspire and help other organization to develop by tutoring or sharing information that might be helpful for other companies. While some organization might only want success brought upon them only, ELP willingly assist others to grow since they believe it is a way for them to be a learning organization.

"Our CSR initiatives have raised a lot of awareness, which has been paid off in terms of our position on the market."

(Sustainability Manager, personal communication 2015-05-19. Translated by the authors).

Through the interview with the Sustainability Manager, it was also stated that they believe that CSR can continue leading to a competitive advantage for ELP in the future, since they invest in long-term solutions as well as relationships with their customers. By committing to their customers and establishing long-term relationships, the company may not profit from it today, yet it pays off in the future.

4.3.4 Stakeholder theory

Through a conducted interview with the Senior Manager, it was explained that in order to continually improve themselves, their processes and their production, ELP has implemented a few systems to aid them. Firstly, any employee can fill out a discrepancy report if they notice something out of the ordinary; this issue can then be investigated and solved at the source. Secondly, the factory is divided into zones; these are incentivized to improve by rewards given to the entire department. ELP has also implemented a system they have dubbed “GUS” (Gå ut och se) which roughly translates to “Go and see”.

As part of the “GUS” project each manager is asked to spend at least one hour each week walking around production, talking to employees, learning how things are done, asking how things could be improved. As a goal, ELP aims to have improved on 700 or more points before the end of 2015.

With regard towards the employees of the company, ELP strive to continuously improve the work environment through good employment forms, the development of stable unions which allow the employees to be heard if there are any areas which are lacking sufficient resources. Because of this, ELP constantly work to improve the conditions and thereafter monitor the statistics in order to analyze how each zone is working. Furthermore, there are different platforms which allow the different zones to discuss vital topics which arise. As an example, ELP has morning meetings everyday which includes progress reports from the previous day as well as any other pressing matters, both from managerial aspects as well as stakeholder aspects.

On the managerial side, the Senior Manager explained that the managers actively participate in the welfare of the companies stakeholders. An example of internal actions which managers take can be the purchase of a new machine which will boost efficiency.

When this happens, rather than firing the employee which was working at that station, the employee is sent to another station and is taught new skills. With this in mind, the overall satisfaction of the employees as well as other stakeholders can be maintained.

4.3.5 Lean production

From an interview with the Development Manager, it became clear that Lean is a very essential factor for ELP; it has helped them save resources such as time and money. Lean was also the reason that saved ELP; the company was under threat of bankruptcy in 2004 and had undesirable turnovers for seven years. However, when they introduced lean to the company and started working under the philosophy, it truly saved ELP and the organization would most likely not exist today if they had not started working under the philosophy of lean.

The Lean philosophy was introduced to ELP in 2005 when the new CEO joined the organization (Dahlquist, 2012). By changing the objectives and strategies for the company, it clearly showed positive outcomes for the organization (Ibid). ELP had a new way of thinking, which included eliminating bottlenecks and working on establishing integrated partnerships. Lean has changed the organization in several ways; the structure of the company has been reformed which has turned them into a learning organization. Instead of trying to improve each department separately, they believe in integrating, by for instance establishing improvement groups in every department of the organization, working with daily improvements, involving everyone in order to better the company as a whole. The daily management is a crucial factor that has shaped commitment and awareness regarding the current situation as well as the future.

“The Lean philosophy is active in every part of the company. We work with constant improvements and continuously challenge every department of the organization to improve themselves.”

(Development Manager, personal communication 2015-04-24. Translated by the authors).

ELP continuously improve their activities with a focus on the environment; by for instance reducing energy consumption, waste management, defective material management, etc.

They have always worked under the terms of sustainability; environmental requirements and customer demands are high, which means that they have to be innovative and produce packaging solutions that meet the requirements that society and customers hold. Since their goal is to be Scandinavia's best packaging supplier, they need to be a company in pole position, in order to achieve their goal.

Moreover, the Development Manager described that the hierarchal pyramid has changed since they applied Lean to their business model. Prior to Lean, they had the CEO at the top giving instructions, telling everyone what they should do. After the implementation of Lean, the employees that work within the process are at the top, providing real world insight into how the process works and passing that knowledge forward to the managers which pass it on to their managers, eventually making its way up the corporate ladder to the CEO. In turn, the leaders communicate as well as educate the guidelines to the remaining staff members. According to the interviewee, one of the largest wastes is knowledge lying idle. The lean philosophy has assisted ELP to take small steps that ultimately have resulted in success.

The Lean concept has had great impacts in every department of the company; by reducing waste, lead-time and engaging all the employees in the concept, the efficiency has increased in every department of the company. The process of eliminating all waste, in other words, everything that does not add value to the company, allows them to emphasize on factors that can add on value. This is an ongoing process in the company, the daily management of all departments helps them to stay updated and know what is going on as well as what the next step will be. They continually strive for more and always improve, to stay competitive, increase efficiency and profit.

The Development Manager explained that not only has Lean save them time and money, but also increased their customer's satisfaction. Their Lean work has been recognized and perceived positively by customers and other stakeholders, which has contributed to an increased customer satisfaction.

5 Analysis

The analysis chapter presents the comparison between theories and the data collected. The purpose of the chapter is to present similarities or discrepancies between the collected data and the theories.

5.1 Corporate social responsibility

5.1.1 Philanthropic

ELP places a large emphasis on being benevolent and is actively seeking to help others. This coincides with Carroll's (1991) definition of philanthropic responsibilities. In early 2000 ELP was showing a deficit year after year, nearly facing bankruptcy. Then in 2004 the new CEO took over and helped steer ELP towards a brighter future through Lean in 2005. With Lean production, ELP has since enjoyed steady growth and prosperity, and because of this they have become a place of interest for many companies attempting to improve themselves through Lean or otherwise. These companies are invited to ELP to take a guided tour and speak with the different departments. While this has little direct economic benefit to ELP this exchange increases their exposure and corporate image, which in turn can impact everything from sales to market share.

Furthermore, ELP also gladly offers help and tours to universities and local schools. Through ELP's perspective, students are a potential gold mine of benefits (see empirical findings 4.3.1), some economic, some purely intangible. The intangible benefits take the form of fresh perspectives and a source of potential innovations. The economic benefit is from students applying for summer jobs and in some cases employment, which could end up cutting ELP's Human Resource (HR) costs. As mentioned these philanthropic activities can provide benefits, but they are not without their own costs. ELP also offers a similar service to companies wishing to improve (see empirical findings 4.3.1) offering seminars and tours to companies interested in the implementation of for example Lean. Despite the costs of offering this service, ELP continues with offering the opportunity and knowledge transfer. This shows ELP's exceptional willingness to share as well as proof of their successful implementations.

Another aspect of ELP's philanthropic activities is their attention to potential environmental impact, while many parts are required by law. ELP has chosen to go beyond that and enforce their own rules surpassing those from legal entities. Part of

these is being certified within ISO 14000 a standard that regulates a company's environmental impact, and if certified, it shows that the company has made strides to lessen their impact on the surrounding wildlife and fauna. ELP has also chosen to certify their products by KRAV, a Swedish standard for material usage among other things. KRAV specifies that products do not contain toxic chemicals or pollutants and that they are safe for environmentally sustainable foods. However, even that is not enough for ELP, as form molding plastic requires water to cool the molds and eject the products, instead of tying into the local water supply ELP has opted to drill their own well with a closed loop of water. Even though the water used should never be in contact with the products or any dangerous chemicals, ELP has chosen to build a private closed loop to ensure that if anything were to get into the water, it would not contaminate the town's water supply.

While these activities may not be directly tied to ELP's performance, they do have an impact. With all the environmental precautions ELP engages in, their corporate image and reputation is bound to be bolstered, this in turn can have an impact on their sales, a good image and reputation can be the difference between a sales contract with a signature and one without. If sales are increased, then revenue is increased, and with an increase in revenue, assuming no additional costs, comes an increase in profit. An increase in profit means more financial resources to devote to furthering ELP's philanthropic directives.

The fact that ELP plays host to so many different third parties also has a role to play in their firm performance. When a company visits ELP to learn about Lean (see theoretical framework 2.4.5) , it acknowledges that ELP has done something right, which in turn means that stakeholders are encouraged to keep going, pushing ELP even further ahead. Students visiting ELP may also provide several benefits, not only are questions asked during the tour or interviews that may spark some new thinking, but students that choose to write reports or use ELP as a basis for a project may uncover some areas that need improvement, or think of something that has not been considered, which provides potential innovation to ELP. On the topic of stakeholders, ELP's implementation of "GUS" (see empirical findings 4.4.4) and the encouragement of free thinking nourishes a relaxed atmosphere, providing a sense of security even if mistakes are made.

