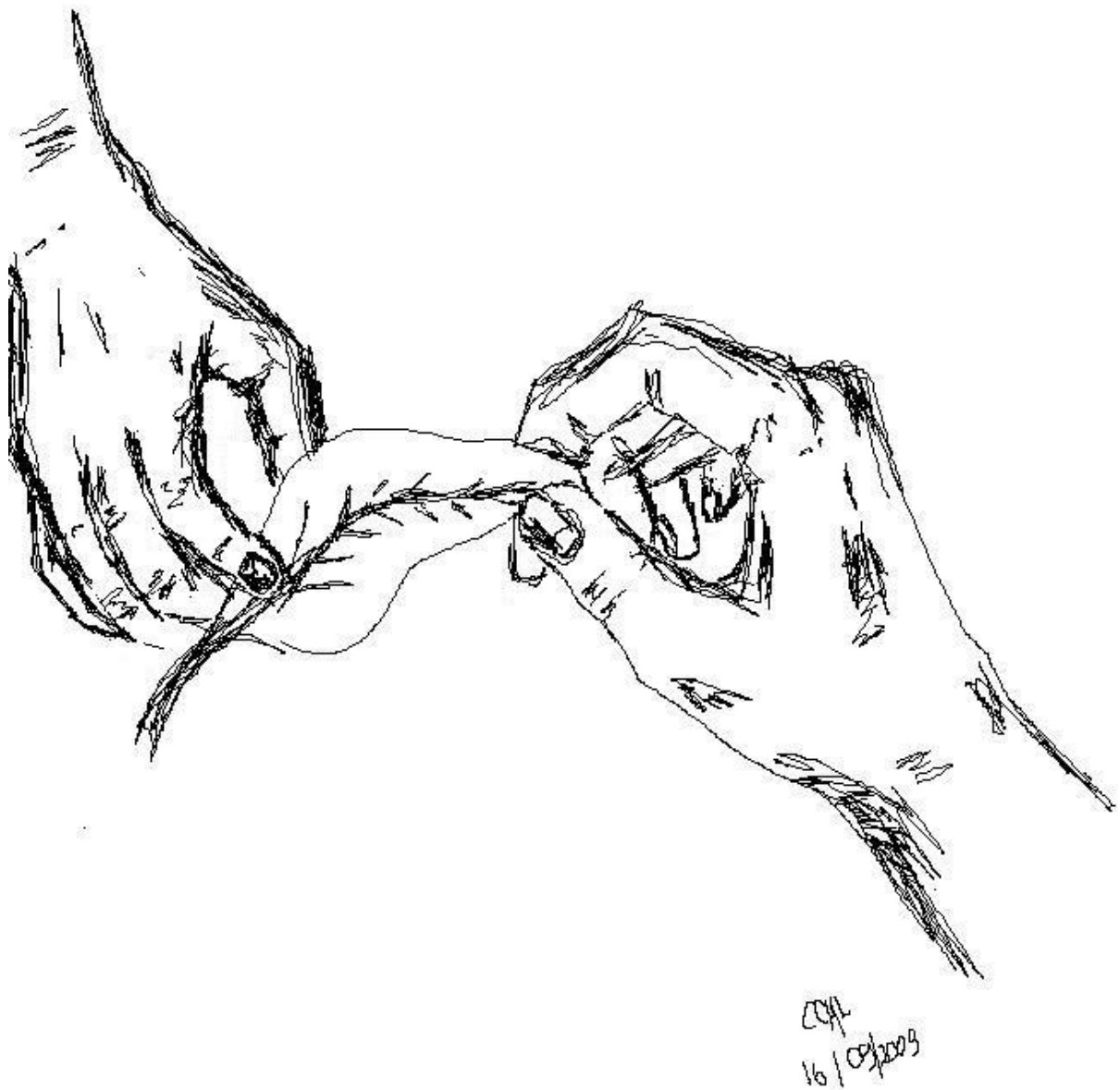


Corporate Social Responsibility in Danish Small and Medium-sized Enterprises: A mixture of institutional, ethical and economic motives.

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1 Introduction

Corporate Social Responsibility (CSR) has become a whole field, with a new generation making a career in it (Bernth, 2007: 24), and with a battery of tools to ensure ethical business, for instance: codes of conduct, labels, reporting guidelines and investment indices (Ward & Fox, 2002: 57). CSR is defined following the European Commission as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Commission, n.d.).

Despite actually being an old subject, CSR has gained new momentum (Carroll, 1999: 268; Garriga & Melé, 2004: 51; Jenkins, 2004: 52; Campbell, 2006: 925). A couple of state side CSR initiatives show the currency of and increased focus on the issue. A first example is the "People and Profit" project (in Danish "Overskud med Omtanke"), which from 2005 to 2007 trained more than 12.500 Small and Medium-sized Enterprises' (SMEs) leaders and employees on strategic CSR, successful to the point of having been adopted internationally (Erhvervs- og Selskabsstyrelsen, n.d). Currently the next-best at CSR, Denmark wishes to capitalise on its position and build on it, aiming for worldwide CSR leadership by 2015 and to be branded as such, so as to maintain and develop global competitiveness. The government thus, as a second example, announced a CSR action plan, with an overall goal of making more SMEs interested, systematically aware and strategically capable of CSR (Beder, 2008: 10). On the civil society side, 75 percent of Danish consumers pay attention to ethics when shopping (DI Handel in Aagaard, 2008: 14). On the market side, figures from 2005 show that 75% of Danish SMEs conduct CSR, pertaining to coworker, societal and environmental issues (DI Indsigt and www.socialengagement.dk in Sloth, 2008: 14); business to business' mutual CSR demands are the strongest CSR driver presently (Mandag Morgen, 2006: 10). Beyond this, increasing globalisation is seen as a driver of branding, which may in turn become a driver for sustainability (John Elkington in Mandag Morgen, 2006: 6). Global social and environmental problems persist – with the telltale fact of the 2015 Millenium Development Goals not moving forward very well (Hirschland, 2006 b: ix) – and to help overcome these, a redistribution of responsibilities and roles between state, market and civil society is becoming apparent ((Erhvervs- og Selskabsstyrelsen, 2002: 21-23; Mac & Rendtorff, 2001: 76-78, 82-83; Hirschland, 2006 a: 4-5). In the light of this, CSR is business' contribution (UN and Nelson & Prescott in Fox, 2004: 29, 35).

Though ethics within business has been an issue of controversy (Mac & Rendtorff, 2001: 83) – even more so of difficulty as, at best, CSR as to results can be said to at least not hurt the bottomline on

the long term (Mandag Morgen, 2006: 6; Jenkins, 2004: 43, 48, 51-52) – strategic interest in ethics may be paving the way for CSR being pertinent to business anyway (Mac & Rendtorff, 2001: 84-85; Porter & Kramer, 2002: 57-59). Research and studies on SMEs also show ethical and economic strategic CSR motives (Morsing, 2006; Erhvervs- og Boligstyrelsen, 2002: 115-119), the latter alluding to possible economic synergies between business and societal goals. This thesis encompasses these two motives with theories by respectively, Hemingway and Maclagan (2004) and Le Menestrel (2002) for the ethical part, and Neergaard and Pedersen (2007) and Porter and Kramer (2006) for the strategic economic part. Moreover, the previously mentioned rising CSR interest and initiatives, indicate that despite the heterogeneity of what CSR encompasses (Mandag Morgen, 2006: 9; Garriga & Melé, 2004: 51-52), companies are homogeneously converging towards the use of CSR. Thus, following other research (Matten & Moon, 2005: 350-353; Neergaard & Pedersen, 2003: 52-54), this thesis recognises the utility of DiMaggio and Powell's (1983: 149) institutional theory of isomorphism to characterise this organisational movement towards this same concept. Using an interpretative approach to interviews with ten Danish SMEs, and after providing an overview of their conducted CSR's management and anchoring and most worthwhile CSR activities using Kramer, Pfitzer and Lee (2005) and "People and Profit" practical guide (Erhvervs- og Selskabstyrelsen, 2006), three theoretical focal points – institutional, ethical, and economic – are thus used to examine and answer the research question:

"In the light of the rising use of CSR in Danish SMEs, why is CSR used?"

1.1 Delimitation

The thesis is qualitatively based on gauges of CSR motives' influences and thus delimits itself from judging and juxtaposing statements with actual results, which as mentioned previously is expected to be difficult anyhow. Moreover, the depth of researching into a single motive is somewhat sacrificed for the wish to represent in-depth a variety of possible motives, backed up by different theories.

2 Critical literature review

CSR research is often descriptive and normative (Campbell, 2005: 1), respectively making overviews of involved themes (Garriga & Melé, 2004; Carroll, 1999), or with arguments for or against (Mac & Rendtorff, 2001:73-78) as well as about a northern and a southern CSR agenda (Fox, 2004: 29-31) As to factors affecting CSR, there is often reference to the effect of and on financial standing as well as to stakeholder theory (Brown & Perry, Waddock & Graves, Aguilera & Jackson, Dore, Roe, Freeman, Mitchell, Donaldson & Preston in Campbell, 2006: 927; Mac & Rendtorff, 2001: 78-82). Concerning the point of focus and interest of the thesis, research on CSR has prevalently regarded multinational corporations (MNCs) rather than SMEs, and there is a call for bringing more attention to this quite important and specific, yet varied, entity. (Jenkins, 2004: 38-39; Morsing, 2006: 2-5)

In relation to exiting CSR research, the thesis has a qualitative rather than a quantitative approach, probing interviews around motives for CSR. This aim was initially inspired by building on Campbell's research on institutional conditions for CSR (2005, 2006), albeit in this thesis, the locus of action and attention is taken away from the institutions as such, looking more at the agency and perceptions of the SMEs, and why they are homogenising towards CSR. As used by other researchers (p.5), the thesis applies the institutional theory of isomorphism by Powell and DiMaggio, as CSR enduring despite lacking concrete results (p.5) alludes to legitimacy indeed being stronger than rational efficiency (1983: 148). This will respond to Donaldson's critique of institutional isomorphism, not believing in status and symbol, and thus only finding the coercive process credible (1995: 127).

Continuing on the path of Matten and Moon's thoughts of CSR as a management concept on the rise (2005: 350) and inspired by Tolbert and Zucker's work on institutionalisation (1999), another prospect with this thesis is the possibility of contributing to looking at and furthering the process of institutionalising CSR as an institution. Full institutionalisation of a structure as CSR is argued to require its sedimentation – as to spread and as to perpetuation – but this can be hampered if the structure lacks or demonstrates weak sought-after results; its institutionalisation depends on, how certain it is that expected outcomes follow adoption of a structure (op.cit: 178-179). CSR is more institutionalised in MNCs than in SMEs (Morsing, 2006: 3), and moreover, despite the popularity of CSR and its rather wide adoption by heterogeneous businesses, its still questionable character and results indicates a stalled institutionalisation, indicating that CSR is semi-institutionalised as of yet.

Another point relevant to both institutional and economic approaches is that of research across companies of different industries. Tolbert and Zucker note the usefulness of researching institutionalisation across multiple industries (Tolbert & Zucker, 1999: 179-180). This thesis provides a look into CSR as applied in interviewed Danish SMEs with differing business types and thus industry links. One SME is in the furniture industry, while another is in the clothing industry. A wider range of organisations, supposedly, makes it difficult to convince to adhere to a same structure, thus affecting its institutionalisation (op.cit: 179). This conception makes it all the more interesting to look into, why CSR is adopted across so different undertakings. On an economic note, Neergaard and Pedersen, used in this thesis, point out the need to look at, what type CSR activities and what contexts matter (2007: 90-91). This also relates to Porter and Kramer's research on strategic philanthropy (2002) and strategic CSR (2006) and warrants the latter's use in this thesis. On an ethical note, Le Menestrel believes in non reduction, rejecting extremes purely focusing on either consequences or processes, in favour of ethical business combining both rational interest and ethics. In this sense, this thesis' goal is, likewise, to contribute in probing for a combination of rational interest and ethical motives behind CSR in Danish SMEs.

CSR in Denmark has focused on the national inclusive labour market and on green and ethical accounting, but more and more there has been a push for a broader CSR agenda (Mandag Morgen, 2006: 8). This thesis takes on a larger perspective, lifting the level of analysis to the international, asking why Danish SMEs take on CSR responsibilities, with namely international repercussions.

3 Method¹

3.1 Qualitative research

The thesis relies on qualitative research interviews, and thus more broadly, the qualitative method of having data collected, interpreted and represented in a non-numerical form; it is about "the qualities of phenomena" (Launsø & Rieper, 2005 b: 106, 127), intending to understand the world outside, but from within, ie. the subject's point of view (Kvale, 2007: x, xvii).

The research is based on an interactive conversation (Launsø & Rieper, 2005 b: 107-108). Interview analysis is conducted in the form of bricolage (Kvale, 2007: 115), since it is both based on theoretical considerations and on interpretation of interviewees' actions' meanings. On one hand thus, interviews are loosely controlled with a semi-structure interview guide, questions covering cue theoretical grounds which must be addressed to deal with the problem at hand. On the other hand, answer possibilities are open and questions are also freely asked according to circumstances, so as to deepen, or clarify answers by confirming or disconfirming on-the-go, interpretations of the interviewees' answers. In other words, the conversation takes place on a middle ground, closely considering the interviewees' terms and trying to avoid leading questions, but simultaneously defining the problem areas and thus ensuring directional motion (Launsø & Rieper, 2005 b: 108).

3.2 Interpretative research type and hermeneutics

The thesis draws on the interpretative research type, because it gives a different and deeper insight to those that are researched and interviewed as well as to decision-makers, to other researchers and to the general public at large, enabling new targeted efforts through new interpretations of the state of the world (Launsø & Rieper, 2005 a: 30). The researcher has to:

Interpret and understand phenomena that are already interpretations i.e. social actors' interpretations and understanding of themselves, of others and of the physical world ...

¹ Please see the part 3.5 "Research ethics, validity and reliability" for a combined methodology critique.

I.e. the researched's subjectivity is included as the main datamaterial. One seeks to uncover people's opinions, assessments, motives and intentions in their specific context. The concept of "context" refers to those contexts, in which the researched's understandings and actions are created. The context can consists in physical, institutional and value-based linkages. The researcher cannot make an interpretation without being familiar with the context, which the researched takes part in. (Launsø & Rieper, 2005 a: 22)

Activities and actions can be observable, but less so the meanings behind, and therefore, it is necessary to ask the most valid source, which justifies the method of the qualitative research and interviews (Launsø & Rieper, 2005 b: 109). Qualitative research and interviews are pertinent when wanting, in line with the hermeneutical view "to capture, how people describe, conceive meaning and express their understanding of themselves, their experiences and their surroundings" and "to unearth the frames that condition people's understandings and actions" (Launsø & Rieper, 2005 b: 129).

There is a "hermeneutical spiral" involved (Ödman in Thurén, 2004: 57): with new interpretations of a part, the whole meaning is revised, which in turn affects the parts again, and so on. In other words, interpretation serves to move understanding of meanings forward in constant "interplay between prior understandings and experience ... greater experience creates a better prior understanding, in turn meaning that one perceives finer nuances. Prior understanding evolves from preconceptions to real understanding" (op.cit.: 57). This contributes to the interviewees seeing themselves in a new way (Kvale, 2007: 14), and of course to research being reinterpreted itself and getting better.

3.3 Theory

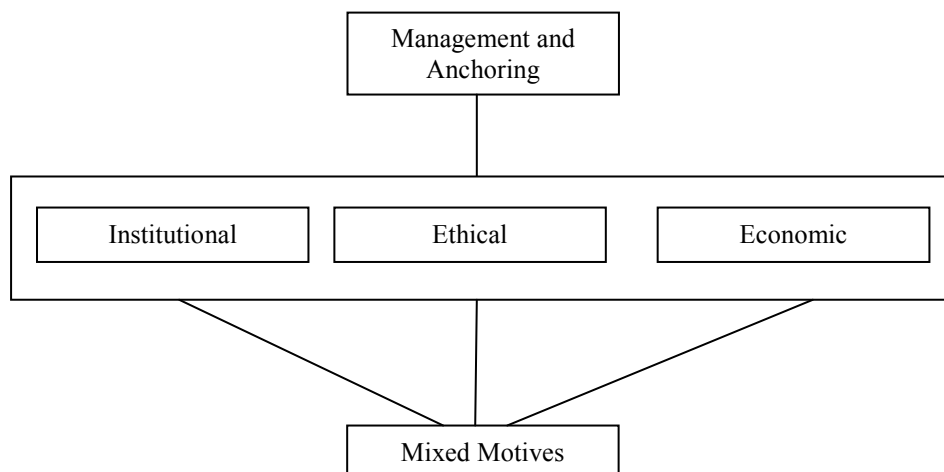


Fig. X.X : Theoretical framework

First of all, literature is brought in to cover Management and Anchoring of CSR. Then, three theoretical bodies of literature are applied to interpret why CSR is used in Danish SMEs, according to three different motives: Institutional, Ethical and Economic. These are followed up by theory on Mixed Motives to provide a sum-up. The use of each part is briefly both argued for and criticised. This forms the theoretical framework leading to an analytical discussion of own empirical findings against the applied theoretical views.

3.3.1 Management and anchoring of CSR

Kramer et. al's (2005) research on the economic rationale behind CSR in Danish SMEs was the first phase in the “People and Profit” project (op.cit.: 10). Focus is on evidence found in favour of economic and competitive gains from CSR conducted amongst interviewed Danish SMEs, within the following main areas of CSR activity (op.cit.: 6-7, 39):

Two areas have win-win benefits for business and society within short term:

- **Social Innovation:** An area with the most potential and clearest synergy for society and business, most SMEs are involved in socially beneficial product or service innovations tied to customer value propositions (op.cit.: 32).
- **Environmental conservation:** Unanimous evidence is in favour of resource efficiency lowering costs and supporting competitiveness (op.cit.: 30)

Two other areas concern the longer term and with more vague social and economic synergies:

- **Workforce development:** Focus is on the directly business impacting sort ie. which may reduce hiring costs, lower absenteeism (op.cit.: 28).
- **Contextual investment:** Voluntary contributions are mostly good citizenship based (op.cit.: 35), and need to be more focused on strengthening factors affecting the SMEs’ competitive context (op.cit.: 41), but resources to influence with are scarce (op.cit.: 37).

Other points also noted: A few positive cases are mentioned regarding investment in **marketplace activities** as in product safety and labels (op.cit.: 24), **stakeholders** and **supply chains** as in training suppliers’ employees, but evidence is not found substantial enough (op.cit.: 7, 30-31). Kramer et al. also mention instances of **public help for partnerships** with the private, as to socially-beneficial inclusion activities – at no cost to the firms – but this does not change anything for the business (op.cit.: 6-7, 39). **Personal beliefs** were also an important factor, but not the only

one (op.cit.: 7, 39).

All four main points are relevant to compare with the thesis' empirical findings on how CSR is run, giving an indication of worthwhile CSR conducted.

Critique: The authors point out a possible bias in their study, given that their survey and interviews have been conducted with businesses openly committed to CSR. This is noted with regard to the overall optimism on CSR's economic impact and the high degree of involvement in socially related product or service innovation (op.cit.: 25, 32). The thesis' empirical sample has the same bias, but it is also the goal to examine this specific context.

Kramer et al.'s study has focused on activities with clear evidence of economic or competitive gains from CSR (op.cit.: 6), and not merely on qualitative interviewee interpretations such as done in this thesis and most other studies which they have reviewed (op.cit.: 19). The authors note that businesses need help with making these calculations (op.cit.: 39) and other research suggests this is extremely difficult to do (Neergaard & Pedersen, 2007: 78-79, 86, 88-90). However, the thesis' goal is not to track down substantial evidence in favour or against CSR's impact, but rather to compare these findings to how the interviewed businesses manage CSR, potentially substantiating their interpretations on impacts of worthwhile CSR activities.

The "**People and Profit**" **practical guide (2006)** stems from a project, in Danish called Overskud med Omtanke, which has had the aim of promoting strategic CSR for competitiveness. The manual, details a framework figure incorporating different possible approaches, to use as guidelines to practically and strategically handling CSR, within the following areas (Erhvervs- og Selskabstyrelsen, 2006: 3, 15-17):

- **Communication:** working a CSR profile into existing communication activities, tailoring it to ambitions, stakeholders and contexts; creating a good reputation and long term legitimacy; adding value to products and differentiating them; living up to CSR demands; attracting employees and making them feel proud (op.cit.: 177-178)
- **Stakeholder dialogue:** reaching out to stakeholders to avoid conflicts, prioritising among these and efforts according what is most important to the business; considering whether customers will ask for CSR reporting and communication.
- **Employee activities:** incorporating diversity, and developing workforce competences and working conditions.
- **Customer activities:** reaching out to customers and being abreast of demands; differentiating by considering product labelling; good business behaviour.
- **Supplier activities:** considering making CSR demands to avoid later criticism; working closely as in training suppliers' employees, as to safety or knowledge exchange, to improve relations and

stability.