5.1.2 Ethical

Being ethical can be synonymous with doing the “right” thing, ELP applies this liberally in their business activities. This way of thinking concurs with the definition of ethical put forth by Carroll (1991), (see theoretical framework 2.3). These ethical activities can range from caring for the environment to making sure the products they manufacture are top notch, and even to helping other companies to improve and thus grow. One of the things ELP has chosen to do is become certified within KRAV, signifying that their products are compatible with sustainably grown foods. KRAV certification places several requirements on food and the containers of food, such as the care of animals involved in the production, or the materials chosen for the packaging. ELP has also chosen to become certified within ISO 9001 and ISO 14001, standards for quality and environment respectively. These standards set forth by the ISO certify that the products and processes ELP produces and employs are of a certain quality and have minimal environmental impact. Furthermore ELP has chosen to adopt the ISO 26000 Guidelines for CSR as a rule set as well. While ISO does not certify within ISO 26000, it is a set of guidelines about how to act socially responsibly, and ELP has chosen to treat these guidelines the same as the previously mentioned standards 9001 & 14001.

Beyond this, ELP is willing to offer an exceptionally large amount of assistance to a recently acquired company in Bradford, England (Emballator Packaging LTD). This newly acquired company (which the authors will refer to as: EUK) was creating packaging solutions just like ELP only in metal instead of plastic. Just after the acquisition EUK was asked by one of their customers to create a plastic packaging solution, thus, they turned to ELP Sweden for assistance. ELP in this case chose to provide long term assistance to EUK, instead of simply asking to speak to the customer and take an order themselves, or just ship a pallet of the requested product, ELP opted to devote resources and assets towards EUK. ELP was instrumental in designing basic tools and machines for EUK to start producing plastic packaging solutions.

Among the things ELP view as ethical responsibilities is environmental concerns. As the process of form molding plastic requires water to cool the machines between products, Furthermore within the fabrication process of the products, things can go wrong and the end result can be misshapen or deformed. Instead of throwing the waste

away, these are milled down to pellets and re-melted to join new plastic to form new products. ELP makes sure nothing is wasted.

5.1.3 Legal

ELP is a Swedish company registered in Sweden, thus it must abide to the laws and regulations put forth by the legal entities that govern the businesses in the country they operate within. As such, ELP must abide by Swedish and EU law and regulation or face legal ramifications. This corresponds with Carroll's (1991) definition of legal responsibilities (see theoretical framework 2.3).

Abiding by the laws and regulations should be a top priority within any company as not doing so can have grave consequences for the management and employees of the company. Thus, ELP need to react quickly to the coming changes in EU regulation regarding the stamping on products. As ELP sometimes acts as a warehouse for their larger customers this was a significant hurdle for ELP as their entire stock of buckets and pails need to be sold, discarded or adapted. However, instead of seeing this new information in a negative light, ELP has elected to use it as an opportunity instead. In light of the new regulations, March 2015 is ELP's new record breaking month, obliterating their old sales records (Sustainability Manager, 2015).

While ELP is required to follow the laws and regulations in the area, country and region then operate within they go above and beyond the legal requirements that exist in Sweden and the EU. ELP places additional voluntary laws upon themselves through certification and their own regulations; these may be KRAV, various ISO certificates or guidelines, waste management, recycling and more. These regulations are voluntary, but affect the company in various ways from reducing waste, improving efficiency, opening a new market, to just reducing wasted resources. These optimization methods may not have a direct impact on performance, but reducing the resource cost in one area allows those same resources to be used in other potentially more beneficial areas, such as ELP's various philanthropic endeavors, possibly bolstering their corporate image and competitive advantage, which in turn can provide additional market growth and market share.

5.1.4 Economic

A basic necessity for any organization is economic success. As stated by Carroll (1991) economic resources are required to grow and expand (see theoretical framework 2.3); these resources can originate from increased sales, reduced costs or increased overall efficiency in the company. However, while increasing sales reducing costs or increasing overall efficiency are directly correlated to increased revenue, there are indirect ways of increasing economic resources, when trying to invest; companies may only look at the bottom line, or what kind of monetary figures they will get in return.

While ELP like any other company is interested in the bottom line, the interest is maybe not quite as focused as with perhaps other companies, not anymore at least. While ELP is currently enjoying economic success, ten years ago, they were on the brink of bankruptcy. Prior to 2005 they were in a state of decline, showing negative numbers year after year. 2004 was a paradigm shift for ELP when their new CEO took the reins. After 2005 ELP has steadily grown and significantly increased their turnover. However, this increase is not due to an increased focus on the bottom line, but rather a focus on everything surrounding the bottom line.

The CEO has helped refocus ELP from a production focus to a knowledge focus, implementing a lean philosophy, including CSR thinking into their business strategy and enforcing voluntary certification processes on themselves such as ISO standards and KRAV.

While these activities may not provide an instant increase in profit or revenue, they have helped ELP to stay profitable and increase their market share and growth the past ten years (see empirical findings 4.1). In turn, ELP has provided benefits to the surrounding area, including but not limited to employment and study visits, both in a professional and educational capacity (see empirical findings 4.3.1).

5.2 Creating shared value

With regard towards Michael Porter's (2011); creating shared value (see theoretical framework 2.4.1), ELP utilize several different functions which can be directly linked to the theory. For instance, under the first subheading; *reconceiving products and markets*, ELP have implemented the lean production strategy. By doing this, they have not only managed to increase their production and minimize their waste, but also completely redesign their products and the way in which they are made. Furthermore, by implementing lean production, ELP has significantly decreased production costs due to the standardization of production techniques. Because of this, the overall performance of ELP has been steadily increasing since its implementation of lean more than a decade ago.

The fact that the company is looking into bio-based materials for their production shows that they are working in tandem with societal needs (such as being environmentally friendly) and also incorporating value for themselves. To further add to environmental concern, ELP has substantially increased their recycling methods to subsequently improve their own material handling, as well as keeping their stakeholders satisfied. As ELP have stated, they believe that being environmentally friendly is part of the ethical responsibilities which companies should adhere to. Therefore, ELP do not only consider recycling and environmental thinking as part of their business strategy, but also as their responsibility to do good.

Under the second heading; *redefining productivity in the value chain*, ELP have stated that they are becoming increasingly customer-focused. They have challenged their customers to be more engaged within ELP's systems and vice versa (see empirical findings 4.4.1). This is an attempt to ensure that customers are fully aware of any significant as well as minute changes which can affect them.

With regard towards ELP's value chain, the implementation of the lean manufacturing system has provided the company with a radical re-structuring within the organization. By standardizing systems and process along with minimizing waste whilst also enhancing efficiency, the company has received incremental improvements within their value chain.

Because of trends such as environmental thinking, companies are being pressured to think about the environmental management of their value chains. This type of thinking is about focusing on not just the characteristics of products, but also the life-cycle of products. This type of thinking can positively influence a value chain. With this in mind, one can redirect this information and apply it to ELP. The company is proud of their environmental initiatives because the company lowers their carbon footprint, decrease materials used which in turn increases the value they offer and consequently, the performance of the company. Therefore, by behaving in an ethical manner regarding environmental thinking, ELP have improved the value which they offer and subsequently increased their market performance. This is a result of ELP taking initiatives which go beyond regulation concerning environmental concern, which in turn connects these initiatives to socially responsible thinking.

The last heading of CSV is: *Building supportive industry clusters at the company's locations*. Because of the dynamic nature of business markets, companies need to endlessly strive to adapt to changing conditions as well as product and technological innovations. Companies cannot avoid or ignore these facts without facing significant risks.

To counteract these issues, ELP make sure to always pay close attention to the market as well as technological advancements. When it comes to fostering innovations, ELP do this in a series of ways. The company has representatives who constantly monitor new patents and designs in order to avoid any legal concerns. Furthermore, ELP has different strategic business units (SBU's) which they cooperate with and have mutual understanding with. This in turn allows ELP to have access to, as well as monitor progress regarding new production techniques.

On another note, ELP work in tandem with different universities as well as institutions in order to foster new innovations as well as materials (see empirical findings 4.4.1). This relationship works to the benefit of the two parties involved. ELP gather knowledge about new innovations as well as materials through research by universities and also create relationships which in turn may evolve into the employment of the university students. This relationship is a part of ELP's business strategy but also is a part of their social responsibilities. They believe that creating and strengthening bonds

such as these is vital to the company's success and therefore invest heavily into research & development (R&D). By investing the amounts they do, ELP hold a firm stance in their dynamic market, meaning that they invest in order to continue as well as improve their performance.

5.3 Corporate image

A company's image plays a vital role in any organization since it reflects on how your customers perceive you. It clearly shows that ELPs CSR initiatives do impact their image, and in this case their CI has changed positively since they implemented CSR. Today, managers at ELP believe that their customers trust them more and that is mostly based on their current reputation. From the time when the organization reconstructed completely in 2004, their image has changed and due to their ambitious CSR activities, which they have been able to communicate effectively, it has resulted in greater reputation. From this, a correlation between the findings and the theory can be developed. As previously mentioned (see theoretical framework 2.4.2), effective communication to consumers can have great effects on how the company's is perceived.

The action ELP has taken as for instance respecting the environment, donating furniture to non-profit organizations and tutoring other organizations regarding their production processes, has aroused many thoughts and interests among consumers and other stakeholders. This can be connected to the concept of corporate image (see theoretical framework 2.4.2) that explains its different dimensions, including, actions that company's take will influence their image and customers perception. This clearly shows that the company's actions regarding CSR has been appreciated by their customers, it has increased their customer satisfaction, improved their reputation, which in the final phase influenced ELP's image. In ELP's case, it is safe to say that the CSR actions had a critical impact on their image.

It can be agreed that CSR influences CI positively. CSR is a part of a company's individuality, and the company's individuality eventually forms the company's image, therefore CSR has an effect on CI. This is demonstrated through ELP and the way they manage the organization. According to Jurišová and Ďurková (2012), if consumers feel belongingness to the company in terms of sharing same values, as for instance being environmentally friendly, price or quality does not play as big roles. Instead, those CSR

activities will provide the customers with recognition of the value that the company holds, which will influence the consumer, and subsequently impact the CI, as seen in ELP's case.

If consumers believe that a company is acting socially responsible, their attitude will change and they will be more positive towards the company, which will mostly likely result in an increase of repeated purchases. As there is an increase of purchases, it influences the firm's performance. While the customers are more satisfied, they will trust the company and what the company is offering and eventually purchase. Moreover, an increase in sales has an effect on the market share and market growth. The increase in sales is based on customer loyalty and reputation, and by having a strong reputation; it will affect the performance of the company, in terms of market share and market growth. By having more satisfied customers, there will be an increase in growth and development of the company as well as an increase of the share you have on the market since it will increase your customer base as well. Ultimately, CSR influences ELP's image, which in turn has had positive impacts on ELP's performance.

5.4 Competitive advantage

The CSR activities in ELP have led to competitive advantage. The theory and the findings show similar results, yet different classifications were discovered when exploring the link between the company's CSR as well as their position on the market. Their activities have changed their reputations and image for the better. Moreover, according to Keller (2013), consumers are emphasizing more on the reputation of an organization whenever making buying decisions. This in turn has provided ELP with the ability to have a competitive position on the market, due to their strong reputation.

While ELP currently has a competitive advantage, it indicates positive influence on the company's market share and market growth. In ELP's case, the activities have been used as a source of diversification, and because these activities have been effectively managed, it has increased their reputation and image, which in turn has positioned them in the advantageous position they currently represent. In addition, according to Porter and Kramer (2006), company's gain advantage by allocating resources on social activities. This statement can be seen in effect in the case of ELP.

It is important to not only be competitive yet to remain, which ELP clearly pointed out. Through their work with the Lean concept, and their daily management in all departments, they are continuously striving for improvements and innovations to stay efficient and competitive on the market. This plays a very critical role in all organizations; all actions that add on value and increase efficiency in the company should be maintained. This might be the hardest process, yet it certainly is the factor that distinguishes the company and results in a competitive advantage.

5.5 Stakeholder theory

As mentioned in the empirical findings (see chapter 4.4.4), ELP utilize several functions within the organization, which fall under stakeholder theory. The extent to which ELP strive to satisfy their stakeholders is not only an attempt to improve internal as well as external relationships, but also fall under a branch of ethical management as well as CSR. ELP strongly believe that the welfare of their employees as well as other stakeholders is of utmost importance. Therefore, ELP have and require constant updates regarding both internal as well as external matters involving among other things the state of their customers.

As an example, within the company, ELP have a board that shows graphically how the relationship evolves between the company and its customers. This board signifies how happy ELP is with their customers and vice versa. By having a system like this, ELP can constantly monitor how their relationships evolve or if necessary, how they deteriorate (see theoretical framework 2.4.4). With this in mind, ELP can allocate resources strategically towards different customers in order to improve relationships. By having this, it shows the extent to how seriously ELP consider their customers.

ELP's strategic allocation of resources is not only limited towards customers, but also the internal stakeholders of the company. As mentioned in the empirical findings (see chapter 4.4.4), ELP places great emphasis on the importance of maintaining, developing and understanding the relationships they have with their employees. They focus on retaining and developing existing employees rather than employing new ones, which results in decreased HR costs that pave the way towards a more efficient organization with greater knowledge capabilities. By understanding this, it is clear that ELP go

beyond mere stakeholder satisfaction and focus on how the satisfaction can constantly be developed.

Whilst on the subject of employees, ELP meticulously sift through different types of products and machinery, which can enhance the efficiency of the company whilst also creating ease of use for their employees. With this in mind, Michael Porter's (2011) *Creating Shared Value* may be adapted, more specifically within *redefining productivity in the value chain* (see theoretical framework 2.4.1). ELP have recently purchased production machinery, which will enhance production whilst also offering ease of use towards the employees which will be using it. This strategic purchase is an attempt to allow benefits on the company's side, the employee's side and ultimately the customers. By doing this, ELP will increase the performance of their production and inevitably benefit its employees.

As mentioned earlier, the managers of ELP frequently interact with employees representing all different categories. This is to allow the managers to have perspective and understanding on what is actually being done within the company. By doing this, managers have an easier time understanding the fundamental processes which they are striving to enhance. It may be argued that the fact that the managers are frequently and actively taking part in the employees and production may eradicate hierarchical differences, allowing for a more relaxed atmosphere with regard towards employees reaching out to managers. This ensures that relationship building faces fewer barriers allowing for a smoother transition of information handling. With this in mind, ELP have consistently been improving their information handling which has ultimately led to fewer complications in the event of obstacles. This has allowed the employees to have a larger scope of information and understanding of the company they represent, which in turn gives them a stronger perception of the bond they have with their company.

ELP's environmental thinking has a profound effect on how the company is viewed, both internally as well as externally. It is important for ELP's stakeholders as well as the overall business to delicately handle environmental concerns. Because of this, ELP have massive environmental incentives and strategies. These incentives are based upon regulation, stakeholder pressures and lean production but furthermore, they are part of ethical management as well as CSR attempts. ELP answers the question of

environmentalists through their lean production strategy as well as the requirements that they fulfill regarding KRAV. The fact that ELP apply the different KRAV requirements shows that they are not only thinking about their own customers, but also their customer's customers. ELP are striving to ensure that the end users receive the best possible product, which indicates the extent to which the company considers their stakeholders. Furthermore, to add towards certification, ELP have several different ISO certificates included in their business strategy.

Apart from this, ELP take it one step further. As previously explained in the empirical findings (see chapter 4.4.4), ELP use their own in-house water well for their production machinery. This is not a requirement from any certificate giving body, but rather an initiative that ELP has taken on their behalf. The result they were striving for when they used their own well was not only the fact that they could control their own water consumption, but also carefully contain any pollutants involved in the production process.

With all of these aspects related to stakeholder theory in mind, it may be concluded that many of the initiatives which ELP take do not only satisfy stakeholder, but also inadvertently affect the way in which the company operates. They ensure that their customers receive resources if they are unsatisfied, the welfare of the employees is constantly improving, allowing for greater satisfaction amongst the employees and finally, the frequent relationship building between managers and employees allows for smoother information transfer.

5.6 Lean production

The Lean philosophy was a great enhancement for ELP; it changed several aspects within the company and quickly showed positive outcomes. By implementing Lean in every department of the organization, it has helped them save financial resources as well as time. As previously mentioned (see theoretical framework 2.4.5), Lean includes being more efficient and eliminating all unnecessary resources that does not add value. Consequently, by following those actions, it has had great impacts on ELP. Lean has not only saved ELP both time and money but also increased their customer's satisfaction, as their customer has recognized their Lean engagement very positively.

Cutting costs and gaining more satisfied customers has had an effect on their performance. Lean assisted them to establish a well-developed organization that had very unsuccessful outcomes in the previous years. Due to their well-known work with Lean, which they also won a prize for, caught many customers attention and not only did it change their reputation but there was a vast increase in satisfied and repeated consumer. From this, they had a competitive position on the market, which allowed them to have an increase in both market share and market growth. Lean is about continuous improvements (Liker, 2004), thus ELP are only continuing to develop while staying innovative and producing packaging solutions that meets the requirements that society and customers holds.