- **Community activities:** contributing to local community activities, for example if reputation is important due to many local relations; working together with educational institutions to improve possibilities and quality of recruitment; considering voluntarism at the same time improving employee satisfaction.
- **Environmental activities:** considering environmental management systems and certifications, in relation to resource savings.
- **CSR innovation:** developing CSR innovation as to products or services, in relation with stakeholders, solving social or environmental problems, possibly extending to other markets and furthering business customers' CSR goals.
- **Management, vision and values:** charting an official course and enabling concrete measures and training for CSR.

This framework is helpful in outlining what areas the interviewed businesses touch upon and thus prioritise in relation to their business.

Critique: Whereas the project achieved its quantitative goal of reaching over 12.000 SME leaders and employees, it remains to be seen how much palpable change it has caused. The project has been criticised for favouring quantity over quality, in terms of treating CSR in depth (Erhvervs- og Selskabsstyrelsen, 2007 b: 28-29). Nevertheless, the project manual has mostly been seen as quite simple and constructive, apart from few exceptions criticising its scope, "heaviness", and still quite academic character (op.cit.: 18-19). That said, the aim of this manual has been that parts of it be used and for reference and inspiration mainly (op.cit.: 19), and to prioritise issues picked out, according to what makes most strategic sense for the business in question (Erhvervs- og Selskabsstyrelsen, 2006: 6, 15, 19). The manual's framework is useful in mapping out the SMEs' CSR management and anchoring.

To address management and anchoring of CSR, the following question is, for example, asked: "What kind of CSR do you do, and how?" (Cf. part 8.3 "Interview guide")

3.3.2 Institutional motive

This approach, more specifically, applies Institutional Isomorphism located within the branch of New Institutionalism in Organisation theory. Matten and Moon (2005: 350-352), emphasize the usefulness of using this school of institutionalism to explain the rise of CSR as a management concept and Neergaard and Pedersen (2003: 52-54) have used this theory as to CSR also.

All various institutionalisms, old and new (Powell & DiMaggio, 1991: 1, 3, 7), are opposed to views which simply attribute institutions and social, economic or political actions to the sum of individuals' rational behaviour. New Institutionalism, in particular, focuses on institutions as the locus of attention, with individuals participating, but not consciously (op.cit.: 2-3, 8, 14). An at once broad, but limited part of institutional sociology, new institutionalism in organisation theory has to do with "organizational structures and processes that are industry wide, national or international scope" (op.cit.: 9).

Also serving as a definition, institutions can be seen as organisations, actors and interests, themselves made up by institutions, as in taken-for-granted shared understandings (op.cit.: 14-15). Formal organisations, as institutions operating on different levels (op.cit.: 9), can be "firms [...], trade unions, universities, all the way to state agencies" (Coriat & Dosi, 1998: 6). Actors, as in specific people which can be institutions, because they play an important and specific role in society (Andersen, Brante & Korsnes, 2007: 110) Interests are, for instance, management concepts as CSR which are being institutionalised (Matten & Moon, 2005: 350). The underlying taken-for-granted institutions thus constrain individuals' actions and thoughts, and steer how solutions are found, rather than providing rationality or efficiency (Powell & DiMaggio, 1991: 10-11). All the previously mentioned linkages are illustrated in the appendix fig.2 (p.101)

Isomorphism is defined as organisations being constrained into adapting to their environment and to the other organisations therein. (Hawley in DiMaggio and Powell, 1983: 149) As organisational fields are established, individual actors, who at first sought out diversity and efficiency, end up seeking similarity, and so do new entrants (DiMaggio & Powell, 1983: 148-149). Organisations are under pressure to conform by emulating others' offers, competing for recognition (op.cit.: 154). When several actors follow suit with the same strategy, such as an innovation, the value for the individual actor is no more about need or performance, but that of legitimacy (Meyer & Rowan in op.cit.: 148), which actually may turn out to enhance efficiency, because similarity facilitates transaction, attracting employees, grants and contracts (DiMaggio & Powell, 1983: 153).

Institutional isomorphism thus focuses on the ensuing entrenchment and conspicuous homogenisation amongst institutions, attributed to taken-for-granted and persistent practices and structures (op.cit., 1983: 147; Powell & DiMaggio, 1991: 9) which are regarded as legitimate. Rather than efficiency, legitimacy drives institutionalisation of the organisational practice of CSR (Matten and Moon, 2005: 350), occurring through **three processes of isomorphism**, mixed together in empirical setting: (DiMaggio & Powell, 1983: 147, 150-154).

- **Coercive processes**, isomorphism related to coercive authority:

Coercive institutional isomorphism is defined as "Formal and informal pressures exerted on

organisations by other organisations upon which they are dependent and by cultural expectations in the society in which organisations function." (DiMaggio & Powell, 1983: 150) An example is governmental legal and technical regulations - such as concerning the environment (op.cit.:150). To test this, the following question is, for example, asked to interviewees: "How do you experience public knowledge as well as positions on/needs for CSR?" A few of the examples to comment on are: the market, media, society, public authorities, NGOs.

- **Mimetic processes**, isomorphism related to uncertainty and ambiguity:

Uncertainty can provoke imitation. When goals, symbols, or technologies, are ambiguous or controversial, modelling serves to economise action. The variety of models is already limited - newer organisations follow the lead of the established models - and there are only few big consulting firms to disseminate models. Organisations follow settled models and emulate innovations, not based on efficiency, but on perceived success and legitimacy (op.cit.: 151-152). "Best practice" models as to CSR may be inspirational sources, in terms of persons, firms and concepts, which have had to do with and have become an example in relation to CSR. To test this, the following question is, for example, asked to interviewees, picking up on the previous examples mentioned under coercive isomorphism: "Have these factors or other events/reasons had an influence on your CSR, inspirationmodels?"

- **Normative processes**: isomorphism related to professionalisation:

Professionalisation is "the collective struggle of members of an occupation to define the conditions and methods of their work, to control "the production of producers" (Larson, 1977:49-52), and to establish a cognitive base and legitimation for their occupational autonomy" (op.cit.: 152). Academic and professional institutions, associative networks and activities promote behavioural norms. Individuals become similar in thoughts, thus creating homologues across organisational fields, presumably taking precedence over any other traditional organisational norms. Individuals are socialised into learning and acquiring certain manners and conducts, and this occupational socialisation works towards isomorphism. As a field becomes more and more structured, professionalisation also increases. Central organisations become visible, for example, by managers placed across several boards, by being chosen through grants and contracts, or by being recognised at professional arenas. They thus attract employees, further increasing their centrality. Their centrality causes their normative model to be disseminated, with the field following suit (op.cit.: 152-153). To test this, the following question is, for example, asked to interviewees: "How much and what sort of help, information, tools have you received or asked about?" Examples to comment on are as to possible networks/networking and cooperations.

Critique: Different critiques have been made of institutional theory in general. For instance, Tolbert and Zucker note ambiguity in a structure being institutionalised, ie. taken-for-granted, and yet not requiring action (1999: 173). This points to efficiency not being as important as becoming isomorphic with the environment (Meyer and Rowan in op.cit.: 172), referring to Goffman’s theory on structures thus being merely for presentation and without intention (op.cit.: 173). Furthermore, Donaldson refutes that structures lack functional value or a adopted for façade only, and thus does not support institutional theory as related to myth and symbol, meaning that only coercive isomorphism remains relevant (1995: 127). Despite the seeming contradiction put forward by the criticism, it is exactly in the CSR context of still uncertain effects, ie. precisely doubtful efficiency, that institutional theory may help interpret, why CSR nevertheless wins over businesses, seemingly proving itself legitimate, despite lacking rational results.

3.3.3 Ethical motive ²

Two different research articles are used to cover ethical motives. They are relevant since interviewees – some, managers, and others, owner-managers – have been asked also about their personal background as well as their relation to and views on CSR, touching upon their own individual opinions and values.

Hemingway and Maclagan (2004) delineate how underlying motives may not only be economic, but also related to individuals’ values, making CSR less corporate in nature and prompting the difference that individuals can change things (op.cit.: 33). More specifically, motivations for CSR are usually related to, strategic interests such as corporate image management – often responsive CSR in the face of obligation and scandals, as well as to global workforce management and integration into local community, but evidence is also found in favour of personal ethical values championed by individuals (op.cit.: 34-36). Examples of different types of personal values driving CSR, not mutually exclusive, are detailed further as being “**moral values, social values; political values; ... and sentimental values**” (Rescher in op.cit.: 37). **Social change** and related values also impact on personal values; an example given is that of consumer demand and values changing regarding fair trade, reflecting an overall societal value change (Hemingway and Maclagan, 2004: 37-38). **Decision-makers’ own values and interests** supposedly affect CSR (op.cit.: 38).

² It may seem confusing to use the term of “moral”, as well as other factors called “political”, “social” and “sentimental” within this “ethical” part. First of all, they are all aspects related to ethics, ie. moral, political, social and sentimental issues tied to ethics. Secondly, the thesis follows the rhetoric chosen by the theory’s authors, despite the fact that some do make a distinction with “moral” being about right and wrong in terms of respecting the law or not, and “ethical” being about going beyond what the law requires (Social Ansvarlighed, 2006 p. 23-24). For simplicity in this thesis, however, “moral” is taken to be more or less synonymous with “ethicality”, without diving into an extensive debate on this point.

Discretion in organisational arenas provides opportunities to choose for oneself, actions in line with personal values and priorities considered right (op.cit.: 39). This last factor has in this thesis been discarded being found less important, since about half of the companies are driven by one man, all are almost smaller sized, thus discretion and ability to influence is assumed to be relatively high.

Critique: Connecting CSR to the issue of a corporation's moral agency, Hemingway and Maclagan, themselves, point to the fact that using their framework for analysing CSR – in terms of how strategic or idealistic it is, or of whether the locus of responsibility is corporate or individual – is methodologically difficult (op.cit.: 34, 38-39, 41). Congruent with this, given that CSR is interpreted in the light of a mixture of reasons (Di Norcia and Tigner in op.cit.: 37), it is not useful to try to measure CSR in such a way. The point is merely to establish the influence of individuals' values on CSR, in some cases, making CSR more individual than corporate (Hemingway and Maclagan, 2004: 41).

Le Menestrel (2002) provides a model of venal, sacrificial, irrational and ethical business. Three rational types of business behaviour exist: **Venal** behaviour which favours economic interest over ethics, representing a pragmatic view focusing on consequences; **Sacrificial** behaviour which favours ethics over economic interest, representing an idealist view focusing on processes; **Ethical Business** which combines ethics with economic interest and is thus considered an integrated optimal and harmonious view, combining consequences and processes. **Irrational** behaviour would entail neither interest nor ethics (op.cit.: 161).

Le Menestrel refutes simplistic reduction to either pragmatism or idealism introducing relativism; rather than choosing rationally between respectively venal and sacrificial conducts, it is about a business' relative values and interests, allowing for different logical combinations of rationality in keeping with reality (op.cit.: 164-165).

Distinguishing amongst rational behaviours is not immediately evident, but Le Menestrel provides certain methods. For instance, no profit, which is objectively and explicitly observable, reveals it is ethical and thus sacrificial behaviour, otherwise it would be irrational. Lacking economic interest makes it easy for others to determine ethical behaviour. However, this is more complicated to designate when both rationality and profit are involved, raising ambiguity as to ethicality, and making it tricky for an ethical business to distinguish itself credibly from venal business. Judgements as to processes and ethicality are qualitative and not directly observable. "Beyond behaviour itself, intentions may be revealed through the argumentation and justifications of rational behaviour. Such an approach assumes that attitudes towards communication differ depending on whether one has the intention to act ethically or not (Habermas 1992)." (op.cit.: 162) Argumentation for pure profit and no ethicality not being socially acceptable, venal business will

attempt to portray itself as more ethical than it is, making for communication not in line with actual behaviour (op.cit.: 162-163). It is, supposedly, the opposite case for ethical business which can only profit and gain social legitimacy from communication highlighting its actions (op.cit.: 163). The distinguishing factor thus becomes, how well their communication is in sync with actual behaviour, i.e. “walking the walk”. It comes down to valuing confidentiality in the case of unethical, venal, business, and transparency – such as participation in open forums and disclosure of information – in the case of ethical business. The respective managerial attitude is an apparent, although indirect, exposure of the business’ nature. Transparency raises likelihood of unethicality being reported and of walking the walk (op.cit.: 163-164). This thus gives two approaches: a behavioural and a discursive (op.cit.: 165).

Le Menestrel provides categories relevant to be used in the light of interviewees’ different comments on ethical vs. profitable behaviours. With regard to communication and transparency or confidentiality, the thesis is based on qualitative interpretations, and therefore does not aim at extensively checking coherence, but rather at noting efforts at openness and attitudes towards communication.

Critique: Le Menestrel assumes that ethical businesses will always want to communicate ethical deeds (op.cit.: 165). But the question is whether this is always the case.

To address ethical motives, the following question is example asked: “How and when did CSR start for you?” Aspects to comment on are among others: friends and family, travelling, and studies.

3.3.4 Economic motive

Neergaard and Pedersen (2007) compare own findings with literature on the specific CSR issue of eco-labelling and environmental management systems (EMS) within the four topics: different motives, costs and benefits and their viewed relationship (op.cit.: 79-80). The latter is not meant in terms of providing a business case, but relates mainly to the perceived effect financially and goal wise (op.cit.: 80, 90).

Both in theory and in literature, **different motives** are found for CSR, and these are mainly external, which is seen as logical, given that literature emphasizes this aspect the most (op.cit.: 81-82). **Costs** differ according to activities, but time remains an overall essential obstacle, CSR using internal resources, and lacking external support is found the most important (op.cit.: 85, 90). **Benefits** are found to be mostly external (op.cit.: 87) and, as research shows, do not necessarily translate into financial growth (op.cit.: 86, 87). As to **comparing costs and benefits** of CSR,

calculating these is difficult for business and researchers alike (op.cit.: 88, 90), but overall it seems that benefits do not exceed costs. Even so, this does not prevent CSR activities from being seen as successful, pointing out that decisions do not always merely come down to money (op.cit.: 89-90). Furthermore, the authors join other scholars in emphasizing several important **methodological problems**, causing ambiguity with regard to establishing the economic costs and benefits of CSR, and with too simplified conclusions as a result (op.cit.: 78-79, 86, 88-90). They would rather see research on, what different CSR activities work best for which business contexts (op.cit.: 90-91). Despite much research pointing towards CSR as being economically favourable, this remains inconclusive because of the multiple methodological issues. Examples of methodological factors mentioned are: **Different CSR meanings, initiatives, industries, sizes, separation in time between actions and results** and simply **not measuring costs and benefits due to complexity** (op.cit.: 77-79).

The different motives part of the article is treated in a separate part of the thesis (see 3.3.5 “Mixed Motives” p. 21). It is interesting to incorporate the authors’ analysis of costs, benefits, their relationship, and methodological problems under the economic part, since it is relevant to compare the thesis’ empirical findings to these points in this context, bringing into question the practical economic limitations as to CSR.

Critique: The authors focus this specific part of CSR which is eco-labelling, but this is nonetheless a dominating issue, and they do not pretend to be able to generalise from this to all CSR activities (op.cit.: 79-80). Likewise, the thesis’ empirical findings being based on qualitative interpretations, generalisations are limited.

This theory is used in the economic context, even if this is somewhat ambiguous, since benefits in some cases are economic-strategic, and in other cases are less directly related to economic aspects. For instance, with regard to legitimacy and regulative issues, which are institutionally related, but also appear under benefits cited from literature (op.cit.: 86), and environmental improvements, perhaps more directly ethically related, cited as benefits in the authors’ own study (op.cit.: 87). The thesis’ focus then lies on the more directly related economic aspects mentioned, even if the thesis’ economic part should not only be understood as purely direct financial aspects, but also as economic strategic issues, i.e. having a good image.

Porter and Kramer (2006) highlight "strategic CSR" rather than mere "responsive CSR" (op.cit.: 85, 88-89). They state that two mistakes regarding CSR have been the obliviousness to the interdependence between society and business and the lack of attention to relation with the firm's strategy (op.cit.: 78). The authors extend a previous article on strategic and competitiveness-based philanthropy (2002) to CSR (2006), which is rooted in finding win-win situations with shared value

for society and for business, in terms of social opportunities for businesses (op.cit.: 84). More specifically, this entails looking from the inside out, using the value chain, and from the outside in, using the diamond framework, to establish competitiveness and strategy. The point is to relate the two views strategically to one another and prioritise, so as to obtain the best possible synergies in-between them, which will not happen if they only act in reaction or by impulse to different CSR impulses (op.cit.: 86-87). "Typically the more closely tied a social issue is to a company's business, the greater the opportunity to leverage the firm's resources - and benefit society" (op.cit.: 89).

The two models are updated by relating them to CSR and giving examples localising different relevant CSR issues within the two models:

The value chain model covers all of a firm's activity areas generating value – described below – and focus lies on having value exceed overall cost of activities, in turn increasing the profit margin (Porter, 1985: 38). Such competitive advantage is obtained by lowering cost or focusing on being better at differentiation (op.cit.: 33). In relation to CSR, analysing and prioritising the social repercussions of the firm's activities, provides an overview of negative effects to be avoided as much as possible and of positive effects to be possibly turned into "opportunities for social and strategic distinction" (Porter and Kramer, 2006: 86-87). Examples of CSR issues, as stated by the authors (op.cit.: 86) in relation to each of the areas, are:

5 main areas within businesses primary activities:

- **inbound logistics:** Limiting emission impacts of transporting incoming materials or their storage.
- **production:** Attention to water and energy used; controlling waste and emissions; safety of workers.
- **distribution:** Impacts of transportation and packaging.
- **marketing and sale:** Truthful advertising and proper product information to consumers.
- **customer service:** disposal of old products and consumer privacy

4 areas within supporting activities:

- **firm infrastructure:** Transparency with financial reporting, and lobbying.
- **human resource management:** Safety and training of workforce, benefits, and diversity.
- **technology development:** Recycling, product safety, ethical research manners, and relations with research institutions
- **procurement:** Use of natural resources, ethical inputs, and ethical supply chain such as to proper prices and child labour.

The “**diamond**” regards a firm's sources of competitiveness and overall standing nationally and internationally. It provides an overview of determinants of performance, with 4 main areas and two exterior influences (Porter, 1998: 71-73):

- **Context for strategy, structure & rivalry** concerns the impact of "rules and incentives that govern competition" (Porter & Kramer, 2006: 87). Goals and strategies vary from country to country, and these choices are crucial to the development of competitive advantage (Porter, 1998: 107). Both individuals' goals are also relevant, for instance as in emphasis on skill development (op.cit.: 113-114). Examples relevant to CSR are fair competitions and laws, transparency, incentives, and policies encouraging investment. (Porter & Kramer, 2006: 87, 84)
- **Factor/Input conditions** concerns the availability of first-rate and specialised, human and natural resources, capital and infrastructure. More concrete CSR related examples are sustainable natural resources (op.cit.: 87)
- **Related and supporting industries** concerns the availability of and access to related firms such as suppliers, promoting synergies as to innovation and knowledge in skills; related industries share activities with a firm (Porter, 1998: 100, 782). As to CSR, local suppliers and companies in related fields are very relevant (Porter & Kramer, 2006: 87)
- **Demand conditions** concerns the sophistication of local customer demands, nationally and globally (op.cit.: 87). The demand size and growth are important in terms of respectively possible economies of scale and investments made, as well as the link between the national and the international demand when relevant (Porter, 1998: 93-94, 97-99). Earliness of demand can mean earlier experience and thus competitive advantage (op.cit.: 95). In relation to CSR, it is often anticipated demand (op.cit.: 91-92) that is mentioned, and another more specifically relevant example is the idea of a social value proposition (Porter & Kramer, 2006: 87).

The two exterior factors are:

- **Governments** can influence all determinants both favourably and unfavourably (Porter, 1998: 73), and for example, be an influential buyer (op.cit.: 127).
- **Chance** is another factor that is normally included in the diamond framework. This signifies important developments which are beyond a firm's and nation's influence (op.cit.: 73). It is worth mentioning, since strategic interaction with chance may be possible anyhow.