As previously stated, (see theoretical framework 2.4.5) the Lean concept states that all waste should be drastically reduced and minimized. After implementing Lean, ELP also put a large emphasis on environmental responsibilities. By for instance reducing energy consumption, waste management, defective material management, they have managed to save a lot of costs and they have been able to focus on areas that add value to the organization instead. ELP places a large emphasis working within the terms of sustainability, where they value environmental requirements and customer demands very high. By reducing waste and focusing on things that meet customer demands, has had effects on the performance of ELP. Since the implementation of Lean, they are more efficient company, which in turn has attracted more customers and played significant role in terms of their market share and growth.

5.7 Firm performance

As mentioned throughout this report, ELP were facing bankruptcy in the early 2000's, with their figures declining annually. The turning point for ELP was when the CEO joined the company and implemented substantial organizational changes with Lean production signifying the core of the changes. After these organizational changes, the company's market share and market growth has increased substantially. However, as explained in the interview, it is due to mediating roles (Mostaghel et al 2014; Mostaghel et al 2015).

The dramatic changes in the company's performance are proportional to the large environmental incentives which fall under Lean production. In order for Lean

production to work at its optimal level, every type of waste has to be minimal. The effects of this result in a substantial change in the way products are designed, produced, recycled as well as packaged. With this in mind, ELP have innovatively redesigned their products and production in such a manner that the changes signify large variations in CSR as well ethical management.

As with the example mentioned in the empirical findings (see chapter 4.3.2), ELP use an in-house water well for their machinery, it may be argued that they have done this to have control over the water needed for production; but on the other hand, it shows that ELP consider the environment as well. This is achieved because they ensure that any toxic properties involved in production do not enter the local water supply. Through ELP's environmental actions, they have not only implemented a Lean philosophy, but also grown because of it, resulting in the ability to satisfy the requirements and needs of their stakeholders. This coincides with Kotler and Armstrong's (2013) statement that organizations need growth in order to satisfy stakeholders (as seen in theoretical framework 2.1). As mentioned in the introduction chapter, environmental thinking is a trend in today's business environment, but in the case of ELP, environmental concern is an essential to their business strategy.

ELP's CSR initiatives have helped the company raise awareness among stakeholders and attract more customers. They have managed to increase customer satisfaction, boost their reputation, and bolster the corporate image, which has led to a competing position on the market and that has in turn led to an increase in the organization's performance. This in turn has an effect on their market growth due to the increased demand from having more customers, (as defined in theoretical framework 2.1). Their corporate image as well as reputation would simply not be as strong as it is today without the CSR related activities the company engages in.

During the interview, the Senior Manager stated that ELP covers 60 % of the Scandinavian market, and that the company's turnover is three times higher than before the reconstruction. Furthermore, ELP's profits have increased more than four-fold since the reconstruction, from 3.52 million SEK to 15.863 million SEK (see empirical findings 4.1). This increase in profits is due to more sales meaning that ELP's organizational investments have gained a larger customer base. With a larger customer

base, ELP's market share has increased, which has also resulted in prosperous market growth. ELP's profit for the fiscal year of 2012 was more than 2013 (18.739 million compared to 15.863 million), however, by analyzing the annual reports, the authors have deducted that the reason for the variation is due to the fact that ELP invested more than 35 million SEK in 2013, which is more than 18 million SEK compared to the previous year (allabolag, 2015).

This would not be possible without the significant improvements within the organization that their CSR activities have helped accomplish. A large portion of issues can be addressed while exploring the influence CSR has on a firm's performance, yet from the findings, the authors believe that in ELP's case, it has impacted the company in a positive way. Even though the link is not direct, the relationship still exists.

6 Conclusion

The purpose of this study was to describe how CSR is connected to firm performance. This chapter will draw conclusions based on theories, relevant literature, empirical data, and analysis. This is done in order to answer the research questions.

The research questions posed in the beginning of this study are:

- 1. How is CSR implemented?*
- 2. How can opportunities be developed through the implementation*
- 3. How does CSR affect firm performance*

As mentioned throughout this report, ELP has implemented CSR through a number of different ways and strategies. A big part of ELP's CSR initiatives is represented through the company's Lean production, more specifically, the environmental concerns which fall under Lean. The environment is one of the largest contributing factors towards ELP's current position in the market. It is because of the fact that they recycle to the extent that they do, research into bio-based materials, and have their various certifications that they have reached the level of ethical management at which they currently operate. Furthermore, the philanthropic as well as ethical endeavors which ELP undertakes signify the scope of their CSR thinking and implementation. Be it through the tours they offer towards students or the cooperation with universities in order to create shared value. ELP have grown to such a level that they are comfortable with offering seminars to different companies wanting to improve their business strategies.

CSR is also incorporated due to stakeholder satisfaction. As mentioned in the analysis chapter (see analysis 6.5), ELP's stakeholders have a profound effect on the actions that the company takes. Stakeholder satisfaction is dynamic, which ultimately forces ELP to constantly maintain and develop the satisfaction. With this in mind, ELP utilize CSR regarding environmental concern as well as the ethical management of employees. Furthermore, CSR is also represented in ELP's production strategies through the several ISO as well as KRAV certificates which they hold and strive to develop.

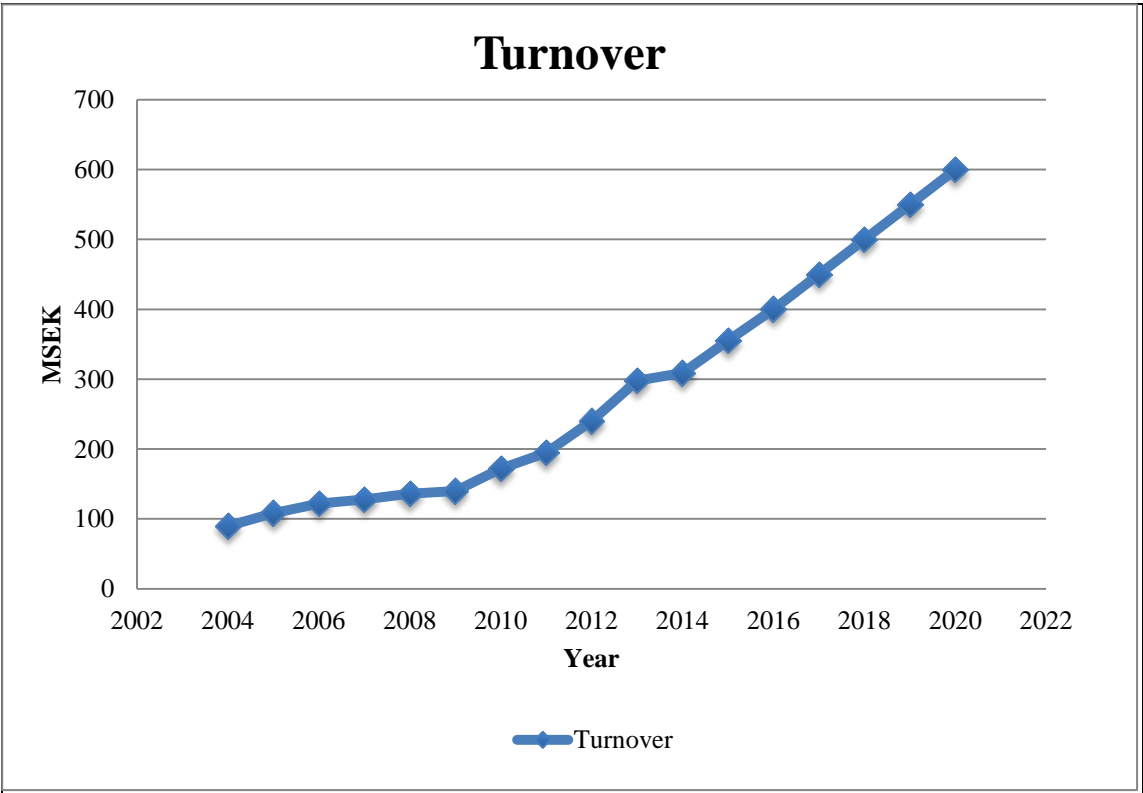
ELP's view on CSR includes helping spread their success, which can be done through the invitation of other companies, these companies then spread the knowledge about ELP, helping them become more known, possibly leading to new customers and increased sales. This initiative means ELP is actively supporting the industry around itself, strengthening the economic power of the industry as a whole as well as the local community. This clearly shows that ELP have reached a level in their business where they have deemed it fit to assist other developing companies. ELP have grown to such an extent that they can be seen as a leader within production companies, which is due to the Lean prize they won in 2011. They believe that it is their philanthropic responsibility to contribute resources to the community, which they do through knowledge transfer with well-established companies as well as start-ups.