In relation to CSR, firms must strategically concentrate on “those areas of social context with the greatest strategic value. A company should carefully choose from this menu one or a few social initiatives that will have the greatest shared value: benefit for both society and its own competitiveness” (Porter & Kramer, 2006: 87).

Critique: Porter's Diamond may seem mostly relevant to bigger firms, being “overkill” with regard to the SME context. However, Porter and Kramer point out that in the grand scheme of things, a business must pick out only a couple of the most relevant societal issues, where synergy gives the best mutual impact on society and business. In fact, the SMEs are very varied also with international linkages, despite not having extensive human or capital resources. This makes the article quite relevant in this SME context also. The two exterior influences have not been included in the new text from 2006, but are still seen as worth to include herein.

To address economic motives, the following question, for instance, will be asked: “What are the disadvantages with CSR?” in terms of possible different costly aspects. Also, “What advantages does CSR bring your company, presently/in the future?” in terms of possible differentiation, efficiency and competitiveness. Interviewees are also asked to comment on CSR’s effect on the bottomline.

3.3.5 Mixed motives

Neergaard and Pedersen (2007) distinguish several different motives for CSR both in literature and in their own empirical findings (op.cit.: 81-83). Amongst the types listed from various sources (op.cit.: 81-82), the three types – institutional, ethical and economic – gone through theoretically in this thesis can be found. In the authors own survey, it is mostly strategic economic and institutional concerns that have seem to have been asked about (op.cit.: 83); however, other concerns are alluded to in the part comparing costs and benefits, where goal satisfaction remains high despite benefits not exceeding costs (op.cit.: 89-90). Nevertheless, the conclusion remains a diversity of motives, although mostly external (op.cit.: 81-83).

This theory serves to sum up with the point that motives can be many for CSR, and the related analysis will thus draw on findings from the previous parts regarding institutional, ethical and economic motives.

Critique: It seems important to observe that although motives may overlap with benefits, it is not always the case. An example given by the authors regards internal benefits which exist, but are not always expected and thus not very much part of the motives (op.cit.: 82, 90).

3.4 Empirical data

The thesis analyses primary subjective data, stemming from interviews³ with ten representatives – owner-manager or employee – of ten different Danish SMEs⁴ conducting CSR. There are several reasons for studying the SME level: Firstly, CSR research has not focused as much on SMEs as on big companies (p.6), despite their economic importance. In Denmark, SMEs represent 92% of Danish companies, 56,9% of business revenue (Sørensen, 2007). Globally, SMEs represent 90% of businesses and 50 to 60% of employment (Jenkins, 2004: 37). Furthermore, SMEs are per definition small in size and this has consequences as to their management capacity. CSR has been said to worry SMEs, because it is costly to deal with, SMEs already facing much adversity and being different from bigger companies (Jenkins, 2004: 38-39, 48-49, 51). This dilemma due to difficulties makes it interesting to look into why and how they choose to deal with CSR at SME level.

For research purposes mentioned in the critical literature review (p.7), SMEs are chosen with variation in mind; different types of business, industries and CSR conducted are represented in the selection. As previously mentioned (p.7), CSR in Denmark has mostly been related to the issue of an inclusive labour market. However, due to the academic frame of this thesis, the selection of SMEs concentrates on companies conducting CSR that has an importance internationally, going beyond a solely Danish CSR focus. Concretely, this means especially looking into companies regarding issues that are environmentally oriented (such as for instance sustainability and ecology) and people oriented (on the developmental side, examples are Fair Trade, human rights, and on the more social side, examples are diversity management and workforce development). Last but not least, for reason of proximity, the choices are confined to greater Copenhagen, so as to be able to interview them in person.

3.5 Research ethics, validity and reliability

In relation to ethics in conducting the interviews, there are two neutrality balances to maintain: One, between having enough distance towards the interviewee and providing enough interview comfort so as to move the interview forward (Kvale, 2007: 8-9). Another, as to balancing openness and theoretical presuppositions and biases, putting these into brackets at the same time as having enough knowledge about the subject, so as again to ensure interview directional motion with albeit

³ Interviews details are classified as personal communication under the bibliography, and according to ethics (p. 23), transcripts and recording will not be publicly available.

⁴ SMEs are here defined according to European Union (2007). This definition is also described and operative in the interview guide parts 8.3 and 8.4, found on pp.94 and 97.

pertinent knowledge – Kvale calls this "qualified naïveté" (op.cit.: 12-13). Truth in representation and ethical transcription and analysis, is maintained through a semi-structured interview guide with open answering possibilities, with attention given to disambiguation and right on-the-go interpretation throughout the interview (op.cit.: 102), as well as by giving interviewees the opportunity for corrections and nuances of interview transcription notes, These are also steps towards ensuring validity and reliability. This is appreciated given that transcription is itself an interpretative process and an initial analysis, creating debatable subjectivity, since transcripts are decontextualised abstractions (op.cit.: 92, 94, 98). Transcriptions are indeed done as close to word-for-word transcription as possible, but at the same time as allowing for more simplicity and omissions where needed when not judged pertinent. The intention is to hopefully establish trust and thus true statements. Questions are not confrontational, albeit that speaking of ethics and economic results may be touchy subjects. Still, in the spirit of hermeneutical interpretation, statements are only asked in terms of gauge and not necessarily concrete results to be probed, something which is not expected to be possibly established anyhow (p.4-5). The aim being primarily to locate motivations for CSR, and interviewees representing both themselves as well as their business, clear influence by their professional positions and motifs is expected, and they should thus also be able to acknowledge the business' need of a rational interest beyond pure ethics. Therefore, no harm should in theory be possible, and no unethical situation be of risk. Moreover, interviewees are informed of the thesis' and interviews' aim, the practical specifics of how the interview will be conducted, and their consent is also sought. Transcription notes and recordings will not be made available to the wider public.

No re-interviews are planned to check up on the validity of their statements. It is not the aim either to verify their CSR results, but merely to establish motivations behind CSR, which are both related to interviewees' personal views and their business' goals. Such assessment of institutional, ethical and economic motivations is too personal to be verifiable. The interpretative analysis of interviews is still one only truth, based on a specific theoretical analysis. Conclusions in qualitative research are not exempt from being verified, but it comes down to presenting the premises for discussion (Buciek, 1996: 45-46). There are implications for global generalisability. However, it is more a question of applying the found knowledge to other pertinent situations (Kvale, 2007: 126, 127), keeping in mind that it is produced and situated knowledge, and providing adequate contextual and interview methodology descriptions, so that readers also may evaluate for themselves the findings' transferability, ie. analytical generalisation, and communicative and pragmatic validity (op.cit: 124-127, 135, 143). As for the theoretical validity of the thesis' findings (Buciek, 1996: 44-45), others have applied the institutional view of isomorphism to CSR (p.5), and the theories used in relation to

ethical and economic motives have already been used as to ethics and CSR (p. 5, 15-21). Applying the same theories, it should be possible to reproduce the same findings. There are, however, circumstances that may influence this.

As to reliability and as suggested by Buciek (1996: 46), the following presents an attempt to sample circumstantial biases which contribute to constructing this thesis' "truth", to provide an assessment of influence of these and of the possibility of reproducing the same conclusions. Primarily conducting interviews in the role of a student with a theoretical and analytical view on the interviewees' statements, findings may be different than if the interviewer were primarily asking as a customer or as a banker. In such other cases, interviews would, respectively, have even more emphasis on selling CSR as beneficially ethical and economic. With the interviewer coming from the outside, different backgrounds makes respective insider lingo less aligned, even more given the varied types of chosen interviewees and their businesses. In addition, the choice of companies has been subject to unavailability given temporal overlaps with different trade shows taking precedence and busyness in general. Furthermore, time has been limited and somewhat variable according to both circumstances and increasing interview experience. More details may have emerged with extended time, but questions and interpretative follow-up questions were exhausted to the fullest, and interviewees were encouraged to add further comments both during the interviews and during the review of interview transcription notes.

4 Analysis

4.1 Management and anchoring

The aim of this part is to map out the most important types of CSR activities conducted by the interviewed companies, as well as to evaluate how worthwhile these activities may be. Findings are compared with those of Kramer et al.'s highlighted as having measurable economic benefits. It must be noted that this analysis is a merely interpretatively based comparison, and that it not the intention to closely examine, whether the interviewed businesses have in fact reaped benefits. However, overlaps may to a certain degree substantiate their choice of CSR. The two most worthwhile CSR aspects emphasized by the authors, environmental conservation and social innovation, can be found in more or less all of the interviewed businesses, but the clearest examples will be put forth.

Beck and Jørgensen is quite noteworthy within the area of **environmental conservation**, which covers environmental managements systems, labellings and resource savings. The company's composition of paints has changed, with their "light", EU Flower labelled version being on the rise compared to their traditional paints, and they have also reduced their spill water (p.63). Alfapeople focuses on its own and customers' energy use, thus tailoring CSR to make it pertain to their core business of IT by offering up green donation solutions, and making it an issue of strategic CSR communication (pp. 63, 66-67)

In this way, especially Alfapeople bridges **CSR/social innovation** and environmental conservation, since this falls under offering products or services with an added social⁵ value incorporated. Another clear example, is Katvig with a double function product: a dress also covering use of ecological materials, which can be made into a second product, serving as a bag economising plastic bag use (pp. 62-63).

Workforce development is not a very common aspect in the companies interviewed for this thesis. Two factors have influenced this finding. First of all, the interview guide has gone beyond the type of CSR which has usually has been focused upon in Denmark, i.e. the socially inclusive labour market, to look at more general and internationally significant CSR (pp. 7, 22). Employee activities are but one aspect of CSR as seen in the "People and Profit" practical guide (pp.11-12). This aspect has not been emphasized specifically on in the interview guide, so where naturally commented on, it has been taken into consideration, but besides this, the interviewed businesses may actually be

⁵ Following CSR's definition in the introduction (p.4), CSR both covers social and environmental aspects.

much more involved with this, than what transpires through interviews and thus this analysis. Secondly, half of the interviewed businesses' workforce size consists mainly of the owner-managers and a few extra people. The other half though contains two examples of expressed workforce development. Beck og Jørgensen make safety competence courses for employees (p.35), emphasise their focus on ensuring content employees while working towards being able to lessen the amount of worker absenteeism with potential internal savings to be made (Beck og Jørgensen 24:04-25:25). Also, Alfapeople express a great deal of focus on diversity: "the internal part ... with room for all" (Alfapeople 45:22-45:36). Beyond this, Beck and Jørgensen and Alfapeople have both had public partnerships called "jobtræning", pertaining to social inclusion (Beck og Jørgensen 39:27-41:15). Alfapeople have made use of the same system, having hired a couple of reschooled top students from an IT course company, with the first six months on half salary with the other half paid by the municipalities (Alfapeople 36:14-37:53).

Contextual investment, or rather voluntary contributions, is connected with social innovation also. Alfapeople as mentioned makes green donations, actually proving strategic, distinguishing this from nice but not directly pertinent donations (p.63). Beside linking CSR to customers' being able to justify of price (p.56), C&C Travel provides Christmas packages for travellers to buy and to give in the developing countries they visit (C&C Travel, 05:08-05:35), and also donates directly to schools (p.38), investing in the environment where to they send their customers.

Among the types identified as less important by Kramer, and beyond the already mentioned public partnerships and social inclusion found beneficial by Alfapeople, working with **suppliers** – which is nonetheless a key strategic issue to Porter and Kramer (pp.20, 64) – is important amongst interviewees. For especially Estate, Bagus and Mater, this concerns training and deep involvement in helping suppliers understand the interest of CSR in it for them too. Benefits are said to include increased safety, quality, knowledge exchange, improved relations in terms of loyalty and stability (p.64-65). **Personal values** are another very important driving factor, and this is addressed in detail in the ethical chapter (p.36). **Marketplace activities**, in terms of safety and product labels, also relate to external acknowledgment and differentiation, as well as environmental precaution for Beck og Jørgensen (pp.53, 63). In general, **stakeholder activities** also pertain to Porter and Kramer's strategic CSR, prioritising efforts according to synergies between the business' firm strategy and the competitive context (p.59), seeing to governmental and demand issues for instance.

Additional CSR approaches of those detailed by the "People and Profit" project, occur. Beyond the already mentioned example of Alfapeople, strategically tailoring environmental CSR to communication, several of the companies are more and more aware of **communication**, internally and externally, of the opportunities in terms of ethical differentiation, but also of pitfalls this may

present, for example as to overcommunicating CSR (p.46).

Customer demand issues as to differentiation, being aware of and on the forefront of customer demand is another strategic issue according to Porter and Kramer (pp. 20, 65).

As to **Management, vision and values**, companies are strategically aware of CSR, with CSR being more naturally than formally built into the businesses. For instance, an old classmate⁶ of Søren Sylvest from Estate Coffee, pointed out to him that the company interestingly still ensures itself conscious CSR investments and thus advantages (Estate Coffee 08:14-09:30). CSR approaches vary as to what tools are used and whether or not code of conducts are used, see 8.2 “Company presentations” (p.84). On one hand, Katvig uses the more flexible UN Compact, but also uses more structured, formalised way with a strategy, by using standards, and a code of conduct along with other tools from the “CSR Compass” (Katvig 16:46-18:10). On the other hand, official measures and training for CSR may not be charted. Alfapeople, for example, is very aware of strategic CSR, but states:

Funny, because I am myself from the [Copenhagen] business school ... fine strategies ... visions ... We have not written down our policies, guide lines for various things ... employee handbook is standard, not special, behave decently, be good to one another ... unformal, a familiar tone. Even if we this last half year introduced project managers, chief consultants, we try to keep our organisation structure very flat, because ... it is difficult to navigate, if we have to go through too many links, difficult to steer the company in different directions. (Alfapeople 50:44 52:10).

It is noteworthy that OEO also describes a flat structure – beneficial in crisis times and perhaps also influential as to making it easier to promote CSR (OEO 45:09-47:48) – working in an extremely flexible form of a networkorganisation:

We are three permanently. And we have designers ... eight to ten, they have their own companies ... we have contract with each other, we are a networkorganisation, again we also believe very much that it is the futures way of being a company, small flexible units (OEO 45:09-45:47)

⁶ The oldclassmate is Mette Morsing, now a CSR professor at Copenhagen Business School.

4.1.1 Summary of management and anchoring

The two absolutely most important factors – environmental conservation and CSR/social innovation – are present in the interviewed companies, especially with Alfapeople, Beck og Jørgensen and Katvig. Examples, however, also prove the quite tangible strategic character of the two next important factors of workforce development – Beck og Jørgensen targeting absenteeism as well as Alfapeople making social inclusion strategic – and of contextual investment with Alfapeople and C&C Travel voluntarily contributing while addressing their key competitive context. Moreover several factors not identified by Kramer as concretely worthwhile, are still found important by both interviewees and by strategic literature by Porter in collaboration with Kramer. These additional issues involve being strategically concerned with working with suppliers and considering demand issues. CSR is also not especially ingrained, taking on different shapes throughout the companies.

4.2 Institutional motive

Institutions promote CSR on different levels, nationally, internationally. There is much appreciation among the interviewed businesses for the various CSR related undertakings. The processes may be of coercive, mimetic and normative nature, and as the theory points out they may also overlap in the empirical setting (p.13). In the following quotation, Mettes Afrika touches upon several of these offers, which she has made use of, including different public and private organisations, magazines and events: “One year with Danida ... have not really been out to ask for help ... seminars ... all the info I can, read all the [professional] magazines ... all the trade organisations” (Mettes Afrika 1:12:20-1:13:12).

4.2.1 Coercive isomorphism

Most initiatives are voluntary to make use of, so the term of coercion is to be taken somewhat lightly. The idea is that there are institutions pushing the CSR concept forward. Though the depth of change is eventually questioned, the interviewees are very much aware of this influence, both formally through organisations or informally through pressure by society and media. Mater mentions both types in the following:

It is not [a fashion]. It is really driven by institutions round about. ... the more media coverage there is about it ... the last twelve months we have heard a lot about that climate conference. Everbody is talking about it. We are also a part of that train running there, in the good way it is coming on the agenda. (Mater 32:24-32:57)

On the formal side, Bagus has been contacted by many organisations as to CSR and sees this as an increasing interest (Bagus 1:16:28-1:17:09). Mater also mentions how CSR regulations force towards a direction (p.60) and adds that it also has to do with CSR being important to organisations too:

Clearly, NGOs, the Danish Federation of Small and Medium-sized Enterprises, stakeholders, Danida ... have a big interest in that a company as ours, venture into this, because we through having an international design profile, have won a lot of awards, then they after all also get the positive effect out of this that CSR can support and help in our branche, design, something which is a clear export goods. (Mater 13:52-14:17)

Several interviewees make further comments about governmental regulations, such as the government's CSR action plan (p.60), as well as its role as an institutional buyer (p.68). Moreover as seen under 8.2 "Company presentations" (p.84), companies are aware and making use of various CSR related cooperations, tools and initiatives as well as certifications, environmental management systems and eco-labellings. These are both of national and international stature, such as the Danish CSR Compass integrating a Code of Conduct and the United Nations' Global Compact.

On the informal side, Bagus to a certain degree notes a value change in society with a rising general interest among stakeholders, the media paying attention, and customers, distributors and the market in general asking for CSR (Bagus 1:17:10-1:17:33; 19:40-20:59).

Clearly, journalists ask more and more about it, students ... turn to us more and more, they did not do that three years ago ... definitely, it has been rapidly rising. One of the reasons being, I think, the various documentaries about it on television. (Bagus 54:50-55:17)

C&C Travel notices the same general interest: "I can certainly see that people are more and more aware of this, and there is more and more support for it, clothing companies that make ecological, there is Max Havelaar, and there is Fair Trade, and many other things" (C&C Travel, 26:35-26:46). In Kuni's case, there were direct demands that he get himself Fair Trade certified: "Many had encouraged me, many times during a long time. Both stores, people around me ... and [some of] those who administrate FairTrade" (Kuni 04:52-05:15 with comment added to interviews notes).

The interviewees may be acknowledging the spread of CSR, but at the same time it is seen as uncertain, whether institutions have palpable effects: “I do not really know, whether they make a difference” (Mettes Afrika 1:25:06-1:25:09). Despite a noticeable CSR hype in the media, Mettes Afrika hints at it being accompanied by a certain hollowness:

The knowledge is more or less null ... because the media and many use the term CSR, but do not explain it. ... it is very hyped, but most will not go and ask about what CSR is, because it is embarrassing after all not to know. (Mettes Afrika 10:50-12:34)

On the formal side, further objections to sufficient institutional support are found under “Political Values” (p.37), under “Context for strategy, structure and rivalry” (p. 59) and “Government” (p. 67). Also, certifications costs are questioned (p. 51). Last but not least, an indicative example of aid doubted is that the “People and Profit” project has been criticised for concentrating more on the spread of the CSR concept rather than ensuring that it is well rooted (p. 12). On the informal side, limitations to consumers’ CSR interest appear under the parts pertaining to social change (pp. 41-42), the importance of price (pp. 55-56) and the nationality of demand (p. 67).

4.2.2 Mimetic isomorphism

The theory emphasizes uncertainty and ambiguity as reasons for mimetic isomorphism, with the goal being to economise action. Certain evidence verifies this goal, but reasons are rather those of inspirational sources based on positive admiration, as well as models that are criticised, amounting to negative mimetism.

At first sight, the theory is proven right, since companies using CSR related aids do perceive this as an advantage by economising on action, with three different examples given here:

So how do we get to manage the environment in the value chain, do it by choosing to produce in relation to some environmental labels, there are standards, where everything is described, so do not have to go and reinvent the wheel. ... For instance, the EU Flower and the Swan. That is why we chose that strategy. (Katvig 11:18-11:50)

We joined the UN Global Compact already from the start, six months after we established the company, to have some sort of guideline to help us with our own values. (Mater 05:51-06:05)

It is the practical part of being a sparring partner as to the possibilities of responsible supplier management and then doing the paperwork ... write our code of conduct ... our supplier self-assessment, the questionnaire which is twenty pages ... the development part ... the more concretely professional (Bagus 52:28-53:06).

Mater and Bagus think that help plays a decisive role when comparing costs and benefits (p.56), and Katvig underlines this as to her involvement with the “People and Profit” Project:

I have worked with that for many years. It has [inspired], and they have held unbelievably many courses and seminars, and it has been a really big help. Would not at all have been where I am today, had it not been there. (Katvig 18:14-18:35)

Moreover, as Beck og Jørgensen, for example has found lots of tangible economising advantages in following the environmental management system ISO 14001 (p.63). Beyond these more formal resources, businesses also refer to models such other businesses, people, and conceptual ways of thinking for inspiration. As Katvig puts it: “I think after all that one gets inspired by everything one hears about, and sees in relation to this, out and about that is all kinds of possible green undertakings” (Katvig 35:18-35:26). Kuni adds: “Yes I am also affected by it – and that it fine, because it contributes to making me more aware” (Kuni comments added to interview notes p.6). There are again signs of wanting to seek advice from others in the same boat. As Bagus puts it: “There is a need for discussing those nuances, hear other points of vue, as it is that jungle, it is really good to discuss this with others. Had the opportunity to discuss this briefly with Rice” (Bagus 1:00:56-1:01:11). Along the same lines, when commenting on the available sources of help, Katvig seeks more personal experiences and cases to better learn about what has been done in which situations by other companies (p.52). Many other company are examples as to rolemodels, whether in the same business or not. Katvig, who is in the clothing business, speaks of different rolemodels in the same branch:

Pantagonia ... American firm, which has been out and about for many years, and also used recycled polyester, and is little by little close to having quite a lot of ecological cotton in their collaction ... It is clear, that there has been a lot of attention on Noir. (Katvig 34:19-34:58)

Even if Mater is not in the clothing business, they have “to a high degreee been inspired by those tendensies from the fashion industry” (Mater 22:59-23:02). Further examples of unrelated businesses are given: “[Body Shop], I have looked at lot at them. Have looked at Noir, one has read a lot about round about, Daylesford Organic in England, Innocent drinks in England ... which have

systematised it more” (Mater 29:35-30:09). Likewise, Alfapeople point towards, ““Engodsag[.dk]” if you know it ... good concept ... shows that of course it is possible to combine things, to do business and at the same time to support development-projects, even if it does not have anything to do with us, the idea comes from there” (Alfapeople 1:07:17-1:08:11).

Several interviewees cite other people found externally. These may be public figures or personal acquaintances, and from other lines of business or not. Alfapeople states: “Personally ... respect for e.g. Christian Stadil from Hummel ... inspiring way of conducting business ... it rubs off” (Alfapeople 20:55- 21:42). Bagus has received help from an old friend who is a high-level CSR consultant using him as a sounding board in relation to CSR and strategy (Bagus 01:02:18-01:02:32). Estate Coffee also talks of an important “journalist called Maja Wallengren, who is Danish, but who is an international coffee reporter, lived on three continents, who has also been able to portray ... a lot of living conditions ... she has gone socio-culturally crosswise into the coffeeworld and lives in Mexico now” (Estate Coffee 37:19-37:47). OEO, which works with combining design and strategy, refers to multiple beacons, such as MacDonough, Noir, Edun, Bono, Morten Lund, Richard Branson (OEO 08:32-09:42; 12:37-14:40)

Often inspiration comes from rolemodels found internally in the company, namely the company’s leadership’s mindset. As Beck og Jørgensen answers in relation to inspiration: “Our leadership’s opinion on the environment, this is what creates it. ... Vision that we believe this is the right way of thinking” (Beck og Jørgensen 48:22-48:39). Katvig states: “Vigga’s husband, Peter, who is our visual designer, he is also after all fantastic at coming with new ideas, he comes up with a lot ...both our director and her husband (Katvig 01:09:56-01:10:22).” This is further detailed, also by Alfapeople and C&C Travel, in 4.3.1.6 “Values of decision-makers” (p.42). On a similar note, Katvig are inspired by themselves, being ahead of times (p.49).

An influential concept, the Cradle to Cradle book and mindset emphasises recycling. This is further developed on by OEO and Mater in the part on “sustainable resources” (pp. 61-62). Another example is Estate Coffee appreciating the general relevance of the Max Havelaar concept’s emphasis on small actors’ security, in terms of planning the budget, incomes and expenses (Estate Coffee 13:12-13:26).

The theory is lacking in terms of not taking into account “negative inspiration”. Some references are made negatively, in terms of wanting to take distance from and being aware of dubious and uncertain models. In other words, being critical of other examples looked at, helps towards finding one’s own path. This is something also expanded on with regard to ethical positioning and distancing from venal business (pp. 42-43).

Bagus mentions Max Havelaar and Fair Trade, remarking that these organisations lack a clear definition of purpose, tending towards ambitious and fairly unrealistic goals:

Also looked at Max Havelaar og Fair Trade ... they have not very well defined, what they actually want ... They are very ambitious ... I simply can not imagine that there would really be anyone, who could live up to what they say they want. ... They want democracy in the workplace and voting on different things, well you cannot even have that in Denmark, and they want that in countries where people do not know of democracy. If you ask people, who are not used to taking responsibilities, to vote on this, they will not understand, not even the employer would necessarily understand what this is at all about. (Bagus 1:06:00 -1:07:27)

4.2.3 Normative isomorphism

There is evidence in favour of the theory's supposition of isomorphic socialisation. Sharing knowledge is very important to many of the interviewees and this is expanded on under social values (p.39). Formal initiatives, mentioned under mimetic isomorphism as being action economising, also include networks. Katvig's Pia Odgaard is a member of two networks: "the Danish Initiative for Ethical Trade ... a lot of support and resources to get there, among others supplier courses, which our supplier has been on in China" (Katvig 16:07-16:22), gives "a lot of sparring and ... inputs in relation to approaching different problem areas" (Katvig 52:36-52:43), and "Fairwear, which is ... not commercial, but an non-profit association, working to spread information and knowledge about textiles and textile production" (Katvig 33:49-34:03). As mentioned in the previous part, Bagus and Katvig respectively seek out networking with other businesses and business cases on CSR experience as professional sources of inspiration (p.31). Discussing and sharing knowledge in an important benefit received and transmitted from networks and networking. Mater exemplifies this with among others their participation in a very diverse CSR related network:

A series of ... new networks, with sustainability as a pivotal point, trying to gather companies, who do not work with CSR, with some which do, talk a little about that, getting some external inspiration for that, so there is formed networks with a work purpose. ... Bæredygtighedslaboratoriet⁷ there is everything from a footballclub, architects, people from the tobacco industry ... something I sough out [information about] by myself, because I

⁷ Literally translated, the "Sustainability laboratory".

knew we had to go in this direction ... “People and Profit” ... The Confederation of Danish Industry have used me as guest speaker in some of their CSR conferences ... Now we are not anymore in the canvassing phase. Now we are some that are used, asked to come out and tell about what we can, how we have learned about this (Mater 25:36-27:22)

Some businesses feel that others have followed them (p.49). In other words, they feel that they have influenced others, in a sense dovetailing with the theory’s suggestion that normative models are disseminated. Networks are in fact means of normative influence. A first example, would be Mater and OEO, who cooperate together as OEO serves as Mater’s outsourced creative director (OEO 46:12-46:43), using a network of designers: OEO emphasizes their structure as being “a networkorganisation ... everything from journalists to photographers, to trendresearchers, we have a big international network and use it diligently and combine accordingly” (OEO 45:39-46:13, p. 27); by providing these designers with product briefings, Mater influences and socialises them into certain behaviours:

Try to weave it into the briefings written to the designers about what products, things one wants out of the process commenced upon with a designer. Try to communicate the message, so it is clear what one wants attitude wise to those that must give shape to our products. There is after all none, who is in design, who does not think that this is relevant to look at. (Mater 37:32-37:53)

Another slightly more personal example would be C&C Travel, who have not been offered any official help or taken part in CSR networks (C&C Travel 14:47-14:57): It is rather personal networks – with friends helping for free, e.g. as to doctors on trips and advertising people giving consultations – still providing a channel of normative influence (C&C Travel, 14:04-14:40).

On a different note, it is interesting that many of the interviewees come from the same educational background of a business school. According to theory, despite being from different businesses and industries, the same sort of education, brings about similar minds (p.15). In fact, five out of the ten interviewees have a higher educational degree, with four of the five having a cand.merc. diploma from Copenhagen Business School. During Kenneth Sørensen’s cand.merc education, he made an exchange stay in USA, where he became acquainted with CSR through a related class offered there (Bagus 03:04-03:55). Likewise, as to CSR and his cand.merc.int education Estate Coffee explains it “was not a real phenomenon or concept, or established with its own institution, but it has lied implicitly in some other things ... I did not choose many foreign aid courses, but there must clearly have been something in it” (Estate Coffee 59:00-59:28).

Despite the existence of CSR related networks and networking, professional interaction is, first of all, related to their core business. In other words, there are limits to how far CSR related normative processes may override those processes that are primary related to the businesses and its priorities. In this regard, Alfapeople states: “We have no plans about it right now, we participate in many networks, but not quite on social thoughtfulness” (Alfapeople 59:11-59:30). Also, Beck og Jørgensen’s network initiation is of a type more directly related to their business, where four companies collaborate with a professional educational purpose of teaching paint and varnish employees in process hygiene so as to live up to EU labelling rules (Beck og Jørgensen 1:10.30-1:13:27). However, Mettes Afrika adds another remark as to networks being fickle and thus also as to the propagating effect:

I am a great fan of networking and networkgroups ... But the Danes are really bad at the networking ... people are just so selfish ... one has to talk about oneself, but also about others ... and share. I started a network of ten designers and have withdrawn from it again, because they did not understand it after all. (Mettes Afrika 1:16:44-1:17:35)

4.2.4 Summary of institutional findings and critique of theory

There are many institutional isomorphic forces supporting CSR, coercively, mimetically and normatively. On the coercive side, there are, however, limits in terms of questioning the depth of CSR’s ingraining and of the amount of institutional support. Beyond the fact that the theory seems quite narrow in terms of attributing mimetic isomorphism purely to uncertainty and ambiguity, rather than also looking at positive and negative reactions, the theory also makes an unnecessary sharp opposition, separating perceived success and legitimacy from rational efficiency. Although not financially concrete, and that economic results are dealt with in another part of the thesis, interviewees mention many rational arguments in favour of CSR tools economising on action. It seems contradictory that such assertions may not be the same as mimetism – and ultimately the success and legitimacy of CSR – being based on efficiency. This makes the claims of it being only about myth and symbol less substantial. Normatively, networks and networking provide dissemination of models through the sharing of helpful information. Although several come from the same background, theoretically leading to attitude similarities, networks are still each business’s proper core strategy, and therefore, contrary to theory, normative influence does thus not

completely neglect or override their main concerns. Also, in one instance, there are, however, doubts as to how much information really is shared, with some refraining from being open with others.

4.3 Ethical motive

As Kuni says, CSR also stems from personal factors: “Where does it come from? Well it is a question of life stances, life attitudes, life philosophy, life ethics, and this after all comes to a high degree from one’s childhood yes, and so on, right?” (Kuni 15:37-15:50). This part therefore uses Hemingway and Maclagan, so as to look into the most relevant, apparent personal values shining through the interviews, of the following different characters: moral, political, social and sentimental. Thereafter, values reflecting social change are taken into consideration, as well as values established by decision-makers. Last but not least, *Le Menestrel* is used to establish ethical positioning according to venal, sacrificial and ethical business, as well as the degree of communication as a reflection of transparency and as an indicator of ethicality, rather than venality, when profit exists.

4.3.1 Personal values

4.3.1.1 Moral values

Mettes Afrika addresses business ethics with a very personal and straightforward approach. She refers to the United Nations and as well as basic good ethics transmitted through a good upbringing (Mettes Afrika 59:56-1:00:36). Even if she does use suppliers already involved with CSR and certifications (op.cit. 55:22-55:33), she says: “It is me, who is judge, it is my gut feeling” (op.cit. 1:01:36-01:01:39). Along the same lines, Kuni emphasizes the importance of personal values and trust when doing business: “It means that is it their person, their way of treating other people, which determines whether I like them. And if people have bad ethics, then I do not feel like doing business with them” (Kuni 03:34-03:47).

For Estate Coffee, travelling have been important factors as to exposure to moral issues and the differences in realities: “The big thing was ... Indonesia after high school, where I lived on Sumatra ... enormously motivated by seeing, how privileged I was ... it has nothing to do with my CSR understanding, but still it has after all” (Estate Coffee 1:00:31-1:02:43). Dorte Juul Mydtskov, from

C&C Travel, personally remarks seeking a balance, having seen much poverty during her many trips worldwide and thus wishing to help (C&C Travel, 25:46-25:58; 20:49-21:02).

The differences also lead to further pragmatic considerations for Bagus, as to the fairness of rules compared with the realities of developing countries, and this is also dealt with under time (p.48) and certifications (p.51). Moral issues arise, rules not being well-adapted: “On Bali ... instead of having one or two days off a week, then they would rather work every day for three weeks, and then have time off during four-five days, because then they have time with the family” (Bagus 01:24:11-01:24:41). In other words, Kuni stresses the gap between theory and what is practically possible (Kuni 09:43-10:11). Moral reasoning becomes complicated also in the concrete case of child labour, since as Estate Coffee further points out, the distinctions become very fine detailed: “Is it exploitation of children or is it about the children on the farm having time off from school as in the old days where they took the potatoes and helped during the harvest” (Estate Coffee 33:27-33:35). Kuni in principal finds himself in favour (Kuni 17:44-17:50) due to the difference in time and evolution of developing countries; despite not liking the entailed hardships, it is about understanding the prioritisation of hunger and survival of a multitude of people (Kuni 18:23-19:15).

4.3.1.2 Political values

Politically interest is also apparent in interviews. C&C Travel voices political dissatisfaction as to the argument of businesses’ role perhaps not comprising CSR and rather leaving this to the public sector, serving society instead/purely by earning money:

We are very aware that it is not enough, what the public sector does, especially with this government ... where development aid and everything else is lowered, then it is every citizen’s duty to support and contribute. (C&C Travel 11:02-11:53)

On another note, Beck og Jørgensen hopes to have an influence on the availability of resources and pertinent regulative public institutions and big companies, albeit indirectly:

One must not forget that ... all the big ones lie there in Brussels ... with lobbies ... many of the bigger chemical conglomerates ... There we use the Confederation of Danish Industry for lobbying ... In that way, we get lobby work done around what needs we have of getting raw materials, which are appropriately pure ... They have their entrance to Christiansborg and EU. (Beck og Jørgensen 1:04:45-01:06:55)

Katvig is also interested in being politically visible: “We are also really hoping for that plastic bag. It is political after all. Yes, it lies in being a frontrunner after all that one takes the battles there are, right?” (Katvig 56:04-56:26). This line of reasoning is underlined with lobbying: “We try to lobby as much as we can through direct contact, and also through a media agency, which we have put on it” (Katvig 01:02:49-01:02:57). In other words, it is about fighting against unfairness: “this role we want to have ... to be some who bring attention to unfairnesses which actually harm the environment. If one can do something, which is better, but is then punished financially, then it does not really make sense” (Katvig 31:54-32:09).

Beyond the interviewees expressing their own political initiatives here, political issues are also expressed under “Context for strategy, structure and rivalry” (p. 59), and “government” (p. 67), covering acknowledgement, expectations and fears surrounding governmental initiatives.

4.3.1.3 Social values

Different social aspects are touched upon by interviewees, in terms of thinking of recycling and nature, promoting awareness and education, as well as simply wanting to leave a mark. First of all, odd as it may seem to be classified in social values, by definition CSR includes the environmental aspect (p. 4). Kuni is very aware of recycling and nature:

I have always been a “recycling freak” in respect of nature’s limited resources and because I very early in my life realised that we eradicate ourselves as species, if we merely consume ... I have always been very aware about eco(systems) and chemicals’ disturbing effect. – It has been a “natural” and unavoidable part of my whole way of acting (Kuni, comment added to reviewed interview notes p. 1)

This is also linked to thinking more holistically and sustainably, integrating CSR into the company, the packaging and the product through recycling, with examples such as Bagus and OEO, dealt with under strategic CSR and sustainable resources (pp. 61-63).

Secondly, education and general awareness are important social values in different ways for several of the interviewees. C&C Travel focuses on basic education and the general awareness it may stimulate, for instance with regard to the environment, by donating to support schools in Thailand, since local schools are not well maintained (C&C Travel, 03:36-04-38). Estate Coffee personally finds this issue important, which is why training and scholarships are offered. “Strongly influenced by the fact that I personally believe that education is the way forward and lasts longer and deeper than random checks ... used in a split-second” (Estate Coffee 25:09-25:26). Kuni also stresses the

importance of education as to survival: “I really see people survival, and preferably more than that, namely also possibly of giving education to their children that it is so decisive. And actually, education for the children is almost getting to be more important than survival” (Kuni 26:57-27:13). Regarding suppliers and developing countries, Kuni says, “in general, I do not believe in force but in consciousness” (comment added to notes p. 2) and also adds: “I deal with it through dialogue and not via demands” (Kuni 26:24-26:30). Katvig comments on a similar note of mutual understanding and respect rather than control: “And we would rather aim at long-term collaboration and capacity development than checks, checks do not change anything, it is better done by trust through cooperation” (Comment added at the end of the Katvig interview notes pp.10-11). Mater also stresses the need for suppliers to understand, the link between CSR and economic benefits (p.64). Information sharing is much valued (pp. 31, 52). In terms of educating consumers, Mettes Afrika tries to spread the word about CSR, interviewing others, being interviewed herself and has written for professional magazines to explain concepts and inform about CSR, also holding courses and presentations, and participating in trade events (Mettes Afrika 28:03-28:22; 32:58-34:38). Katvig has similar plans, for a “Katvig Academy”, to inform buyers and customers through seminars, believing that well-informed consumers will make more demands, something which is presently only the case regarding ecological food and cosmetics (Katvig 01:07:28-01:08:17). Along the same lines, Mater touches on this subject with regard to being open with journalists and letting them visit suppliers, however, provided that journalists take a two-day course, briefing them about the problems and realities, which require to start somewhere and then adjust things according to circumstances (Mater 14:54-15:43)

More than being about personal issues, several wish to improve societal issues. Mater adds:

I am myself a father of two children ... when I disappear from here, how does it then look, can you yourself leave even a tiny mark on something, where you say “well if I had not done it, it had perhaps not happened”. (Mater 35:49-36:03)

After having travelled enough to see the differences in living standards, Estate Coffee would also like to make a difference:

The inspiration has especially been trips in production countries. See and experience the difference from the spoiled country we happen to live in, and again the desire to act as we best can in this world, participate in influence a small drop in the ocean. (Estate Coffee 36:44-37:06)

4.3.1.4 Sentimental values

For Mettes Afrika, it is very much emotional values that drive her business, as she says herself, “there is no deep science in it, all kinds of strategies incorporated in it. It is actually just more about the heart than the mind” (Mettes Afrika 07:42-07:52). It is about personal values transmitted during her upbringing, as well as it is about her wish to support African women and decent working conditions, a cause related to her husband and children being South African. It is not an added fashion gimmick to sell more, and regardless of whether production could be done in another country for less, Mettes Afrika remains attached to Africa (Mettes Afrika 19:31-20:42). In Katvig’s case, it also started with a very personal involvement: “Vigga started this company with Katrine, so always were an awareness about it, as both new mothers, has to be decent and healthy product, in any case not contain anything unhealthy for their children” (Katvig 04:22-04:36). Thomas Lykke from OEO who functions as Mater creative director, states that “Mater is after all our little baby and we are very proud of being a part of Mater and it is also a Con Amore projet for us, so it is pure heart” (OEO 21:16-21:28). He also has the following to say about the important role which their work holds:

Craftmanship is a big part of Mater, and we again also see this as something which is sustainable that we protect some manufacturing traditions, because these also die ... everything becomes too industrialised ... so we try to keep the craftsmanship alive by working on using it in our design. (OEO 53:29-53:57)

Kuni states that he has “during some years gotten close to a population, which has ... completely different conditions than us, and ha[s] come to care about people down there, and about culture and all other kinds of things” (Kuni 15:52-16:13).

4.3.1.5 Societal change

Social change has an impact on personal values and the way a company is run. C&C Travel states that “People want this ... it is a need, the awareness of having to help ... you cannot take without giving something” (C&C Travel, 19:20-19:34). Bagus likewise notices the quite recent increasing interest in CSR, with “almost a double-up from year to year since 2000. Back then there was not much ... almost no one really asked for it” (Bagus 23:11-23:21), “because it is something which no one really talked about fifteen years ago. Now it is something which one, on some level or another, can discuss with everybody” (Bagus 01:17:20-01:17:34).

Alfapeople, which also has a branch in the UK, is an outspoken example of a business' values reflecting society's: "We have many different cultures in here. ... A mixed crowd, it is then more an expression of how the English population looks and their attitude towards diversity. ... Many of us live with many cultures in their daily life" (Alfapeople 15:25-19:32).