Creating shared value has also affected ELP's philanthropic responsibilities. As mentioned in the empirical findings (see chapter 5.4.1), ELP works in tandem with universities as well as schools to, among other things, foster innovation, create jobs and develop their business. The result of these actions allows ELP to gain summer job applicants through the tours they offer to students. This decreases HR costs which are vital regarding hiring and selection of employees. Moreover, the university students which ELP cooperates with allow the students to have in-depth practical experience with real scenarios which in turn may assist ELP with organizational modifications through new thinking and innovation. These endeavors which ELP take part in represent the philanthropic responsibilities in which they believe they owe towards the community and by doing this, ELP do not only assist young adults, but also gain something in return, they are creating shared value.

Moreover, ELP’s CSR activities include caring for their stakeholders, be they employees, customers or partner companies. This includes creating a work environment that is ultimately enjoyable to deal with. Improving employee satisfaction improves their productivity, which in turn benefits the company. ELP believes that cooperation is the means to sustainable success. With this in mind, the company strives to create deep and lasting relationships with their customers. ELP aims to be able to offer what the customers need, when they need it. In order to achieve this, they need to be involved in one another’s processes. This intimate knowledge concerning both parties’ organizations can be highly rewarding if managed properly.

While the growth that ELP has undergone post 2004 may not be entirely due to CSR, it has played an important role. With the reconstruction by the CEO in 2005, ELP has grown steadily as seen in figure 4 below. Their turnover has more than tripled since the reconstruction and they currently cover 60% of the Scandinavian market. In addition, the company’s profit has significantly increased since the reconstruction (see table 6). Through the reconstruction alongside the CSR initiatives, ELP has increased their performance and ameliorated their market share and market growth.

Figure 4: ELP's Growth Projections

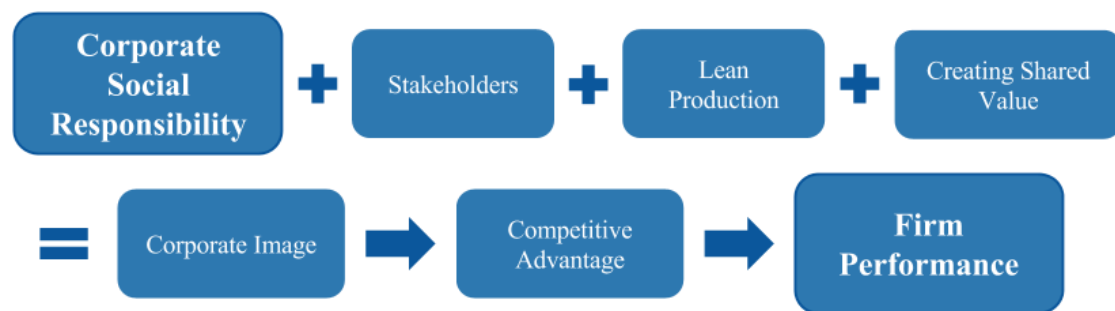


(ELP, 2015)

Even though the link may not be direct, it is clear that there is a noticeable connection between CSR and ELP's performance. The relationship can be seen as a "domino effect" through different actions the company takes. With the philanthropic endeavours, ethical behaviour, legal foresight, and economic foundation they have, ELP has managed to successfully implement CSR into their business strategy. Furthermore, by satisfying their stakeholders and implementing the Lean production strategy, ELP has gained an increase in customer satisfaction, which in turn has affected the company's corporate image and ultimately their competitive advantage. In terms of anticipating market trends and innovations, ELP successfully create shared value with universities and institutions, which allows the company to maintain their competitive edge.

By combining these aspects, the authors relate to CSR not as a concept itself, but rather a combination of several concepts that together represent the social responsibilities the company takes part in. The result of these combined aspects and strategies that are incorporated into their various business strategies has assisted ELP with increasing their market share as well as their market growth (see figure 5). Without the CSR initiatives and activities that ELP has engaged in during the past decade, they would not be where they are today, on the path leading to their goal – *pole position*.

Figure 5: Findings



6.1 Theoretical implications

While this study may not generate many revolutionary thoughts, it does demonstrate how comprehensive a definition Archie Carroll pioneered in 1991. Carroll's (1991) definition of CSR correlates with many other definitions of CSR; McWilliams et al., 2006; Dahlsrud, 2008; EU Commission, 2002, aiding to the understanding and clarification of CSR. Furthermore through the study the authors have shown how CSR initiatives can indirectly improve market share and market growth, adding to the existing theoretical connection between CSR and firm performance. The authors have also shown how critical other factors can be in the success of a company, factors such as Lean production, stakeholders and corporate image all contribute in some form to a firm's performance. Through the findings in this study, the authors have added more validity and knowledge to existing studies between CSR and firm performance (as defined by the authors).

6.2 Managerial implications

This thesis is based on a case study of Emballator Lagan Plast located in Ljungby, Sweden. Thus implications are directed towards managers at ELP and cannot be assumed to be effective if applied in other companies. This may however still provide insight and generate ideas within the topic of this thesis.

The managerial implications of CSR within ELP are clear, through ethical and philanthropic endeavors the company can influence the satisfaction of their stakeholders, and through this improve their overall relationship. With the increased affinity to stakeholders, ELP stands to improve their employee satisfaction which can lead to improved employee performance. Through ELP's work with internal relationships certain hierarchical differences could be greatly diminished, allowing for a more relaxed atmosphere and improved cohesion between managers and subordinates. This increased cohesion leads to greater intercompany cooperation, further improving internal relationships and performance.

The empirical findings have shown that the combination of theories used in practical terms have an effect on how the company works. The study has shown that if a

company can effectively implement CSR, it may positively impact the company. This was seen in the case study of Emballator Lagan Plast, they managed to implement CSR effectively, while interacting and satisfying stakeholders, creating shared value as well as the adoption of Lean. These factors have all contributed to generating significant growth between the company's conception and today (2015).

6.3 Limitations

This section will highlight the most important limitations while conducting the study. Firstly, due to time restrictions the authors conducted five interviews with employees at ELP. If more interviews would have been conducted and consistency was found in the responses the reliability of the study would have been increased. Secondly, due to the same time restrictions the authors were limited to a single company, if a larger sample size was used and more companies were interviewed it could increase the external validity of the study. Thirdly, due to accessibility issues of annual reports, the figures used in the thesis for the company's profit were limited to 2004, 2005, 2012 and 2013.

7 Future research

This chapter will propose topics for future research in the field, based on aspects which this research paper could not fulfill.

In this study, a single case study was used to describe the relationship between CSR and firm performance. For future studies, it is recommended to analyze the relationship by exploring multiple companies. Furthermore, a comparison of the relationship can be made across different industries or a comparison of several companies within a specific industry in order to explore if the indirect impacts are similar or if they differ, in addition to where and why they differ. It may be vague to say that CSR has a positive impact on a firm's performance, however based on this study with ELP; it influenced the company in a positive manner. Nevertheless, it does not indicate that this will be the case in every company or industry; therefore the authors believe that future studies can be established to strengthen the relationship and unveil the underlying factors of the relationship. If these studies are concluded and the empirical data coincides with the findings of this paper, then external validity is increased as the data is able to be generalized.

Moreover, this paper is focused on the opportunities of CSR implementations and describes in what way it could impact a firm's performance. Thus, an interesting subject for future research could be exploring the potential challenges of implementing CSR in organizations and how these obstacles could be managed. This can provide a more holistic view on how CSR works and maximize the potential benefits of CSR implementation.

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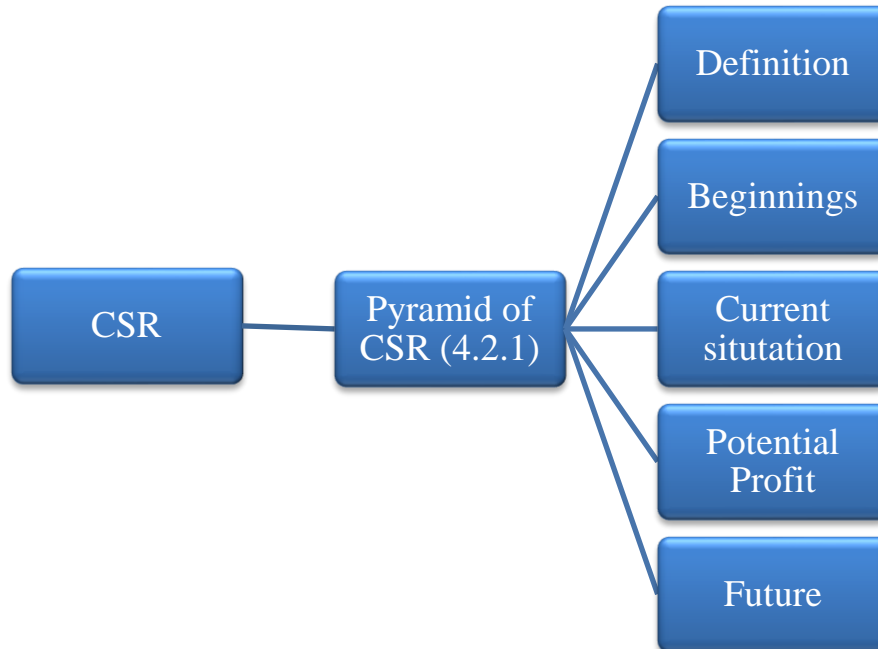
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Appendices