Mater sees it as a question related to a value change:

I think that generations like yours have a much higher degree of ethical perspectives in choosing jobs, in saying "what I do want with my life?" – ... than my generation did ... totally different awareness of this ... My own generation is getting there, when woven into the lifestyle products, we think are cool. Others, with a younger background ... have a more conceptual approach, "it just has to be like this." (Mater 34:40-35:38)

Estate Coffee thinks of it in terms of the different aspects of a person:

A mix of professional purchases ... and how it is on the individual level, that is personal ... ambitions of being a good human being, ... where one oneself can affect the world a little, by doing some CSR proper procurement, for example, where one has the possibility, both as private person and as a professional. But controlled very much by the private person (Estate Coffee 34:53-35:22)

It is also about specific issues at hand. Katvig notes that: "There is a lot of attention on the environment right now and especially ... and there probably always will be, on childrens clothing" (Katvig 26:51-27:00).

Nevertheless, for better or worse and as Mater states, "Yes it [CSR] is [an add-on], because ... you can consume with a better conscience" (Mater 39:46-39:50). Kuni likens CSR to 17th century's indulgence letters, much appropriate when organic foods are picked up in a uneconomical four-by-four vehicle or flown in from far away (Kuni 32:49-34:34; comments added to the interview p.6).

As touched upon previously in the critique of coercive isomorphism as being hollow, this means that there are still certain limitations as to how deeply people are interested by/in CSR. CSR being a jungle and relatively new, almost no one, not even journalists, look at it in depth, but seek a romantic idea, boiling it down to whether one is responsible and does CSR or not, society wishing to make into black and white (Bagus 22:10-23:02). "Also some who are beginning to talk about the nuances, but it is small-scale. There are not many who would like to go deep into" (Bagus 23:26-23:38)

4.3.1.6 Values of decision-makers

Company leaders' personal values are quite important guidelines to employees. Rolemodels are thus also found internally: "It is Vigga's keynote and attitude ... It is like a gift, right, for someone like me to come to work in such as company, where that is where it [the focus] is" (Katvig 32:50-33:06). Also for Alfapeople, the leaders' outlook on things plays a big role:

Christian has living in the USA for many years, and then we have all sorts of people as I said. It just does that I think one looks at people in a different way, not looking at hindrances in things, seeing challenges instead and the joy in it. ... Christian and Jakob, the two founders have both worked in Microsoft in Europe, the United States, and Denmark, where one sees ... people ... work in these different teams, very international. (Alfapeople 19:38-20:53)

When touching upon the influence of the company's history and leadership's spirit, Beck og Jørgensen comments that the leader has always aimed at the company flourishing in society, "Michael Jørgensen, third generation, ... very social, ... he would like that his company must be represented by social responsibility, not only the environment ... also on human side" (Beck og Jørgensen 38:29-38:59). Likewise, C&C Travel states: "We consider it, because we think that we have to do it, we cannot in decency do otherwise, it lies so deeply in the leadership style" (C&C Travel, 10:07-10:17).

4.3.2 Ethical positioning as to venal, sacrificial, ethical Business

Ethical considerations play a big role as to integrating CSR into business. Several companies indeed show signs of being torn between their obligations towards their company and those towards society.

On the one hand, there are companies that try to manage CSR one way or another, tending towards venal business; Bagus points at companies, which due to pressure and to keep up appearances create an alibi by sending a lengthy code of conduct for immediate signature by suppliers, who most likely do not understand it (Bagus 38:24-39:26).

On the other hand, companies also strive for sacrificial business. C&C Travel would like that their CSR is well linked to their core business, but at the same time they say, "we would also like to use the money that we get more in to do more for people out there" (C&C Travel 10:36-10:45). Despite

size perhaps being a temporary obstacle, Katvig believes that CSR is part of a business' role and long-term considerations (Katvig 58:48-59:21). Likewise, Beck og Jørgensen also declares:

One also has to be able to afford that dimension, and have the extra energy to help others, it should not all be about profit. ... Here we have a size that makes it possible for us to say that we must be capable of it. (Beck og Jørgensen 37:55-38:20)

At the same time, as Mettes Afrika distances herself from venal business, she acknowledges that she and her family also need to survive:

I could of course never, never get the idea to be a stupid bastard businesswise ... I am not a saint ... of course I am a business, before anything ... of course I have to earn money, my children also need a pair of shoes once in a while. (Mettes Afrika 20:44-21:15)

In other words, a business has to thrive financially to survive after all, meaning that a sacrificial ethical positioning forsaking rational interest, as in a non-profit organisation, is not an option. Estate Coffee underlines this: "We simply cannot afford to use time or energy on something that does not support our core business" (Estate Coffee 28:45-28:53). C&C Travel equally makes prioritisations according to resources, maintaining focus on the business, with CSR as a sideline activity (C&C Travel 15:52-16:02). Similarly, while wishing to spread their findings, Katvig also wishes to retain their fair right for competitive advantage, to use it branding wise and receive some credit (Katvig 33:05-33:44).

Ethical business shows profit does not have to be at odds with ethicality. As Mettes Afrika puts it, "But of course it is also because there is money in it, I am a business, right? But I just think that one can make a business in a decent manner" (Mettes Afrika 01:31:27-01:31:35). Alfapeople points out that they "have to make ends meet, yes, yes, that's no secret" (Alfapeople 01:06:54-01:06:58), and refers to the example of "Engodsag.dk" combining business and ethics (p. 32). As yet another sign of ethical business, rational interest and profit may also be used to do good deeds, and are actually a premise for it as recognised by Kuni (Kuni comments added to interview p.5). Likewise, OEO states that "Mater is also a company ... must make money, ... have growth and get big, and thus have influence and a spillover effect on society ... become a beacon, and show others sustainable production, a CSR approach can pay off" (OEO 09:17-09:40). He adds that:

Many ideals, I am also a part of this world, of creating a better world. Simultaneously, I am also driven by building business ... but by the capacity to be successful, you will also have more funds to make a difference in practical terms, I think there is a shift happening of more

entrepreneurs towards thinking in that way, where you do something to give back (OEO 13:50-14:23)

Estate Coffee also feels in sync with a trend, which they have noticed, in terms of a change with business being deeper involved: “in the private part of Denmark ... to go out and collect, to donate time, and involvement, instead of just money. So without knowing it, in line with that” (Estate Coffee 27:57-28:16).

4.3.2.1 Communication

Communication is dealt with under the thesis’ ethical part, because Le Menestrel finds that the factor distinguishing the ethicality from venality is transparency in communication. In this section, we’ll see instances of efforts towards openness, as well as multiples examples questioning Le Menestrel’s view that businesses will always seek to communicate their ethicality.

An aspect to observe is that communication, may not only serve to distinguish venal from ethical business. Businesses also need to communicate to obtain business. In other words, communication may help signal ethicality, but it also incorporates rational interest. To illustrate, communication to her local community is very important to Mettes Afrika: “Dependent on it ... You have to know that I am here after all, ... very much by word of mouth, ... the best form of publicity, ... flyers, ... using words as proximity environment and supporting ... locally” (Mettes Afrika 01:30:19-01:31:06). The same idea goes for strategic communication with differentiation as a goal, for instance as to Alfapeople (pp. 63, 66-67), as well as networking (pp.31, 33) and communication (pp.39, 46) for information sharing and sparring.

Even if Bagus does not communicate CSR extensively, for reasons mentioned below, Bagus is aware that it is: “a part of positioning the company, a part of what one stands for, one of our core values. The intention is to make it more and more visible ... One can make it much more visible in the whole marketing” (Bagus 35:39-36:18). Similarly, Estate Coffee observes “we act in complex consumer society, where it is not enough just to have good taste or to have a good stance, everything must make sense, and when we are asked, we must be capable ... in argumentation” (Estate Coffee 32:56-33:12). CSR and its communication becomes a distinguishing factor in Estate Coffee’s eyes, distancing them from venality: “We have also achieved to signal that it is not just something we say ... that it is sustainable prices we pay” (Estate Coffee 17:07-17:21). Mater communicates their CSR extensively and is not afraid of doing this:

One of our key values ... transparency, meaning that as much as permitted by the manufacturers ... audits and observations made at the factories are put out for the public eye to see and for download on the internet, for example. ... When a journalist asks whether they may come out and visit, we say “you are welcome, go see, go take pictures, you might get wiser”. (Mater 14:36-15:01)

But Mater acknowledges “also others that are nervous as to CSR, anxiety of the press, anxiety of the bad story” (Mater 14:25-14:30). Similarly, OEO remarks that to some CSR can be risky:

People are very cautious. Many think it is exciting, but do not dare to go the whole length. Also difficult for the big companies to change from one day to another, one can make a small beginning; they are also the first to be stabbed, if it fails ... It is a balancing act, if you go and communicate that you do it one hundred percent, means failing, because one cannot be that sustainable ... You can strive after placing the bar high, and do it as well as possible ... but it is impossible to do one hundred percent sustainable production” (OEO 09:55-11:16).

In the following, when commenting on communication awareness and CSR adding something to their core business, C&C Travel introduces further reasons for not communicating CSR and obstacles to doing it:

We would like to, of course, but not in a flaunting manner. But of course, we are conscious, more and more, of it being topical, and it is also therefore that we will make more and more of it on our homepage, we have also for the first time made a pricelist, where we have included a couple of pages on our help programmes. ... We will point out that we actually do something. (C&C Travel, 07:36-08:04)

As C&C Travel puts it: “The intention is not to brag about it.” (C&C Travel, 06:41-06:46). Bagus speaks on similar terms as to humility: “Partly, it is a question of time, but most importantly, I have not wanted to do it, before I seriously could vouch for it (Bagus 44:08-44:16). He feels the need to first be doing “something ground-breaking, e.g. use a lot of recycled material, at the same time as being socially responsible, if it sort of has to be integrated” (Bagus 45:09-45:19); “So in that way that one makes sure one’s suppliers are respecting basic human rights, it should really be a “must”, like, “but of course”. Therefore, I don’t think it is anything special” (Bagus 45:42-46:03). He does add that “maybe it is also just because, I sometimes have big ambitions, and then I do not think it is anything special” (Bagus 01:19:57-01:20:03).

CSR is characterised by varying degrees of awareness with more companies catching on to its importance now, as illustrated by C&C Travel above. Many companies may be doing CSR for a long time, without knowing it or that it is a concept, and thus not communicating it either. “I have done it during many years, and have sort of first become aware that I am doing it, since people have started talking about it, for me it is natural to do it” (Kuni 14:33-14:43). Bringing the argument further, Bagus states that some already do CSR without knowing it and living up to it; therefore, despite researching into it and communicating it, he does not feel that it is fair to think they distinguish themselves that much as to CSR (Bagus 46:02-46:54).

Despite valueing the need for openly sharing dilemmas and experiences and planning for increasing their efforts to do so, for Katvig, it is also a question of resources (Katvig 45:03-46:05). C&C Travel state that vulnerability does not lie in embarrassment, but in having to balance things, as maintaining updates and increasing their profiling on CSR, takes time and resources that they do not have (C&C Travel, 17:26-18:11).

Also, not feeling particularly vulnerable as to CSR, Estate Coffee points out another important issue of not wanting to overcommunicate it either, since as Estate Coffee puts it, it not what their core business is about (Estate Coffee 40:41-41:01). OEO also wish to avoid overinforming with too many messages and confusing consumers, pointing out that CSR is not their selling point and that they believe people’s knowledge of it will come on its own (OEO 20:34-21:16). In Mettes Afrika’s case, communication turned out to make things more confusing, despite having the purpose to enlighten. Mettes Afrika used the word CSR from the beginning, “but nobody understood it ... eventually I was like this, “now we have to remove this from our marketing, because we cannot lecture people”... people didn’t care ... People bought the bags, because they were nice” (Mettes Afrika 04:30-04:52). Estate Coffee further illustrates that it is important not to dilute the central message:

If Max Havelaar had not worked very hard making itself attractive to consumers, we would not flash that “flag” on our coffee, might still have used it in our purchases, but ... we will not stick some insignificant stamps all over our bags, so it seems like we are pumping up our brand with stamps, we will only send some signals that are relevant to them, good taste and ecology and fair trade. (Estate Coffee 56:23-56:41)

4.3.3 Summary of ethical findings

Although there may be interest in ecology, price remains a hampering factor. So rather than reflecting society, the companies show proactiveness, in terms of enacting political and social values still pertaining to strategic business concerns, respectively ensuring fairness in rules and access to pure resources, as well as aiming at disseminating information about the benefits of, or even dangers of lacking CSR. Personal values thus weigh a lot, as well as being driven by the decision-makers' values. Moreover, it is indeed not about a reduction to extremes of either profit or ethicality. Ethical business is an attempt to incorporate ethics, recognizing that the business' survival is contingent on profit, and at the same time that aiming to do more CSR is also contingent on profits. There is much awareness of both the plusses and the minusses of communication. This means that contrary to theory, although they recognise the positively differentiating branding advantages, communication is not always a given, since besides their reticence to show-off – also tied to not feeling it is good enough – it may cost them in resources and vulnerability, as well as adding the risk of making their brand more complicated. Besides, on another theoretical point, the self-interested character of communication should also be noted; it is not only an innocent marker distinguishing businesses from venality, it is also an issue of strategic branding.

4.4 Economic motive

Two bodies of theory are used here, by Neergaard and Pedersen (2007) and by Porter and Kramer (2006), respectively, to shed light on costs, benefits, comparison of costs and benefits, methodological difficulties, as well as to show strategic use of CSR, as to the companies' value chain and competitive context.

4.4.1 Costs

CSR has several costly aspects, due to different factors such as the time consuming aspect, the companies' size, certifications' costs and help issues.

4.4.1.1 Time

For Estate Coffee and Mater, essentially CSR does not make products more costly, but is costly in terms of the time required to follow-up on and research issues (Estate Coffee 50:50-50:59; Mater 05:28-05:51; 08:15-08:25). OEO also asserts that CSR lengthens the process of putting out new products:

Time to market is longer, it is more resource-demanding working after a CSR model, than it is, not to think so much about it and throw some products on the market ... to think CSR into it and make it run in where one is working in, because it is often small companies ... not industrialised ... ensure oneself as to the quality being optimal. (OEO 22:49-23:36)

Concerning which process stage that takes up the most time, and along the same lines as what he stated under moral values (p.37), Bagus is quite preoccupied with all the ethical considerations involved, and feels this is what takes the most time:

One really has to do a lot, as to every single supplier, if one wants to do it seriously, familiarise oneself with what it is fair. It is very resource demanding ... The big part is to do the policy, do the reflections ... actually less to go out to the supplier and put it into effect, still resource demanding, ... but it is to get it done, to acquaint oneself with everything, to decide what it really is that we want, it is just not all that clear-cut. (Bagus 39:57-40:41)

Alternatively, Estate Coffee puts the weight on the work afterwards: “There is a lot of help for actually the preliminary procedures to fill out paperwork, in itself fine, but implementations, it is there time is critical” (Estate Coffee 48:52-49:08). For Estate Coffee dealing with CSR is very time-consuming with timing: Waiting for certifications (op.cit. 42:12-43:35) as well as struggling with Fair Trade coffee availability due to rising USA popularity and harvest quality fluctuations (op.cit. 19:33-19:57), means having to concentrate purchases into containers from fewer countries to avoid delays (op.cit. 45:40-46:10) and dealing with substitution difficulties due to strict certification criteria to fulfill (op.cit. 52:14-53:41). Touching upon both the preliminary work and the implementation, Mater states: “Always a process to find out what we actually should include in our “Code of Conduct” and control, healthy pedagogical exercise to do. The execution [costs most resources]” (Mater 27:47-28:05). Bagus seconds the fact that it is a continuous learning process and somewhat doubts that they are doing the right thing by doing things systemically as recommended by consultants and asking always for documentation (Bagus 1:09:17-01:09:39).

Along the same lines of CSR taking time to deal with, companies may also be ahead of times, where time then goes by, waiting for the rest to catch up. Several consider themselves to be and want to be frontrunners and rolemodels. For example, Katvig has this wish and feel that they have caused that others follow in their footsteps (Katvig 41:02-41:16; 55:25-55:32; 55:41-56:02). It has taking time though for more people to open up to CSR and its benefits, as Mater says:

When you are talking banks, people who work with liquidity and the economy, you after all still see CSR as a costly element, something that costs money, therefore, in a broad sense for investors, banks ... only now that they are about to open up to CSR which can optimize the operation (Mater 13:23-13:48)

OEO who collaborates with Mater, seconds being early with their ideas, but has noticed new actors in Denmark entering with the same goal. (OEO 42:57-43:14)

4.4.1.2 Size

As to CSR struggle, OEO says that it is “not a question of one being a small company, it is a question of simply working with CSR simply in relation to working with CSR” (OEO 23:55-24:03). On one hand, Mater alludes to an advantage in being small by stating that “there are very few companies who integrate this [CSR] in their philosophy, into everything they do. I also understand that it is very difficult for the bigger companies to reroute production to different new materials” (Mater 31:06-31:26). There are nonetheless, clear examples of how a smaller company size can give obstacles as to handling CSR and related costs. First of all, Bagus notes that prioritisations are required:

It is a very small company that has gone through so many changes, I would never have dreamt of having done things in the way we have. Lots you can do, but it is also a question of time and money. Everything one has read in the theory books, which one wants to do and thinks one should do after all when one is writing an assignment, in the real world, you are simply forced to priorities fiercely. (Bagus 36:20-36:47)

C&C Travel equally states that “it is super hard, because it [CSR] becomes a sort of “by the way”, on the side, after working” (C&C Travel 16:31-16:38) and adds that “everbody produces everything, more or less, as you can see” (C&C Travel 01:10-01:13). Despite being a medium sized company of 93 employees, Beck og Jørgensen add that, “one probably should not be very much

smaller than us. It lies integrated. We all work with it. ... It is spread out on all employees in the same spirit” (Beck og Jørgensen 49:24-49:56). CSR capacity is curtailed by a small company’s organisational capacity:

We obviously have respect for protocol, but it is cumbersome and heavy ... because we do not have an employee. I know that larger companies have an employee working on this all the time. We do not really have the place for that. (Estate Coffee 43:55-44:11)

This also means difficulties as to thinking about expansion of CSR activities:

This is after all our challenge that we do not have a CSR department ... clearly, if we landed such a project ... we can also employ an employee for it, but there is not dramatically many kaffeagronomer, who simultaneously know Estate Coffee, which you could send to Kenya. The problem is – I must admit – that it is often in a small business, often the key employee it points towards, if there is anything new or extraordinary. So we do not have the “engine power” to go into it. It takes at least some consideration, and in the short term it would have perhaps mean costs in our core business, and on the long term, one does not know what comes, but you can not calculate towards it. (Estate Coffee 47:42-48:21)

A small company size makes it difficult to push for CSR demands, as Katvig says, there is “not much capacity ... weight behind ones words as a newly started company, when one asks ones suppliers to guarantee that it does not contain any poisonous things, then it asks one to get produced elsewhere” (Katvig 04:36-04:50). This makes things more complicated and costly, having to source from limited, already certified suppliers, with accordingly more expensive products (Katvig 12:31-13:32).