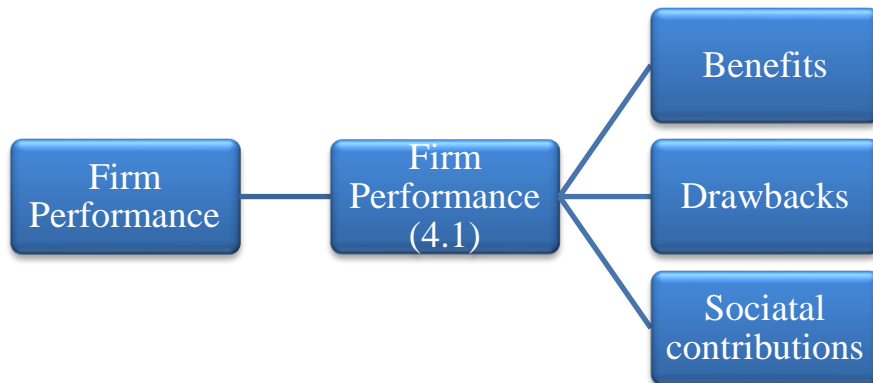
Appendix 1

Operationalization table for Corporate social responsibilities



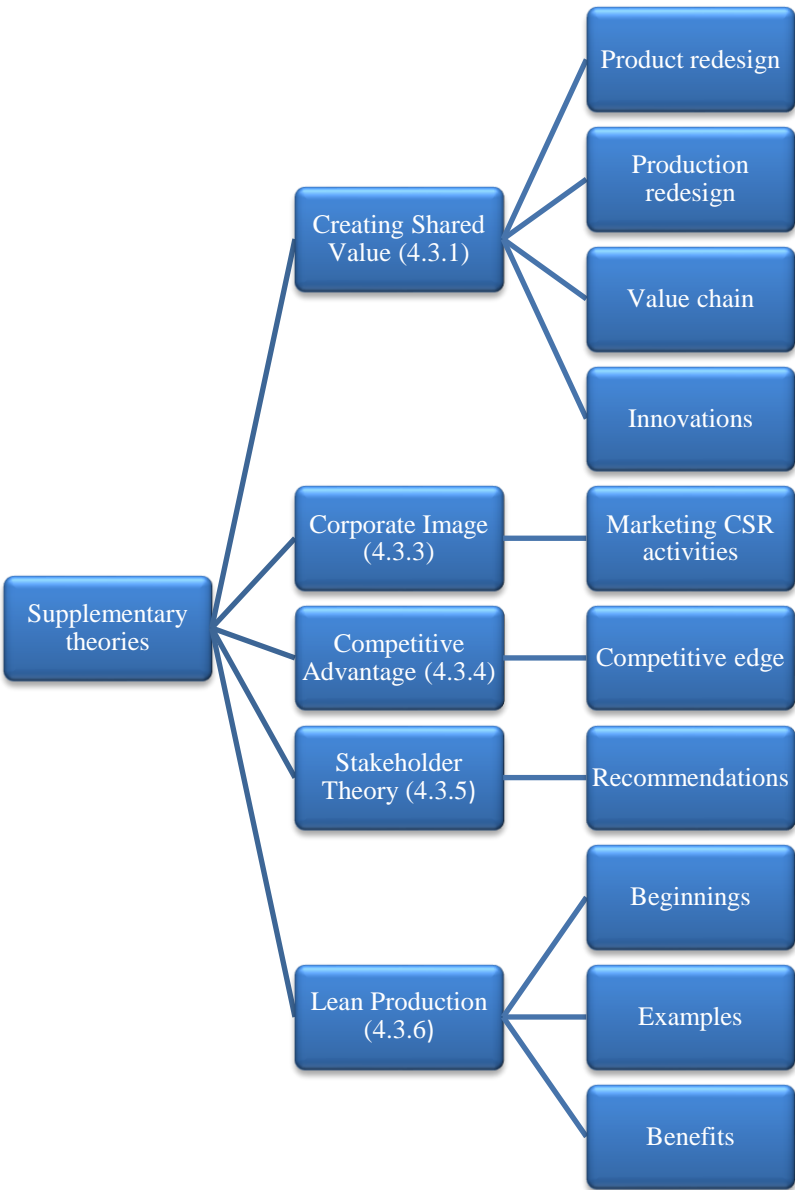
Appendix 2

Operationalization table for firm performance



Appendix 3

Operationalization table for supplementary theories



Appendix 4

Interview with the Sustainability Manager

1. Hur definierar ni CSR?

Just ordet CSR används inte dagligen, det är samhällsansvar som används i vår organisation. Standarden 26000, tillämpas i verksamheten flitigt.

Vi arbetar med CSR för vår egen skull, och inte någon annans. Vi implementerar CSR i vår affärsstrategi för att kunna nå pole position. Då vi strävar efter ett långt livat samarbete med anställda samt kunder. Vi vill kunna erbjuda vad kunden behöver, när dem behöver det.

När jag tänker på CSR så tänker jag på samhällsansvar, intern arbetsmiljö, vilka signaler man skickar utåt, miljöaspekter, miljöstandard, miljöutredning, miljöcertifiering och miljöpolicy. Samt att vara delaktig i samhällets yttre arbetsmiljö för att stärka närområdet.

2. Implementerar ni CSR i er affärsstrategi? I så fall hur?

I dagsläge implementerar vi CSR i vår affärsstrategi, men vi arbetar nu med att utveckla en ny affärsidé, där vi vill framhäva CSR ännu mer. Vi tror att CSR kommer hjälpa oss att nå pole position.

3. Vad är din personliga roll i ELP's CSR insatser?

Jag är hållbarhetschef på Emballator. Många tänker då endast på miljö när det hör "hållbarhet", men jag ser det mer som en symbol där flera faktorer ingår. Faktorerna är då: supply chain, värdekedjan, arbetsmiljö, kvalitetsområde, Lean, miljö och ekonomi. Har man alla 6 har man en hållbar verksamhet.

4. Vad är källan till CSR på Emballator, var började det?

Allt började när Christian Silvasti blev den nya VD:n år 2004. Hela organisationen förändrades, speciellt när han implementerade Lean i verksamheten. Företaget började tänka ur ett "Lean perspektiv" och saker och ting började sakta men säkert se ljust ut. När ELP då började med Lean, så föll CSR in affärsverksamheten strax efter. Då vi anser att både Lean och CSR kan relatera till varandra. ELP ville växa och bli bättre, och främst bli ett kunskapsföretag.

5. Anser ni att CSR är en investering?

Både ja och nej, i så fall ser jag det som en väldigt långsiktig investering. Vi förväntar oss inte att få någonting tillbaka när det kommer till vinst i form av pengar, utan man kanske får tillbaka något på ett helt annat sätt.

Vi kunde lika gärna kunnat säga nej till x antal sociala aktiviteter men vi ser detta som en del av vårt samhällsansvar. Till exempel som våra studiebesök vi får av skolor, detta kan väcka intresse som i sin tur kan leda till att eleverna söker sommarjobb osv. Men vårt fokus är inte att få ut pengar av det, om pengar är fokus, tror jag inte att man kommer lyckas eftersom att det är lätt att genomskåda. Utan vi gör det vi anser är bäst.

6. Förutom att ägna er tid till studiebesök, finns det annat ELP gör som bidrar till omkringliggande samhället?

Vi har till exempel gett utemöbler till sagomuseet, vi erbjuder ett customer centre, vi har en förbättringskoordinator som kan mycket om Lean t.ex. Vi fokuserar även på att hjälpa företag med Lean, för att få en bättre produktion process. Med andra ord, vi hjälper andra företag att införa Lean i deras verksamhet på det mest effektiva viset.

7. Implementerar ELP CSR på grund av statliga förordningar, konkurrensen, eller på grund av tryck från intressenter?

Jag skulle inte direkt säga att det är någon utav dem, men mest på grund av konkurrens i så fall. Det är klart att det finns väldigt mycket tryck både internt samt extern men jag känner att vi har kommit så långt i vår utveckling så att vi inte känner trycket på samma vis.

8. Hur pass mycket investerar ni i eran CSR? I fråga om resurser som tid och pengar?

Vi lägger ner väldigt mycket tid på våra CSR investeringar. Vi hade till exempel ett studiebesök igår, då vi var tre stycken från företaget som avsatte tre timmar på studiebesöket. Det var jag, Vd:n och förbättringskoordinatören. Så ja, det blir en del resurser men det viktigaste för oss är att studiebesöket går bra och att studenterna får ut något av det.