4.4.1.3 Certification

Certifications are costly, in terms of time and money. On the one hand, Estate Coffee appreciates the weight that certifications have. “Because more than our own observations, then we know, that this protocol is observed” (Estate Coffee 56:53-56:56). Likewise Mater acknowledges how certifications mean commitment as to credibility that entail, but points out that to a small firm, certifications being too costly also means that the next best thing becomes to buy certified materials (Mater 23:24- 24:13):

For a smaller firm, it is rather uninteresting, we do not have the FSC label on products ... to use the logo just costs 15.000 a year, plus 10.000 for the annual audit of where the tree comes from, fair enough, just not an economy that a small company engages in. So we do what is good enough, which is telling that is purchased from a[n FSC] certified supplier. So in that way probably oriented towards larger companies these arrangements. (Mater 24:25-25:05)

Alternatively, but along the same lines, Bagus has based itself on the SA 8000, without wanting to be certified as it is very resource-demanding and one step further for them; some issues are unrealistic or even frivolous, first having to understand and then having to make suppliers understand (Bagus 40:58-42:58). Katvig's case provides an in-depth illustration of the difficulties as to time and money: Finished products are tested at the Danish Technological Institute during 4-6 weeks, with tests costing 6000 kroners for one colour, the double for two, all in all having paid 750.000 kroner in one year. If products do not pass the test, it is all started over. Moreover, both certification, so as to make these tests, and the issuing of it, costs. Competitors, not having to do this, do not have their marginal return and competitive ability weakened (Katvig 37:18-39:45). Kuni questions the worth of certifications. "To get certified is extremely resource-demanding, it is really a hurdle, which definitely discourages many people from apply for it. But the thing is then that if it then gets certified, then that certification is perhaps worth nothing in reality" (Kuni 19:46-20:12). For Estate Coffee, the "challenge has been from the start ... that Max Havelaar coffee was a certification that did not have anything to do with quality" (Estate Coffee 11:26-11:34). Mettes Afrika is quite opposed to certifications, doubting the meaning and value of a piece of paper (Mettes Afrika 01:00:43-01:01:00), never having been asked to show certificates or evidence (op.cit 36:26-36:42) and in the light of lacking control making anyone able to buy a ecolabel (op.cit 38:37-41:20). Thus she actually regards them as waste of paper and ink (Mettes Afrika 1:00:44-1:01:21). Nevertheless, she does use suppliers with certifications and finds comfort in these being upheld (Mettes Afrika 55:22-55:33), but emphasizes the unfairness of certifications' cost, seeing the latter as the government's responsibility (Mettes Afrika 01:02:11-01:03:01). Beck og Jørgensen also believes in the inhibiting factor of, beyond the cost of development, the unfairness of the certifications' tax to be paid on the CSR related products (Beck og Jørgensen 19:34-20:10; 31:08-32:18).

4.4.1.4 Help

Even if help is provided, it is still regarded as dubious or there is not time and resources to make use of it. Though Mater thinks the "CSR Compass' " tools are good, he says some may fear complication and thus not use it; so the help is to some extent adapted to reality, but it could easily be better (Mater 27:23-27:47). Regarding the quality and execution when receiving help, Bagus states they could be better, given that the minimum that a company is asked to do, is still too hard to start off with; it is rather about not taking it all in at once and instead starting somewhere doing it well, knowing what one wants (Bagus 01:21:00-01:21:46). I.e. the help is out of touch with reality: "Yes, there is much of the assistance, which one can get, it is too theoretic in one way or another ... It is simply often people that never have had to implement it" (Bagus 01:22:19-01:22:34). Katvig having garnered a lot from the "People and Profit" project, emphasizes appreciation and the need for more sharing of in-depth and down-to-earth cases, rather than too theorizing material, however, pointing out that ultimately time will acquaint one better with the usefulness of the different tools offered (Katvig 21:08- 22:50).

With regard to using more help, most interviewees stress that they lack time, a factor also found by the theory. They make do with what they have access to of help and are already dealing with at the present. As Estate Coffee stated (p.43), they do not have time for much more than their core business. Katvig states: "It is not the help that is lacking, but more the resources to put into it. Because there are so many places to seek information and help" (Katvig 18:48-18:59) Or as Bagus puts it: "I use it too little ... I do not have time. ... have spent a lot of time on this, maybe even too much time, simply have to prioritise, in a more normal job, then I would use it more" (Bagus 1:00:34-1:00:56). Moreover, not even after being offered massive help from Danida, is Mettes Afrika able to consider expansion, due to the ongoing crisis (Mettes Afrika 50:06-50:38).

4.4.2 Benefits

Benefits are especially mentioned to be in terms of acknowledgement, in other words it is an indirect rather than a direct repercussion on the bottomline and price. In some cases, there are concrete advantages in terms of savings or efficiency both for the company and for the environment. However, as the latter is a focal point of the strategic CSR theory, it is treated in the respective part instead (p.59).

4.4.2.1 Acknowledgement and differentiation

Benefits can be seen as different types of acknowledgement, giving better external and internal relations and reputation.

4.4.2.1.1 Externally

Mettes Afrika see it as a result that she was contacted for cooperation by Danida and The Danish Chamber of Commerce on the Danish Import Promotion Programme, and for another job with Asylcentret, in both instances being praised and asked for extended cooperation (Mettes Afrika 51:44-52:41; 01:33:39-01:34:06; 55:48-57:17). On a similar note, Beck and Jørgensen, even having received a prize for their efforts as a frontrunner (Beck og Jørgensen 13:39-13:59), believe that being a chemical-technical company, CSR makes it easier to interact with authorities (Beck og Jørgensen 06:53-07:39): “We enjoy that the authorities follow us with us having that certification, they are sympathetic towards us, ... benefits, ... trust in our management in the environmental area” (Beck og Jørgensen 11:25-11:55). Professionally, Beck og Jørgensen have also received attention. “The paint trade union ... has visited us to hear about our environmental profile. Quite nice” (Beck og Jørgensen 47:07-47:20). C&C Travel has also noticed an effect. “Business partners also give feedback and think that it is interesting what we do ... both suppliers downthere and airlines, other business partners here at home, who of course are aware of us, because we precisely do such things” (C&C Travel 22:11-22:32). Likewise, OEO says that “quite a few people have noticed the Mater story, and which have then contacted us, it is big companies” (OEO 33:19-33:29). Beck og Jørgensen also point out they also have “an environmental goal of wanting to integrate the [EU] Flower as a trademark, [gives] recognisability in the shape of our environmental profile” (Beck og Jørgensen 16:51-17:04). In the same differentiating manner, Alfapeople says, “absolutely image wise, and we hope customers choose us instead of the nine others who provide the exactly same, as they can tell their employees, business partners, and proclaim that their IT is green” (Alfapeople 43:22-43:46). Also Kuni thinks that with CSR, “one can clearly use it as to the brand, the image ... it clearly has value, ie. competitive advantages” (Kuni 23:18-23:29). In an indirect manner, Estate Coffee feels CSR contributes to the bottomline as:

To do something else than just send off money, is something I as a person have respect for ... creates respect round about ... It contributes with substanciating our branding/positioning ... social engagement, which is just as important. ... CSR very much underpins our sales, totally,

because it is included as a parameter in the total picture of what Estate Coffee is ... especially because it underpins the things we declare in practice. (Estate Coffee 27:27-30:11).

Bagus also believes that “it is the marketing wise part of it, the brand value, there is an interest in it from society, and a demand from customers for it, so for that reason, well it is an opportunity to sell more” (Bagus 01:15:26-01:15:40). More concretely he links it to the need of displaying evidence:

Also to better be able to document it. Well because ... it is not enough simply to rely on people ... If one otherwise manages to do it right, there is no guarantee then that one does, but it is a good marketing tool, I believe that the market will demand more and more documentation (Bagus 32:42-34:17)

4.4.2.1.2 Internally

CSR also benefits internally as to the employees acknowledgment of and satisfaction with their company. “Internally, you can say, it gives us something internally as to the employees, because we also think it is nice in relation to ... getting the employee to identify with something which is good to do” (C&C Travel 08:03-08:21). She also recognises that it may attract and retain employees (C&C Travel 08:10:08:14). Likewise Estate Coffee explains that hearing a young Brazilian trainee’s approach and experiences (Cf. also p. 65), contributes with more than the boss’ lecture coming home from a trip: CSR provides an exchange of knowledge from two different view points and respect, internally from coworkers and also externally from coffee bar customers (Estate Coffee 25:48-27:08).

Another example of consideration of internal communication is Katvig which integrates CSR thinking into the company’s daily administration as their use of ink, paper, and recycling, and precises (Katvig 29:35-30:11): “If one wants a company to work and that people are committed to this, one has to let it run through everything and let everyone have a say, a place in it, otherwise you will not get ownership for it” (Katvig 29:53-30:08).

4.4.2.2 Bottomline and price

The thesis' empirical findings dovetail with the theory's finding that CSR does not allow for higher prices or a visible effect on the bottomline. CSR products are more costly and this is a problem, when first and foremost price matters a lot to consumers.

Mettes Afrika is especially clear on price being the most important factor. She finds that people do not care about anything else. Though some will buy the most expensive due to it being a matter of principle, and though she may touch upon romantic values when mentioning women's projects in Africa and the bags, this will not make them buy the bag. (Mettes Afrika 24:25-26:12) People care more about ecology now, deciding for themselves whether to buy more expensive ecological, or cheaper and unecological, but this is not the case with CSR, which does not lie as closely to them. (Mettes Afrika 11:09-11:38). Mettes Afrika precises that interest and need are "two very different things ... everybody is really interested" (Mettes Afrika 01:09:50-01:09:55), and thus notes that "there is a need for cheaper CSR, ecological, products" (Mettes Afrika 01:10:35-01:10:42). Likewise, Kuni stresses the fact that despite more awareness and interest, instead of taking Max Havelaar, which they asked for, they take the coffee on sale, so price decides what they choose (Kuni 13:41-14:21).

Bagus describes CSR as an add-on, since it is about the right combination of product, service, design and price:

One does not sell only on CSR, everything else must be alright. Even quite so socially responsible across various companies, will not buy a pig in a poke, so they will not pay triple for it to be socially responsible ... I am saying that the product must be in order. ie. that CSR is something extra ... as a starting point, your product or service, or both, they must be in order. ... If the design is in order, one would like to pay extra, but there is some limit (Bagus 25:05-26:34)

Beck og Jørgensen also concurs that CSR is an add-on to the products "it is not so that we can get more for a light product than for traditional paint. The competition makes it so" (Beck og Jørgensen 29:24-29:48). This means that when asked about the effect on the bottomline, Beck og Jørgensen answers:

No ... the price determines the paint sales. A litre of traditional painting and a litre of light painting [CSR version] cost more or less the same. ... The money is used with regard to development. ... yes, because there is that rising demand. Painters today want environmentally friendly, odourless [paint], and which they can work with reasonably without

having to having to wear masks and all sorts of things. That is how it has become today. (Beck og Jørgensen 27:53-28:56)

Katvig raises a point, which is that CSR may be a qualifier when the prices are the same:

No we cannot ask for higher prices. If people have to choose between two different products, and that one is a Katvig product with the EU Flower on, and they both want them alike, then they will take Katvig, because we have it. But they will not choose Katvig, if it is more expensive, just because it has an environmental certification ... The premise is that they both cost the same. (Katvig 41:58-42:20)

Along the same lines, C&C Travel think that CSR may, have the effect of justifying a purchase: “there is an interest from the people we have out there travelling, when they have seen the different helping programmes, so they have been very excited in that they can justify for themselves, we Danes are that way, right?” (C&C Travel 05:18-05:35). This argument is detailed further in the part pertaining the economic crisis and to Mater, Katvig and Estate Coffee thinking that CSR may turn out to be an advantage in such times (p. 69).

4.4.3 Comparing costs and benefits

The interviewed companies are quite aware of the costs of doing CSR, but focus on the advantages. Despite, being applauded for their serious efforts, Bagus has some doubts as to their way of doing things, when the hard work and documentation is compared with the overall outcome (Bagus 01:08:40-01:09:18). Nevertheless, Bagus thinks their work with CSR has been an advantage, despite drawbacks:

For us, it has clearly be an advantage, even despite the fact that we have spent much time on it, but it has also made a difference that we have been involved in the PPP project, because if we had not been involved in it then, then I do not know. (Bagus 51:29-51:46)

Help is a decisive factor. Mater has also pointed out the necessity of such forms of cooperation as a way in, with regard to in general dealing with CSR: “Working with HVR, Technological Institute with Danida ... when you talk of production in developing countries, it is that way to proceed, otherwise it is quickly too expensive for companies that do not have the capital for it” (Mater 29:12-29:26)

Kuni has obtained “higher sales to a specific type of shop, but it has also required quite some work, which I could have used for, e.g. ... “normal” sales work, so it is difficult to say whether there has been any real gain” (Kuni comments to reviewed interview notes p.4). However, he stresses, “there is not any question, so it is not something which I think about in that way. But in general, it is clearly very costly” (Kuni 16:31-16:42). Likewise, OEO says: “It creates a lot of limitations as to what products you can make ... but we actually do not see it as limitations” (OEO 26:32-26:51). It is rather a design issue (op.cit. 52:56-53:07). Alfapeople that despite conflicts, which diversity make bring, these are conquerable, and the end-result is dynamic creativity, which actually is their livelihood (Alfapeople 18:28-19:14). Companies thus persevere with CSR despite costs: “We do it and will continue to do so, but it is a massive distortion of competition, it is” (Katvig 40:18-40:24). Likewise, C&C Travel says: “It takes money and time from the business, but we also know this, and that is just the way it is” (C&C Travel, 10:20-10:27). She also adds: “And then we clearly have a basic belief that, but of course, it is just a part of the price of running a travel agency that we also help out there” (C&C Travel 12:28-12:39)

4.4.4 Methodological issues

The thesis’ empirical findings concur with Pedersen and Neergaard’s findings, in that the interviewed companies express lacking measuring of results or difficulties with it and in seeing results on the bottomline. As Bagus states: “Extremely difficult to measure and we have not really tried to measure it, but I am convinced ... it has clearly made the brand better, there is no doubt, although not communicated extremely out loud” (Bagus 50:16-50:50) Likewise, Mettes Afrika also says it is not really possible to talk about results as to CSR with regards to South Africa:

We haven’t done projects, which we could measure things on, we have been through three to four different factories, so we cannot measure on it, and say “Let us take five women in from the street and let’s see whether they during the year can establish a family and get a house with a garden in the back”, it is not like that ... we have just chosen the factories, because they already take care of their employees. (Mettes Afrika 42:58-43:24)

As she also says, “It could be interesting if one could get the percentage of, right, who bought the things, because it was ecological or Fair Trade, because they saw it on a certification, in relation to price” (op.cit 01:03:33-1:03:44). However, as Alfapeople says as to a bottomline effect, “yes clearly, but whether precisely in crowns and cents, it can be difficult to measure, ... when has one

chosen it precisely because of it being green or what” (Alfapeople 43:06-43:22). Also, as C&C Travel puts it, it takes time for results to show and be understood:

Some can and some cannot, but it is a question of education and information, for some it is just, here and now, to be on board. ... we try to make them see that it works that we build this, but it is again something long-term, you cannot measure this right here and now, but you can measure in on the longer term (C&C Travel 23:28-23:57).

As mentioned by Kuni in communication and awareness of CSR (p.46), C&C Travel expands on the measurement troubles by pointing out, how CSR is also recent in companies’ conscience:

It is difficult to measure precisely after all, because we haven’t been in the field with this consciously very long, but hopefully it contributes ... I don’t know if we sense it, but it is in any case our hope that it shall differentiate us from others ... higher demand hopefully, on the bottomline it is difficult to measure also, because we use quite a great deal of money on it, so you could call it negative measuring. (C&C Travel 09:03-09:35)

Just as varied as their industries, different CSR tools are also used, as also previously mentioned in coercive and mimetic isomorphism (Cf. 8.2 company presentation). This has implications as to different focuses, and ways of defining CSR and of measuring progress. CSR focuses vary as seen under 4.1 Management and Anchoring part, and so do CSR definitions, as Mettes Afrika puts it, “most have their own interpretation of it, there is no key to what it is” (Mettes Afrika 13:45-13:50). In general, both people and environment are a focus, for instance for Mette, but she tries to make distinctions though:

For me it is people . . . how are they doing in the production place, how are things sort of made, more than it is environment, more than it being about ecology, for me it is two different things at any reate, right, ... with CSR then I clearly think the working conditions, right? But our leather is also ISO certificied, so we also think about the environment. (Mettes Afrika 09:21-09:57)

There are also different approaches when assessing CSR and measuring progress. Companies comply with each their respectively chosen certification standards and environmental management systems. However, as mentioned as to Mettes Afrika under moral values (p.36), some are guided mostly by their moral values and have a less formalised approach, which Kuni likewise represents: “I look around, see what is going on, and see whether I like it or not. ... I do not make any concrete

demands of my suppliers, I choose the suppliers I would like, and discuss with them and inform them” (Kuni 06:32-06:58)

Thereafter on a next level, codes of conduct are used to follow up on progress: “see the extent on the code of conduct basically per supplier, how many ticks, checked bokses ... in the control program, we have not done such a calculation ... eighty percent is alright, intuitively said” (Mater 19:13- 19:36). Also Bagus finds it beneficial to follow on things in such as way, thus also avoiding misunderstandings (Bagus 31:14-31:48).

For the most concrete results, there are the cases of Beck og Jørgensen and Alfapeople, dealt with under sustainable resources (p.61).

4.4.5 Strategic CSR

Strategic CSR is about holding the company up against its competitive environment, to find synergies that may serve both the company and society and environment. Despite feeling a quite spiritual relation to ethical thoughts and values (p.71), Mater is the most outspokenly aware example:

CSR [is] in min opinion, pure business, one should see it as pure business, if one does not familiarise oneself with how a business operates on the bottomline, and “shareholder value”... which after all is driven by money, if one does not put CSR into that context, of how you can generate a better bottomline from it, then one misses the after all completely fundamental princips in it, how our monetary system is built up ... you can question, if you should then do it, just because the director gets a good gut feeling ... It should be concreticised into values, which management groups, boards and executives can measure, and until now success, failures are after all measured by the bottomline and your shareholder value. As long as it is decided that the world is driven by money and share prices, then have to put CSR into that context. (Mater 33:00-33:58)

4.4.5.1 Context for strategy, structure & rivalry

Governmental incentives in the shape of tools to aid with CSR are much appreciated as they economise on action (p.30) and are found decisive for small firms (p.56). For example, Katvig expresses this in relation to the Danish “People and Profit” project, (p.31). This contribution of

knowledge affects the technology development part of the value chain, and has the further potential of ramifying on other parts, depending on what this knowledge is converted into as action. Using environmental labelling schemes, albeit supranational such as the Flower provided by EU or the Nordic Swan – as Katvig does and much appreciates (p.30) – affects almost all parts of the value chain. Even if what Mater remarks on governmental regulation may not have a direct consequence on SMEs, a positive indirect effect may occur, for instance on their availability of resources, and thus on the procurement part of the value chain:

After all, one sees a development among others in that the government determined on the 16th of December [2008] that the one thousand biggest companies have a reporting duty as to their work with CSR. This, forces towards a certain direction. It is alright to write that one does not do it, which is also part of the reporting, but what company with self-respect would write that and would dare write it in their public annual report. So legal frames and reporting demands coming from the public sector, which drives an agenda [on CSR], which is only exciting. (Mater 34:00-34:34)

However, besides the issue of the hurdle and heavy cost of certification (p.51), Katvig adds another unfairness issue, regarding rules: despite having made an environmentally friendly combined packaging and consumer carrier bag, it is taxed simply, because it has a hole and thus is a carrier bag (Katvig 30:55-31:54). As a follow up on recent green statements by the prime minister's, Alfapeople hopes for and believes in future CO2 accounting (Alfapeople 44:27-45:03). Katvig seeks more supranational regulative initiatives to support CSR (Katvig 44:44-44:54), as well as much more focus and impact, walking the walk, and fears that the Danish climate conference, in the light of the crisis, turns into hot air and a fad without any ripple effects, simply having been a political branding gimmick of some seeking a NATO post (Katvig 01:04:41-1:07:19).

However, as seen under 4.3.1.2 political values, Katvig and Beck og Jørgensen are fighting and doing their share of lobbying to make things more fair in regulations, and thus trying to strategically influence their competitive context, as well as their business' firm infrastructure and opportunities of procurement of pure resources and supplies. For Beck og Jørgensen, this further ramifies on their spill water and thus on their production of paints, and for Katvig, on their packaging, disposal of products – i.e. distribution and customer service. The indirect effect mentioned above may occur for these two companies, the government's CSR action plan supporting their goals of obtaining pure supplies. This shows, in other words, as also seen under the ethical part that there are strong individual values and goals too. Education, information and awareness are recurrent social values (p. 38), in which, for example, Katvig is invested both as to customers and suppliers (p. 39), with

respective implications for the parts in the value chain concerning marketing and sales, as well as procurement due to ethical supply chain practices. Beck og Jørgensen have established a network to share knowledge and skills on hygiene in this case affecting their human resource management (p.35)

4.4.5.2 Factor/Input conditions

4.4.5.2.1 Human capital

As previously mentioned, Beck og Jørgensen made a network, together with other companies, to promote hygiene knowledge to workers (p.35). This affects technology development, production and human resource management parts of the value chain, increasing safety and specialisation of employees. Alfapeople also presented a way to get specialised human capital, through social inclusion and public partnership with a firm from a related industry (p.26). In both cases, see also “Related and supporting industries” (p.64)

4.4.5.2.2 Sustainable natural resources

Consideration of environmental CSR is very important the interviewed companies: “CSR should be an integrated part, not some add-on, because it has to be an integrated part of the business, and preferable of the product also, for instance that it is made more or less of recycled materials”. (Bagus 27:05-27:25). OEO also notices this:

Many big sinners round about ... as to Cradle to Cradle, have to think differently with regard to products sent out on the market. Might be following the UN Global Compact and think that one has an ethical profile, which one perhaps also has in relation to human rights ... it is not something that disappears on its own at some point, they end up at some point in the garbage dump, the same with their packaging. It is still garbage that is produced every year (OEO 37:38-38:20)

Also Mater brings up this different way of consuming and producing:

“Cradle to Cradle” philosophy project ... Re-thinking consuming, one can discuss the relevance of, us using a lot of resources on setting new products in motion, which basically just uses a lot of energy on making them, furnishing them and shipping them. ... trying to think about what happens to the products afterwards ... “single-source” philosophy of

materials... can you take things apart ... where are they going, can you “up-cycle” them, or be fairly neutral in [CO2] (Mater 39:53-40:32).

Several value chain parts are affected: inbounds logistics, production, procurement, distribution as to packaging, and customer service as to discarding products. Moreover, OEO finds that much responsibility lies with the designers, having the first say, and that they should think sustainably, having learnt this early on, thus giving more warranty to the creation of yet another designer product (OEO 44:16-45:02). This is also supported by Pia Odgaard, who before working for Katvig, took charge of teaching CSR knowledge to designers, in the light of the trend of increasing outsourcing to abroad (Katvig 02:03-03:17). As an example of the CSR integration Katvig uses recycled packaging boxes (Katvig 27:22-27:35), but has also found an innovative way to recycle and spare overuse of resources:

All that plastic we think is simply terrible ... which is used once ... a really bad idea. So we found out about making this bag, in cooperation with a company that could then create a degradable plastic. And instead of being created as a packaging bag, which had just to be thrown away, then it has been designed as a plastic bag with carrying handles. ... When the stores receive the products, they can take the removable label off of the packaging ... then they can use them as a customer bags. And then it is printed with biodegradable soya ink, which leaves nothing behind, so the bag is biodegradable and can be composted.... And it is a quite ordinary plastic bag. (Katvig 27:35-28:32)

Bagus also believes that the best would be, to both be socially responsible and recycle. (Bagus 45:09-45:19), but points out the difficulties. Unfortunately, this is not even enough. Despite their many trials and much interest from people, and sales of it have not been good. Price and design must also be thought of, and often designed recycled products are too expensive for them to be able to buy and in turn sell in Denmark (Bagus 45:19-45:40; 48:00-50:04). “So in relation to that dream, we have only reached a third of the way” (Bagus 49:56-50:01). Katvig has, however, in their own manner, managed to integrate recycling into their products: “Our outerwear this season is made with recycled polyester ... waterpaste, chopped up and remelted and spun into new polyester” (Katvig 29:07-29:17). Another Katvig example pertains to design and product innovation with two double-function products, regarding recycling, reusability and ecology:

Other initiatives also ... a soft ball for children to play with, and then one opens it and shakes, and then you have a bag with a little pocket for a mobile. Also to lessen the plastic bag use, right? Moreover, because we just think there are so many plastic bags, one should not, then we

have a bag, also a grocerybag, which then can become a dress, there is a zipper in the bottom.
... in ecological cotton. (Katvig 56:34-57:48)

For more concrete advantages pertaining to the savings of resources, there are Alfapeople and Beck og Jørgensen. Affecting the marketing and sale part of the value chain, as well as production and procurement, Alfapeople adds value being aware of how CSR integrates strategically best with their core business. Their grouped hosting solution is environmentally economical by saving electricity, and financially economical and practical for small clients to rent, becoming a statement differentiating Alfapeople; energy efficiency can be tallied up, and branded and profiled as a green IT solution with, moreover, green donations as an appendage (Alfapeople 38:25-43:00). Voluntary contributions are strategically thought out as Alfapeople could also say “buy this system, then 10 kroners go to a water well in Africa ... perhaps also a better case to support, but it does not relate as much to IT as using energy ... it hangs better together with IT” (Alfapeople 1:08:17-1:08:42). Likewise, Beck og Jørgensen is very aware of their use of, and thus effect on, natural resources during production – also affecting, technology development, human resource management and procurement – summing up how their “light” i.e. CSR related products allow for both internal and external benefits: “So this “light” paint is good for the consumers, ... us who produce it, and ... our environment, ... resources” (Beck og Jørgensen 30:03-30:17). Also touching upon marketing and sales and infrastructure, Beck og Jørgensen points out:

We are a chemical-technical company, ... focus on that type of company, so one does right in creating a good environmental profile, i.e. working all the time to better oneself, emit less wastewater, less CO₂, productionwise use as little energy as possible (Beck og Jørgensen 33:14-33:45)

“Wastewater ... is much better, ... milder than that let out of traditional paint” (Beck og Jørgensen 30:19-30:41) Beck og Jørgensen have managed to reduce the waste water emission by 62,7% between 1995 and 2008, while their production increased by 31,4%; also, in 2002, 18,9% of their paint production was the environmentally-correct EU Flower light rather than traditional, whereas in 2008, this part has risen to being 39% (Cf. tables in Beck og Jørgensen interview transcription; Beck og Jørgensen 26:01-31:01). The company appreciates the environmental management system ISO 14001, providing efficiency – environmentally and resource-wise – in tracking energy use per litre of paint (Beck og Jørgensen 10:04-10:48).

4.4.5.3 Related and supporting industries

4.4.5.3.1 Related Industries

Beck og Jørgensen networks so as to share knowledge pertaining to CSR, as seen under normative isomorphism (p. 35). As seen under Management and Anchoring, Alfapeople has in relation to socially inclusive “job training”, strategically collaborated with a company with complementary services, an IT course center, providing Alfapeople with two top students for their workforce (p.26). On another note, Mater collaborates with other firms, not necessarily in the same industries at all (p.33-34). In other words, related firms may also be interpreted in terms of being related due to a shared problematic, such as CSR. All in all, the same value chain parts are affected as under “Human capital” (p.61).

4.4.5.3.2 Suppliers

Working with suppliers is important, so that suppliers see for themselves the rationale behind CSR, with consequences for the company’s procurement and production. For Mater it is about “supply chain management, which is how you optimise your product flow and processes through a series of ethical undertakings” (Mater 08:46-08:56). It is a two-way street for the companies at hand and the producing suppliers. Both Kuni and Katvig underline cooperation rather than demands (Cf. social values p.39), and as also previously mentioned, Bagus is quite invested in working with the suppliers to make things easier and more understandable for them – bettering competitiveness and their ability to document and also sell to others demanding CSR – by providing suppliers with documents and knowledge about their own national legislation (Bagus 57:49-58:24; 01:13:18-01:13:35; pp. 37, 51)

Mater states that the pay off in making suppliers understand the important rationale – through training programmes provided by organisations’ help – lies in both of them working towards the same agenda: suppliers seeing CSR’s benefits of efficiency and the money in it for them, thus obtain contracts conducive to productivity, ultimately ensuring product quality and a long-distance control mechanism (Mater 15:56-17:21). Mater also points out the interest of help for self-help as to holding on to their craftsmen, specialised in the knowledge intensive high-quality products (Mater 10:03-10:34). Estate Coffee seconds this motivation through investing in the companies ensuring a well functioning production:

So to ensure loyalty in the other direction, from the cooperative in Nicaragua, we have chosen to involve ourselves deeper than just paying a good price, and risking some others want to pay 10 cents more, ... scholarship agreement, because we thereby consolidate our cooperation, beyond that it feels right internally ... they are a part of the powerful resources of the twenties which the cooperative can build on, there will stay there and will not leave ... education into the cooperative ... cooperative consolidated ... their coffee is at least not worse ... better company. ... Greater cohesion and hedging and consolidation of a long-term cooperation. (Estate Coffee 19:57-21:10)

For Estate Coffee, is not only about the covering the supplier's "costs, but also to pay and treat its employees properly, that is after all what is important, to pay a price, it is that he can afford to put in the workforce in order to maintain the high level" (Estate Coffee. 10:18-10:30). All in all, it is an investment in having things run well, ensuring steady high quality: "if we know that we have the right coffee then we are rolling. We know that, the better we know our businesspartners and that they deliver the same constant high-quality coffee year after year" (Estate Coffee 29:04-29:19). Moreover, as part of a knowledge exchange, Estate Coffee has also employed a brasilian trainee, coming from an export company supplying them and thus getting the opportunity to travel, bringing back consumer market literacy and development with him, as well as providing production information to Estate Coffee employees, thus affecting technology development and procurement (Estate Coffee 22:06-24:51).

4.4.5.4 Demand conditions

Companies are aware of the interest in CSR: "Therefore we also think that it is in line with the times that we do it more consciously" (C&C Travel 26:50-26:55). This also pertains to strategically taking into consideration demand issues, tailoring it to the company's core business, as Alfapeople puts it: "In society, ... the stance ... "now my house..., my car is environmentally friendly" ... so why should one's IT-investment not also be it?" (Alfapeople 1:04:43-1:04:58).

4.4.5.4.1 Sophistication

Mater is very aware the necessity of integrating CSR and business in the best strategical way possible, so as not to alienate the consumer, highlighting the importance of design:

There are many products today on the market, which have the green [aspect], but which look horrible ... It is therefore the combination of working with good designers is completely decisive to getting something out of it. ... without making compromises that we know the consumer will not accept. We must have the consumer on board ... It is basic marketing to generate something that people want. Does not succeed with all products, but several of them, we have reached our goal with. (Mater 38:04-40:52)

Likewise, Estate Coffee is equally extremely aware of their consumers' needs: "we must be ahead of the consumer ... but not more than that we still can be contact with them ... So we must set some standards, both in quality, taste, roasting techniques and CSR choices and communication" (Estate Coffee 54:35-54:54). The benefits of offering quality fair trade coffee with taste have been double: on one hand, they have enticed gourmet lovers into fair trade, and on the other hand, they are now reaching out to customers primarily focused on fair trade but still appreciating taste, having also found that 20% of the customers in their own coffee bar are members of a fair trade oriented bank (Estate Coffee 16:00-19:12). Moreover, Estate Coffee also notices that institutional buyers are also interested in ethical criteria as to their purchases:

It contributes to making our coffee attractive and interesting for consumers and ... conference centers and other institutional established buyers. We have a businesspartner that has a charter on how their suppliers must behave, so that they can communicate it on to their users. (Estate Coffee 30:31-30:56)

In Alfapeople's case, again as to communication and marketing, it is about setting themselves apart, and strategically tailoring their voluntary contributions to their core business:

New projects ... differentiation is important, because many are standard products ... through a green version, how can we make it environmentally friendly ... we invest [an extra] ten kroners in ... a windmill project ... CO quotas for instance, so you know the solution you get is CO2-neutral, for example. In that way, we can say we do something for the environment, as a customer who bought the system, you can also type in your employee magazine that you also do something about the environment. ... we believe in the investment return ... we both give a ten kroners, and then perhaps also support with the 10.000 [kroners], but we have been able to expose in a whole other way. The customer feels that they have gotten something out of it by giving this, so both customer and us the supplier is getting something out of it ... the greater success, the more you donate, contrary to in these financial times, then maybe many

that will not donate 10.000 [kroners] to the charity show, some of the first things one cuts. (Alfapeople 21:41-26:04)

4.4.5.4.2 International vs. Danish demand.

In relation to CSR, Katvig thinks that

Denmark falls quite behind, as soon as we get out side of the big cities. Abroad they are much farther ahead and very happy with our environmental strategy and we sell about ... fifty [percent] in Denmark and fifty [percent] abroad. (Katvig 25:28-25:45).

As found before (pp. 39, 55-56), Katvig states that although perhaps now being more interested in ecology, foreign studies show that Danish consumer culture focuses only on price – contrary to other European countries including other parameters – with stores offering multiple chickens for 100 kroners, making for consumer statements not truly dovetailing with reality (Katvig 01:11:40-1:12:48).

4.4.5.4.3 Expected demand

Just as Bagus expects there will more demands for CSR documentation (p.56), Estate Coffee currently always expects the issue to come up and states: “not defined as requirement, but we always run into it ... in ninety percent of cases, there are CSR-related issues” (Estate Coffee 35:39-35:53). But rather than being a response to requests, Estate Coffee says their CSR measures really have been taken so as to “follow up on our basic challenges and feel good internally”, after which having received positive feedback (Estate Coffee 32:42-32:30).

4.4.5.5 Government

When mentioning latest governmental initiatives as to the environment and CSR and asking about how favourable the government has been towards CSR, C&C Travel responds, “No, absolutely not” (C&C Travel 20:15-20:17). Likewise OEO states as to the primeminister heading the government at the time of interview in February 2009:

Fogh has not been that much for the environment, there can be many reasons that he suddenly has opened up his eyes to it being important to think about the state of the globe ... maybe because he is going to be secretary general (OEO 17:43-18:03).

Nevertheless, in line with previous remarks on more institutional interest by Estate Coffee (p. 66) and on more demands of CSR documentation expected by Bagus (p. 54), Mater believes more focus is to come:

Public buyers will in the future put more weight on a series of ethical criteria in terms of suppliers, products chosen, than before. ... thus the public sector, which is after all an enormous purchasing organisation, can put strong pressure on suppliers in a wide sense. You see this in Holland today after all. (Mater 32:00-32:18)

4.4.5.6 Chance

This part has been included, because although there are several events that neither can be foreseen nor controlled, it is nevertheless up to every business to strategically make the best of it, for example by recognising that it is not a fad, that it may be an advantage in crisis times, and that events can be managed.

4.4.5.6.1 Trend

Mater started up during the 2006 CSR wave in the clothing business and inspired by it (Mater 22:04-22:58). Mettes Afrika believes in CSR being a fashion itself, and refers to Poul Erik Jensen's company's trendforecasts, experience and statement on this, as well as the fact that CSR has already hit the low cost shops, such as Hennes & Mauritz and Netto, further pointing out its fashion character (Mettes Afrika 1:25:50-1:28:08). But Alfapeople disagrees: "Right now there is a lot of hype ... they probably will not continue with that, but it will absolutely have an effect, on the long term, so we think it has come to stay" (Alfapeople 1:04:12-1:04:37). OEO makes it clear that it is about survival:

Done today, because tomorrow's consumers want it. I do not really think it is a competitiveness parameter, it is today, but in about five to ten years years, there you will have to have it, because then the consumer will not have it otherwise ... Scarce resources ... what the planet can provide us with, they are not there. One will have to think differently ... So a

question about not just differentiating oneself, but also survival ... Will come as a shock to many, those who just think it is a trend, that it is not a natural thing to include as to their product developments. (OEO 27:28-28:33)

4.4.5.6.2 Economic crisis

An economic crisis is not something easily foreseen. Several of the interviewed companies have felt the effects and are unsure of where it will lead to. Nevertheless, they still see the bright side. In crisis times, several believe that CSR will be a competitive advantage:

Saleswise, no doubt that 2009 will be a challenging year, we do not know where it will end ... in relation to economising in the production proces, it is absolutely right now that many companies should be interested in this ... when CSR can contribute with you getting a better bottomline, not just higher sales numbers tossed out, but concrete economic savings, then it is precisely to be looked at now, in these times, where you are optimising (Mater 18:26-18:58)

Likewise, Katvig acknowledges that moving forward with the steps in their strategy may go slower than wished for (Katvig 16:47-17:05; 48:11-48:27), but nevertheless views their environmental CSR as a strength in such times:

I think it is something which counts, and I think it may be what can be decisive in such a situation as the crisis now ... We cannot know [whether it works as an investment] and it is not, what has been our driving force, but it could turn out like that. (Katvig 47:55-48:38)

Estate Coffee underlines that CSR will not be let go of because of the crisis, given that it is integrated in the business and a motivating factor which may justify a luxury purchase:

As to our sales and growth possibilities, but just like for so many others. But I do not see it affecting CSR related products in our portfolio ... It is not more expensive than others, Estate Coffee costs within a certain range, the most visible CSR products are built into it. I would almost say that it, all other things being equal, strengthens. That is to say that I could imagine for some consumers saying, "ah well" should they spend fifty kroners on a bag of coffee, "oh but it is alright after all, because it is for Fair Trade", right, versus, if it is not a certified Estate Coffee, then "oh well". ... I actually think it is [an advantage on products], when it besides is in the same price range. (Estate Coffee 49:45-50:31)

Also Beck og Jørgensen's states:

We see it as an advantage, not that the crisis is there ... we continue to work with the strategy we made, which is that we must have more products that are [EU] Flower labelled, no matter how it goes in society, ... our goal, our trademark that we are an environmentally aware company. (Beck og Jørgensen 34:35-35:03)

Even if Mettes Afrika is feeling the crisis' pressure, having had to put the engros part on pause (Mettes Afrika 46:23-46:51) and being on on board with the recycling trend, she appreciates the creative thinking and affordability such times bring along (Mettes Afrika 48:20-48:42). Likewise despite hardships, OEO believes that economic crisis times equal an opportunity to think strategically:

So the company chooses not to invest, but it will come again ... the crisis should be used to think creatively. Of course, it is burdening ... but I also think it is very healthy with this natural cleansing, in that way a positiv thing ... precisely now think strategically and creatively and also invest in what there is after the crisis, in ones future. One should as a firm wager and hold on. It could be [CSR], if it is a strategic decision for the company as an area. ... One has more time to think those things through. (OEO 33:49-35:24)

4.4.6 Summary of economic findings

There are several economic costs involved with CSR, in terms of being time consuming, costly in certifications, still somewhat lacking in help quality, and size curtailing CSR capacity. However, companies find benefits in both external and internal acknowledgement, and despite neither getting a higher price for CSR, nor a distinct bottlomline effect, it is perceived as a qualifying add-on. Despite methodological differences in CSR management and assessment, CSR still perdures in companies – even after they compare benefits and costs – working around difficulties, receiving help, and seeing it in another light, ie. not as obstacles, but in terms of a challenge and responsibility also. Strategic CSR – simultaneously in the interest of society and their competitive context, as well as their firm's core business, strategy and value chain – is very much present among the companies. Especially in terms of sustainable resources, working with suppliers and taking into consideration demand, a proactive stance towards their context for strategy, structure and rivalry and the government, and last but not least also gripping their chance strategically, rather than seeing CSR as

ephemeral and thus insignificant for their company's long term survival. This adds up to there being economic motives, albeit indirectly, since only a couple of companies can specifically measure benefits in terms of fewer used resources.

4.5 Mixed motives⁸

It transpires throughout this thesis that there are several aspects motivating CSR: institutional, ethical and economic. As Bagus says: "It is a real mix, and I cannot say exactly, what it is that makes one do what" (Bagus 01:18:15-01:18:23). He adds, touching upon all three motives: "a common basic position of us both [the owners], and interest in the market, in society (Bagus 01:18:23-01:18:31). For a more elaborate view on CSR aspects, Mater states:

Some decide to set some goals and chase them. I have put myself into and started Mater, because I wanted to be financially independent, so pure business for me. But something happens, when one says a and b and c in CSR. One can never go back ... when one makes some al choices, one could never close their eyes to what one has seen ... out there in the factories ... and now not care about, how they are out in India, it could not happen of course. Unthinkable as a human, now you gained knowledge and close ones eyes again and say now we forget all about it. In that way, you make a trip in your soul, when you familiarize yourself with this universe, and I only believe that is beneficial (Mater 36:05- 36:55)

⁸ This part is, in a sense, itself a summary of the thesis' motives, thus not requiring a summary of its own.

5 Conclusion

The research question was: "In the light of the rising use of CSR in Danish SMEs, why is CSR used?" From the thesis' findings – ie. interviews with ten Danish SMEs – CSR can be interpreted as being motivated by a mixture of motives – institutional, ethical and economic – with both drawbacks and advantages within these three main theoretical analyses of CSR motives.

The depth of CSR's embedding and support for it, is questioned: Institutionally, in the parts on institutional "coercive-" and "normative isomorphism"; ethically, within "political values", "social values" and "social change"; and economically within "costs", "bottomline and price", "context for strategy, structure and rivalry" and "government", all-in-all indicating that there are still obstacles to CSR. People may be more pliable towards ecology, but price is still a determining factor and information is still limited, which along with several other costly impediments of support such as unfair regulations, does not render it easier to deal with CSR.

Nonetheless, there are motivating factors such as an awareness of institutional isomorphism, homogenising companies towards CSR. Through coercive isomorphism, authorities and organisations are seen by the SMEs as formally pushing for CSR through different undertakings, and informally, society and media are also seen as showing interest for CSR. Through mimetic isomorphism, companies are both positively and negatively inspired by rolemodels such as other businesses, external and internal people, and management concepts. In the same way, normative isomorphism means that the companies receive help and information through networks and networking, personal and professional. Several of the interviewees also come from the same background, increasing the potential for similar attitudes. By several means and channels, companies are thus consciously and institutionally interacting with CSR.