9. Anser ni att ert arbete med CSR hjälper er att maximera er vinst?

Lång varit, ja. Men vinst är inte i fokus. Allt man gör är ju i slutändan för att företaget ska gå bra, men vinst är inte syftet med fokus på CSR, men CSR hjälper ELP att nå mål med pole position.

10. Vilka huvudområden inom CSR investerar ni i? (Ekonomiska, Juridiska, Etiska och filantropiska).

Filantropisk och etiska är merparten av investeringen.

11. Märker ni några fördelar med ert arbete med CSR? I så fall, var och hur?

Ja, eftersom vi är ett företag som växt väldigt mycket. Tiden är en nackdel, det går åt mycket för arbetet till CSR. Efter ELP vann Lean priset ville många besöka oss och vi var tvungna att tacka nej till många, det är synd att behöva säga nej för att tiden inte räcker till.

12. Vad tycker du om de nuvarande CSR investeringen Emballator gör?

- a. Vad ser du för hinder för utvecklingen av CSR inom Emballator?

Jag skulle nog säga att det är tidsbrist och växtvärk. Det är mycket med produktionslyftet samt förändringar i organisationen.

13. Hur anser du att framtiden för CSR ser ut inom ELP?

Den ser ljus ut, vi har en plan för framtiden, vi vill arbeta mer med ISO standarden, samt hållbarhet. Vår nya affärsplan till hösten kommer bli riktigt bra tror jag, med ännu mer fokus på CSR.

14. Hur hanterar ni ert miljöansvar?

Eftersom vi är miljö certifierade så har vi några krav vi måste följa, för att ha kvar certifikatet, vilket vi har gjort på eget initiativ. Vi vill göra om miljöpolicy, och göra detaljerade och övergripande planer för miljö hantering. Men idag till exempel, maler vi ner kasserade produkter och återanvänder, KRAV märkningar gäller även emballaget, vi har även vår egen vattenkälla som inte är sammankopplat med det kommunala vattensystemet, så vi har full kontroll över vatten för maskiner samt minskar risken för utsläpp av farliga ämnen i grundvattnet.

Appendix 5

Interview with the Marketing Management

1. Vad var anledningen för ELP att genomföra en CSR strategi? Var det för att öka lönsamheten? Om inte, vad var det?

Anledningen är inte lönsamhet utan ett sätt att framstå som ett bra företag ur kunders, anställdas och samhällets ögon.

2. Tror du att era CSR aktiviteter påverkar företagets kostnader? Om ja, på vilket vis?

Nej, det är en del i att tydliggöra vårt erbjudande.

3. Kan du ge några exempel på CSR aktiviteter som positivt eller negativt påverkar företagets lönsamhet?

Vi deltar i de lokala samhällsaktiviteterna, samt tar emot studenter. Detta innebär att vi har lätt för att rekrytera bra personal, vilket i sin tur leder till bra lönsamhet.

4. När det gäller kostnader för miljöansvar, är det möjligt att mäta kostnad besparingar från att minska avfall, energisparande osv.? Om ja, hur mycket sparar ni på det?

Vi gör en massa idag men är dåliga på att mäta effekten av vårt arbete. Vi ser dock att vår energiförbrukning är den samma idag jämfört med för tio år sedan trots att vi ökat vår omsättning 3 gånger.

5. Vilka konkreta (kostnad besparingar etc.) och abstrakta fördelar (motivation hos anställda, öka kunders lojalitet etc.) får ELP från sina CSR aktiviteter? Kan du ge exempel på detta?

När det gäller kunderna så är det något de förväntar sig att vi arbeta med, om vi inte skulle göra det, blir det en nackdel för oss. Eftersom att vi måste möta kundernas behov.

6. Tror du att abstrakta tillgångar kan ha någon indirekt ekonomisk påverkan på företagets lönsamhet? Om ja, hur? Exempel?

Ja det tror jag, då vi får nöjdare kunder som i sin tur leder till lönsamhet.

7. Hur mycket pengar har företaget investerat i CSR aktiviteter?

Mestadels är det tid, men även investeringar genomförs för att skapa förbättring.

8. Anser du att företag som jobbar med CSR kan öka sina intäkter?
Ja det tror jag, men de är mer en självklarhet som krävs för ett hållbart företag.
9. Anser du att era CSR initiativ påverkar er marknadsstillväxt? Om ja, hur?
Det är extremt viktigt att vårda affärer, och genom det kan man växa som företag, så ja det skulle jag kunna säga.
10. Anser du att era CSR initiativ påverkar er marknadsandel? Om ja, hur?
Det blir samma svar det, det ena leder till det andra, så ja det tror jag.

Appendix 6

Interview with the Development Manager

1. På vilket vis jobbar ELP med Lean?
Vi har fokus på kunden i alla led och vi arbetar enligt Vår Väg där grunden är våra värderingar och kärnvärden. Lean filosofin lever i alla delar av företaget, vi jobbar med ständiga förbättringar och utmanar varje del i organisationen kontinuerligt.
Genom daglig styrning på alla områden är alla funktioner uppdaterade på vad som skall hända nu och i nästa steg.
2. Kan ni ange några exempel på hur Lean har haft en påverkan på er verksamhet?
Ny mötesstruktur, korta stående möte, t.ex. daglig styrning. En avgörande faktor som har skapat engagemang och en medvetenhet om nuläge och vart vi ska.
Förbättringsgrupper på alla områden där vi arbetar med dagliga förbättringar och involverar alla. Processtyrd organisation, extremt platt. Ett ökat fokus på slöseri där vi är tydliga med att återkoppla så vi får en lärande organisation.
Allt för att avvikelser skall korrigeras och inte återkomma.
3. Vilka områden i företaget har visat bäst resultat av att jobba med Lean?
Alla områden i företaget arbetar med ständiga förbättringar men marknad är nog de som har varit starkt drivande alla redan från start.
4. Hur har Lean influerat ELPs miljöpåverkan?
Förbättringsaktiviteter med fokus på Yttre miljö såsom kassationsreducering, minskad energiförbrukning, restprodukts hantering etc.
Vi har alltid arbetat ur ett hållbarhetsperspektiv, miljökrav och kundkrav är höga och det gör att vi måste vara innovativa och tillverka

förpackningslösningar som klarar de krav som samhälle och kunder kräver. För att nå våra mål, där vi skall vara världens bästa förpackningsleverantör och att vi skall ha de attraktivaste arbetsplatserna måste vi vara ett företag i framkant.

5. Har Lean hjälpt ELP att växa och expandera? Om ja, hur? Samt hur mycket?

Vårt Lean arbete har uppmärksammats och upplevts som positivt av både kunder och genom övriga intressenter, detta har bidragit till ökad kundnöjdhet.

6. Hur mycket har ni sparat av att implementera Lean i er verksamhet? (I fråga om resurser, som pengar, tid osv.)

Kan inte svara på hur mycket tid och pengar vi sparat, men vi var nedläggningshotade 2004 med röda siffror sju år i följd så hade vi inte börjat arbeta med Lean skulle inte Emballator Lagan Plast existerat i dag.

7. Vad har ELP gjort när det gäller omkonstruktion angående produkter. (Dvs. mindre användning av material, mm.)

Vi arbetar kontinuerligt med att optimera konstruktion samt arbeta med att testa nya material eftersom materialen förändras, vi tycker det är viktigt att vara med och studera utvecklingen av material och förpackningar. Likaså studera vi alternativa som biobaserat material med mera.

8. Hur har ELP gjort deras värdekedja mer produktiv?

Arbetet med Lean har hjälpt oss att arbeta med ständiga förbättringar där alla engageras men även att vi sätta kunden i fokus, detta underlätta omvärldsbevakningen och att skapa aktiviteter gentemot kunden. Likaså arbetar vi mycket med teknisk support där vi stödjer kunden i deras processer.

9. Får ELP hjälp från externa partier angående innovationer inom produktutveckling? Om ja, hur hanterar ELP dessa partier?

Ja för oss är det viktigt att samarbeta med andra exempelvis arbetar vi tillsammans med övriga Emballatorbolag där vi gemensamt har en teknisk grupp som fokusera mycket på innovation. Vi samarbeta även med forskningsinstitut och universitet exempelvis Swerea, SP. Samarbeten med externa parter är något vi värdesätter och vill arbeta mer med och det gäller inte bara i produktutvecklings syfte.

10. Med tanke på svaren ovanför, bistår några av dessa åtgärder till samhälles behov? D.v.s. hjälper dessa innovationer och nytänkande vad gäller design, företaget eller era intressenter?

Ja absolut, med ständiga förbättringar kan vi optimera materialåtgången och på så vis även värna om miljö, detta gör även att vi kan konstruera mer användarvänliga produkter samt stödja våra kunders processer.

Appendix 7

Interview with the CEO

1. Hur stor marknadsandel hade ni innan och efter implementering av CSR?
Hela processen med Lean samt CSR har gjort så att vi syns mer, och det har gjort så vi har ökat enormt. På grund av CSR relaterade aktiviteter vi utför, så ökar det kunden nöjdhet. Så ELP har idag 60 % av marknaden i Skandinavien, vilket är dubbelt så mycket som vi hade innan implementeringen av CSR.
2. Hur såg er marknads tillväxt ut innan och efter?
Marknads tillväxt har förstås förändrats och är anledningen till ökningen på vår marknadsandel. Företaget har ökat och växt enormt mycket kan jag säga.
3. Hur såg er omsättning ut före och efter?
Vår omsättning har ökat så mycket som tre gånger mer än vad det var innan. (OBS angående fråga 7 till 9: Två eller tre år före och efter bör räcka).
4. Vad var er omsättning år 2013 och 2014?
2013: 241SEK & 2014: 252SEK (Siffrorna rör bara Ljungby)
5. Vad är er omsättnings mål för år 2015?
286 SEK (Siffrorna rör bara Ljungby)
6. Hur hanterar ELP deras interna relationer?
Vi anstränger ständigt att förbättra våra interna relationer. Detta gör vi genom olika anställningskontrakt vilket ger dem anställda de bästa möjligheterna. Utöver det, så utvecklar vi i samband med dem anställda fack organisationen. Detta gör att dem anställda känner sig mer trygga och att dem känner sig som en del av organisationen. Vi strävar efter att förbättra alla relationer med våra anställda ständigt och kan dessutom övervaka förbättringen.
7. Har ledningen förståelse för vikten av att bevara relationen mellan anställda och andra intressenter? Om ja, hur sköts dessa relationer?
Utan vår ledning så hade det inte funnits relationer. Ledningen anstränger sig för att förbättra relationer på alla olika nivåer. Dom går ju ut på sina "gå ut och se" rundor för att förstå vad företagets anställda jobbar med och detta

förbättrar relationer. Utöver det, så undviker ledningen så gott som det går att sparka folk, dem föredrar att skicka anställda till olika stationer istället och därefter utbildar dem.

8. Kan du ge exempel på hur intressenter kan påverkas av förändring i organisationen?

För inte så länge sedan så införde vi en ny typ av vagn på grund av krav från en kund. Vi kallar denna vagn för Hygien Vagn. Med detta, så måste dem som arbetar med den ha på sig dräkter för att undvika att försämra kvalitén av produkten. På grund av detta så har vi skapat nya roller inom företaget vilket kan leda till att skrämma intressenter. Detta beror ju på att folk är rädda för förändringar. Detta är något som ELP försöker eliminera genom att ständigt utbilda dom anställda när det väl kommer in nya roller.

9. Finns det en relation mellan företagets ekonomiska välstånd (att företaget har goda finanser) och nöjdhet hos intressenter? Om ja, på vilket sätt tror du det finns en relation till ekonomiskt välstånd och varierar det beroende på vilken intressent (kunden)?

Ja det finns en relation, men framförallt så är denna relation större när det gäller våra intressenter som siktar långsiktigt. För våra mindre kunder och intressenter så spelar det ingen större roll, men när det gäller de långsiktiga så finns det en enorm relation. Det går hand-i-hand, det vill säga att om det går bra för oss, så går det bra för våra intressenter.

10. Hur påverkas ELPs intressenter av CSR ansträngningar?

Outputen från Lean perspektivet har haft en enorm påverkan på våra intressenter, framförallt när det gäller vår miljö tänk inom produktionen. Vi har faktiskt varit med i olika typer av media som t.ex. tidningar mm. Detta har ökat sättet som våra intressenter förstår företaget för att dem får se oss på ett nytt sätt. Utöver det så har vi faktiskt köpt nya maskiner från ett företag i Växjö för att förbättra de ergonomiska faktorerna för våra anställda. Tanken med detta är att förbättra företagets prestanda men också att göra jobbet enklare för våra anställda. Detta faller då under det filantropiska som vi snackade om innan.

11. Vad är ELPs strategi för att kommunicera med era intressenter? (Kanaler t.ex. årsredovisning, faktablad, möten etc.)

Det som folk märker först är ju att vi inte har ett intranät. Detta är pga. att vi har så många olika roller i företaget att det inte är lönsamt att införskaffa det.

T.ex. det hade inte varit optimalt om en i produktion var tvungen till att springa till en dator hela tiden. Istället så har vi olika sätt att kommunicera. Inom sälj avdelning så pratar säljarna fritt med varandra för att dom sitter bredvid varandra. Inom produktion så har alla telefoner som dem har med sig hela tiden. När det gäller dem externa intressenterna så använder vi av oss möten med intressenterna samt konstant kommunikation med våra kunder. Annars så använder vi fabriksinformation samt årsredovisningar också.

12. Tar ni emot rekommendationer och idéer från anställda och andra intressenter i ledningsfrågor?

Ja, avvikelser flöde, med interna felrapporter där alla anställda kan rapportera saker som gått snett. Till exempel om något går fel i produktionen, så skriver man en rapport med detaljer för att kunna fixa problemet snarast samt smidigast. Vi har även delat upp verksamheten i olika zoner, där det finns en ansvarig i varje zon som jobbar med förbättring och i slutet på månaden vinner den zonen som presterat bäst, som ett litet "push". Vi jobbar även med "Gus" - Gå ut och se. Gå ut i verksamheten utan förutfattade meningar och lära känna små detaljer i processerna, vilket brukar hända en gång i veckan i ca 1 timme. Vårt mål är att ha 700 förbättringsområde detta år, dock inte bara i ledningsfrågor.

Appendix 8

Interview with the Sustainability Manager

1. Marknadsför ni era CSR initiativ? I så fall, hur?

Vi marknadsför inte så mycket tror jag, vi stoltserar liksom inte med det, dock svarar vi ärligt om efterfrågat. Kunderna ska förstå att vi är bra att jobba med, men vi trycker inte det i deras ansikten. Kunderna ska jobba med oss för att de ser vinning på lång sikt. Men till exempel, när vi vunnit pris så har vi satt upp det på hemsidan, inte för att visa upp oss men mest för att fira internt.

2. Har CSR påverkat konkurrensläget för ELP? Om så är fallet, på vilket sätt?

Ja absolut. Våra initiativ har väckt mycket uppmärksamhet som har lönat oss när det kommer till vår position på marknaden osv. När vi till exempel vunnit priser så syns mer vi i media, vilket leder till att folk känner till oss mer och blir intresserade.

3. Under vilka förhållanden tror du att CSR kan leda till konkurrensfördelar för ELP i framtiden?

Det är väldigt långsiktigt, fortsätter vi på samma spår så kommer vi bara växa, dessutom vill vi alltid bli bättre så jag anser att våra CSR initiativ kommer fortsätta ge oss konkurrensfördelar. Det kan även leda till nya affärer, vi har till exempel fått tillbaka stora kunder idag, som vi förlorat en gång i tiden.

4. Har ELP's CSR initiativ haft en påverkan på hur era kunder uppfattar företaget? Om så är fallet, är det positivt eller negativt?

Ja absolut. Vi använder oss utav vårt customer center, då vi strävar efter att vara samarbets partner. Vi jobbar med att vara inne i kunden process, för att veta behov och ge dem vad dem vill ha för att utveckla bra relationer. Utöver detta så har våra CSR initiativ haft en positiv påverkan på kundernas syn på företaget, och det glädje oss.

5. Tror du att de CSR aktiviteter i organisationen har haft en effekt på företagets image samt rykte? Om ja, på vilket sätt?

Lean samt CSR har ändrat vårt rykte och image enormt. Det har blivit mycket mer positivt, och folk ser oss på ett annat vis idag, för att det har gått så bra för vår verksamhet. Vårt samhällsansvar är väldigt långsiktiga och det har även inspirerat kunderna. Vi har till exempel inspirerat en stor kund från Finland men vår bok "Vår väg", då dem har gjort näst intill identisk sådan. Men vi ser det bara som något positivt, då vi har lyckats inspirera folk samt på något vis "hjälpa" andra.

6. Har företagets kundnöjdhet förändrats sedan genomförandet av CSR? Om ja, hur?

Självklart har det förändrats, till det positiva. Det är även svaret på vår omsättning, annars hade företagets omsättning inte ökat så pass mycket. Vi är mer medvetna om kundernas behov, och utan att se det som en relation och jobba ihop kommer inget funka, dessutom kommer vi inte nå pole position.