As seen in the management and anchoring part as well as under methodological issues, there are differences in how CSR is conducted and assessed, and across these, there are many noteworthy economic strategic efforts. Companies are consciously conducting economically worthwhile activities, such as environmental conservation and CSR innovation, as well as strategically tying-in social inclusion, workforce development, and voluntary contributions. Moreover, they also do supposedly lesser worthwhile CSR, according to Kramer, such as working with suppliers, which is, however, in Porter and Kramer, pointed out as strategic CSR (p. 64), combining the interests of society and competitive context, with the firm's core business, strategy and value chain. Beyond economic appreciation for external and internal acknowledgement, as well as CSR's function as a qualifying add-on, strategic CSR especially concerns sustainable resources, working with suppliers

and taking into consideration demand. This adds up to there mostly being indirect economic benefits and motives, since only a couple of companies can specifically measure benefits in terms of fewer spent resources.

There are also strong ethical values related to issues which are: moral as in fairness and equality of living conditions; social as in the environment and emphasis on information; sentimental as in personally wanting to make a difference; political as in leading in the fight for pure resources and fairness; reflecting social change; and reflecting decision-makers' values. The companies are ethically positioned within ethical business, combining both rational profits for the business' survival as well as ethics. Yet, contrary to theory, communication of ethics – which is acknowledged as important as to differentiation from venal business, at the same time supporting company statements – is not entirely untroubled, and thus many companies are yet in the process of increasing communication.

Throughout the thesis and in the spirit of interpretative hermeneutism, assumptions have been revised or confirmed. This has relevance in relation to the critical literature review. Findings of indirect rather than direct economic benefits, contribute to CSR indeed remaining somewhat stalled in a semi-institutionalised state (p. 6). On one hand, this to a certain extent, confirms institutional isomorphism's legitimacy and success being based on myth and symbol, rather than rational efficiency. On the other hand, albeit indirect benefits, these are accompanied by other rational arguments, found under institutional mimetic and normative isomorphism, in favour of the utility of CSR tools, efficiently economising time and action through knowledge sharing. All in all, this contributes with enough rational efficiency to also support Donaldson in his criticism of isomorphism entirely negating rationality (p. 6). Institutional isomorphism' legitimacy and success may thus also be based on action and rational function, rather than purely or merely presentational façade and symbolism.

As to another critical literature point (p. 7), CSR is thus well-adopted across different industries, and moreover, it is indeed about tailoring in terms of what CSR should be prioritised according to a business's core strategy and its competitive context; companies, even if not in the same industry, can be affected by and thus focus on the same CSR issue of, for instance, energy use. Thus, costs and impediments make CSR more challenging for SMEs than for bigger companies, but despite this and the variety of SMEs, they strategically adapt each their own appropriate version of CSR, albeit with certain points in common.

To sum up, besides a certain degree of institutional isomorphism, it is about ethical values – especially personal and of decision-makers, as well as indirect economic, albeit strategic benefits, which all-in-all contributes to CSR being conducted due to a mixture of motives. Despite

differences in and drawbacks as to CSR, the companies persevere with it – even pursuing this path during the crisis, albeit perhaps having to slow things a bit down – establishing CSR as an integral part of these companies. They see CSR as a worthwhile challenge and responsibility, and most importantly, they see the encouraging aspects in it, which may just get them ahead of others in the future.

6 Perspectives

A first suggestion of a further research perspective is that the same question of CSR motives is asked, but in the context of big companies to see how much of a difference company size means for these. Another more elaborate idea takes its point of departure in Campbell's research on what institutional conditions are conducive to CSR (2005, 2006), suggesting differences between Anglo-Saxon liberal market economies versus European and Scandinavian coordinated market economies: the latter maintain the importance of institutions and among others those making them excel in CSR, all in all strengthening individual firms and the whole economy (2005: 30-32). The United Nations Research Institute for Social Development also (2003: 14-15) stresses that the institutional environment determines the strength of CSR, and that thus CSR will vary according to that environment. In this sense, a further research perspective is to compare Danish findings on SMEs and their motives with their counterparts' in USA. Moreover, it is interesting to research on possible differences in motives amongst European countries' SMEs, or simply amongst Scandinavian SMEs, and compare the relative weight of motives, noting contributing differences of context.

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7.1 Interviews/Personal communication

In chronological order:

- Mettes Afrika: Owner, Mette Melchiorson Kirsten, on Thursday the 8th of January, 2009 at 10 a.m.
- Bagus: Leader of the wholesale department, Kenneth Sørensen, on Friday the 16th of January, 2009 at 10 a.m.
- Kuni: Owner, Morten Kuni, on Friday the 16th of January, 2009 at 12 p.m.
- Mater: Director, Henrik Marstrand, Friday the 16th of January, 2009 at 1 p.m.
- Estate Coffee: Director, Søren Sylvest, on Thursday the 5th of February, 2009 at 1 p.m.
- Alfapeople: Partner Casper Jensen, on Monday the 9th of February, 2009 at 2 p.m.
- Beck og Jørgensen: Factory Chief Carsten Goldek, on Friday the 13th of February, 2009 at 1 p.m.
- C&C Travel: Chief of Bureau, Dorte Juul Mydtskov, on Thursday the 17th of February, 2009 at 10 a.m.
- OEO: Creative Design Director, Thomas Lykke, on Monday the 23rd of February, 2009 at 10 p.m.
- Katvig: Sustainability Manager, Pia Odgaard, on Monday the 16th of March, 2009 at 2 p.m.

8 Appendix

8.1 Abstract/Executive summary

The interest in this thesis lies in the current redistribution of CSR-related responsibilities of the state, market and society – with environmental and social problems being on the rise as manifested by the risk of the Millennium Development Goals not happening – and thus an increased focus on CSR initiatives, not only by the government, but also with 75% of consumers considering CSR in their purchases, and 75% of Danish Small and Medium-sized Enterprises (SMEs) conducting CSR. Focusing on the business side, research in the vastly diverse area has shown different theoretical viewpoints – institutional, ethical and economic – as to motives. With this as a starting point, the research question is thus: "In the light of the rising use of CSR in Danish SMEs, why is CSR used?" Qualitative research and an interpretative approach are applied to interviews made with ten Danish SMEs. The process has been attentive to true interpretations, with a semi-structured interview guide and by having companies review transcription notes for further comments. It is not about looking for and verifying the coherence between statements and concrete results, but rather searching for and interpreting motives according to theory. First of all, the thesis maps out the SMEs' management and anchoring of CSR as well as the most worthwhile activities, using Kramer, Pfitzer and Lee (2005) and the "People and Profit" practical guide (Erhvervs- og Selskabsstyrelsen, 2006). Next, Powell and DiMaggio's institutional theory of isomorphism is used to characterise this organisational movement towards this same concept of CSR. Then, Hemingway and MacLagan (2004) and Le Menestrel (2002) are used for the ethical part, to respectively, determine underlying values and ethical positioning. Last but not least, Neergaard and Pedersen (2007) and Porter and Kramer (2006) are used for the economic part, respectively, to determine cost, benefits, a comparison of these two and methodological difficulties, as well as to determine strategic CSR. Results-wise, all three main theoretical viewpoints have been useful in shedding light on these companies' motives. Institutions such as the government and society coercively promote an impetus for CSR and the SMEs are also mimetically and normatively inspired towards CSR. However, the companies sense that there is not enough support due to – respectively unfair regulations and price still standing in the way of CSR related purchases – posing a problem for small companies already struggling with CSR's different costs, due to time, size, certifications and help issues. Benefits are of both internal and external acknowledgement and differentiation, as well as mostly indirect

economic benefits, partly tied to methodological issues existing as to determining actual CSR results. Nonetheless, companies persevere with CSR, even with the economic crisis, and many ethical values – mostly personal and decision-maker driven – are to be found contributing to a positioning as ethical businesses, combining ethics and business. Indeed, the SMEs, varying in their approaches, all strategically adapt CSR to their company and their competitive context. To sum up, it is concluded that the Danish SMEs used CSR due to a mixture of institutional, ethical and economic motives.

As to theoretical implications, the thesis serves to shed light on the institutionalisation of the CSR concept, which on one hand has progressed, but can also be said to be somewhat stalled in the light of CSR missing concrete bottom line-effect. Institutional isomorphism, however, seems to be based not only on myth and symbol, but also to a certain extent on rational function and efficiency. More specifically, mimetic processes should also consider positive admiration, rather than merely referring to ambiguity and uncertainty, as reasons for mimetism. As to the ethical theory, communication – serving as a factor distinguishing ethical business from unethical business – is not always a given due to several complications, such as lacking resources. Concerning specifically strategic economic theory, there has been good reason to include chance, as SMEs interact strategically with this factor also. Research as to motives may especially be interesting to conduct across EU countries and in comparison with the US, bringing into consideration the influence of varying institutional settings on CSR.

As to practical implications, one could hope for more emphasis and walking the walk as to CSR, with governmental regulations perceived as fair and encouraging to SMEs, which may entail cheaper CSR products, with thus more consumers choosing these, all in all, sustainaining the CSR agenda.

8.2 Company presentations

Companies are mentioned in the order interviewed and their details are recorded as they have transpired through personal interviews with the semi-structured interview guide.

	Company's background:	Number of employees	Specific CSR details	Interviewee's background
1. Mettes Afrika/Mode Mening	<p>Designs, produces, and sells accessories produced in South Africa by women. Wholesale "Mettes Afrika" from 2004, and a shop "Mode med Mening" from 2008, and a newly started corporate part, to inform e.g. with a project made for CSR Novo Nordisk in cooperation with an asylum center.</p>	1-2	<ul style="list-style-type: none"> ➤ Import Promotion Programme with Dansk Erhverv and Danida ➤ ISO for leather. ➤ UN Global compact 	<p>Mette Melchiorson Kirsten: Public Relations, marketing, multimedia and graphic design</p>

	Company's background:	Number of employees	Specific CSR details	Interviewee's background
2. Bagus	Started in 1997, a detail part with rustic ethnic furniture of own design, and arts and crafts. From 2003, a wholesale part with modern products from 3 companies in Thailand, Dogo, Qualy og Goodjob.	2-3	<ul style="list-style-type: none"> ➤ Participates in the Public Private Partnership (PPP) programme funded by Danida and led by HVR ➤ Inspired by SA 8000 ➤ Code of Conduct ➤ People and Profit project ➤ The Danish Ethical Trading Initiative ➤ UN Human rights 	Kenneth Sørensen: In the company since 2002, from 2003 leading the wholesale part; Cand.merc.imm from Copenhagen Business School during which he took a course in “social and ethical responsibility” at University of Texas in 1994. Has always worked with marketing and strategy, as marketing coordinator, key account manager, export chief.

	Company's background:	Number of employees	Specific CSR details	Interviewee's background
3. Kuni	<p>Current company started in 1997, importing arts and crafts, handwork from western africa, Burkina Faso, Ghana, Ivory coast primarily, 10-15 countries in total, also some in Mali. All kinds of different things, baskets, bags, wallets, jewellery, figures, masks. Also dealing with Thailand, Indonesia, India og Guatemala. But Africa is the core in it, the point of departure and the final point, as the rest is being phased out.</p>	1	<ul style="list-style-type: none"> ➤ Fair Trade Certified 	<p>Morten Kuni: Automechanic, guide in West Africa and in Sahara, started dealing without any prerequisites, but from interest only and with personal knowledge acquired, has been active with this type of business since 1985.</p>

	Company's background:	Number of employees	Specific CSR details	Interviewee's background
4. Mater	Established in 2006 by him, it is family owned, with a professional board, public limited company. Makes home accessories, tabletop, objects, arts and crafts, lighting, occasional furniture (small furniture).	2-5	<ul style="list-style-type: none"> ➤ Participates in SUSBIZ project led by HVR and funded by Danida's PPP project ➤ UN Global Compact ➤ UN Declaration of Human Rights ➤ FSC certified wood ➤ CSR Compass/ Code of Conduct ➤ ILO fundamental principles and rights at work. 	Henrik Marstrand: Mater's Managing director; cand. merc. from Copenhagen Business School in circa 1996, in economic marketing Before: Consultant jobs, leading positions in sales and marketing, in fast-moving consumer goods companies, such as Kraft foods and Diageo world's biggest spirits producer as sales/marketing chief with ethical considerations; finally managing Director of Mater.

	Company's background:	Number of employees	Specific CSR details	Interviewee's background
5. Estate Coffee	<p>Started in 1996, Estate Coffee is a company (a Danish I/S), but also a brand, focusing on gourmet quality coffee, of which a part is Fair Trade/Ecological. Part of Chokolade Companiet (CC), a gourmet and specialty-food company operating in Denmark and Sweden, and which also owns a coffee roasting house, a coffee bar, as well as selling/doing marketing for several other brands.</p>	<p>2 (Estate Coffee) /33 (Chokolade Compagniet)</p>	<ul style="list-style-type: none"> ➤ Incorporates purchases of Fair Trade and Ecological coffee ➤ Max Havelaar ➤ Rainforest Alliance ➤ UTZ 	<p>Søren Sylvest: Cand.merc. int in 1991 from Copenhagen Business School</p>

	Company's background:	Number of employees	Specific CSR details	Interviewee's background
6. Alfapeople	Established in 2004, Customer Relationship Management systems, IT-solutions	50 employees: 35 in Denmark (30 in Valby, 5 in Aarhus), 12 in England/London, 3/4 in Bangkok	<ul style="list-style-type: none"> ➤ Diversity Management ➤ Green IT ➤ Voluntary contributions ➤ Social inclusion 	Casper Jensen: Cand.merc from Copenhagen Business School, partner in Alfapeople dealing with online part, hosting, managing their developed applications, and the servers installed centrally at Alfapeople instead of at the clients'; previously self-employed with a partner in CRM Extensions, developing productes for Alfapeople's clients.

	Company's background:	Number of employees	Specific CSR details	Interviewee's background
7. Beck og Jørgensen	Paints and varnishes since 1892.	93	<ul style="list-style-type: none"> ➤ ISO 14001, ➤ EU Flower ➤ OHSAS 18001 ➤ Green Accounting ➤ Specific reduction of spill water and specific overview of traditional versus light (CSR-correct) paints 	Carsten Goldek: Factory Chief since 1988, as well as dealing with stock/distribution, being responsible for overall commercial supplies purchases, and in charge of the two certifications systems.

	Company's background:	Number of employees	Specific CSR details	Interviewee's background
8. C & C Travel	For more than 20 years, travel agency specialising in overseas trips, Philippines, Thailand and many more, with individually tailored trips, and ready made packages, not charterflights, but scheduled flights.	16	To schools and indigenous people: <ul style="list-style-type: none"> ➤ Voluntary contribution ➤ Care packages 	Dorte Juul Mydtskov: 20 years experience in travelling branch, as seller, producer, and now chief of bureau

	Company's background:	Number of employees	Specific CSR details	Interviewee's background
9. OEO	<p>Since 2003, dealing with strategic design, initially design agents, linking designers with commerce/industry, thinking in holistical solutions as to value chain. Also, consultancy work for industry, such as realestate developers, design companies such as, Fritz Hansen, Georg Jensen, Royal Copenhagen.</p>	<p>3/ + 8 to 10 designers with their own companies, not employees, used on contract basis, as OEO is a networkorganisation.</p>	<p>➤ UN Global Compact</p>	<p>Thomas Lykke: Mater's chief of creative design, having developed the business concept, providing contact between designers and producers, part of its board. Used to be Wallpaper magazine's interior decorator editor, with an editorial and clothing designer background.</p>

	Company's background:	Number of employees	Specific CSR details	Interviewee's background
10. Katvig	Since 2003, children's wear from baby sized to 152	17	<ul style="list-style-type: none"> ➤ EU Flower ➤ Økotex ➤ GOTS ➤ UN Global compact ➤ Danish Initiative for Ethical Trade ➤ People and Profit project ➤ Fair Wear network ➤ CSR Compass/ Code of conduct 	<p>➤ Pia Odgaard:</p> <p>Design teacher in BEC-Design og Denmark's Design school, having started. "Sustainable Production" course for for internationale studerende in the light of outsourcing of danish production. Now, sustainability manager in Katvig since 2007. Was re-skilled at the Technological University of Denmark in intercultural communication and development work, where she did environmental screenings in Nepal in textile factories and made training manuals</p>

8.3 Interview guide

The following version is the original Danish one and interviews have been based on these questions:

Båndoptager // Referat godkendes & revideres

For at vide om I hører under SMV (Små og Mellemstore Virksomheder) Def:?

Mikrovirksomheder, små og mellemstore virksomheder defineres ud fra antallet af beskæftigede og omsætningen eller den samlede årlige balance.

Ved mellemstore virksomheder forstås virksomheder, som beskæftiger under 250 personer, og som har en årlig omsætning på ikke over 50 mio. EUR eller en årlig samlet balance på ikke over 43 mio. EUR.

Ved små virksomheder forstås virksomheder, som beskæftiger under 50 personer, og som har en årlig omsætning eller en samlet årlig balance på ikke over 10 mio. EUR.

Ved mikrovirksomheder forstås virksomheder, som beskæftiger under 10 personer, og som har en årlig omsætning eller en samlet årlig balance på ikke over 2 mio. EUR.

Uafhængig, partner, tilknyttet...

--> **Vil jeg gerne lige spørge til medarbejderantal & jeres omsætning & evt. overskud.**

1. Præsenter kortfattet dig selv, og din baggrund, det jeres firma laver? (uddannelsesmæssig samt arbejdsmæssigt/fagligt erfaring)?

2. Præsenter jeres CSR:

- (Hvor lang **tid** har I lavet CSR?)
- Hvad er jeres **definition** af CSR /evt. etik?
- **Hvilken slags** CSR foretager I? **Hvordan?**
 - Planlagt/taget det som det kommer?
 - Projektbasis, del af jer, helt integreret for jer?
- Hvordan oplever I **offentligt kendskab** og **meninger/behov for CSR?**

Markedet/Kunder, Konkurrenter

Medier

(Lokal) Samfund

Offentlige myndigheders/Staten

NGO'er

Faglig/uddannelsesmæssig

andre private interesseorganisationer, andet

- **Har disse faktorer, andre begivenheder/grunde haft indflydelse på jeres CSR?**

+ **Inspirationsmodeller?**

+ Økonomiske situation?

- Hvilke **ulemper** ved CSR?
 - Hvor **vanskeligt/uhångribeligt** er CSR begrebet for jer / forskellen mellem teoretisk-praktisk
 - **Koster** det jer i **ressourcer** (tid & penge)
 - **Stillingtagen** til definitioner af jeres CSR, Etik, retningslinier
 - **Certificerings overvejelser** cost/benefit: Fair Trade/Økologi mærkning, SA 8000
 - **Kontrol**
 - I hvilket omfang I fortrolige med CSR/ Hvordan er jeres **kendskab** til CSR?
- Hvordan **kommunikerer** I jeres CSR? Hvordan oplever I jeres **sårbarhed** ifht. CSR gøren og åbenhed/kommunikation?

3. Resultater:

- Hvilke **fordele** bringer CSR jeres virksomhed, **aktuelt/fremtidigt?**
 - **Differentiering,**
 - **Risk management,**
 - **Brand, Image**
 - **Effektivisering/**Billigere,
 - **Kvalitet,**
 - Tiltrække/bibeholde **medarbejdere**
 - **Innovation and competitiveness**
 - Bedre **forhold** til leverandører, lokalsamfund
 - **Tiltrækning af investeringer og nye etisk orienterede markeder og kunder**
- **Gavner** CSR jeres **bundlinie?**
- Hvordan oplever I **feedback** fra forskellige sider/interessenter?
- **CSR** i hvor høj grad/hvilket **omfang**/i procenter? ifht. jeres/andres forventninger?
- **Krisens** betydning/konsekvenser? for virksomhed og for CSR?

4. Hjælp bedt om/modtaget?

Hvor meget og hvilken, hjælp/information/redskaber, har I modtaget eller bedt om? Nævn typen og ellers navngiv nogle I har hørt om og/eller overvejet? (Ex. offentlige myndigheder, private/NGO organisationer, projekter/samarbejder/netværk, fagforening, fagligt/akademisk, møder)

"Overskud med omtanke"?

5. Hvordan og hvornår startede CSR for dig? først konfronteret/haft at gøre med CSR?

Gennem:

Barndom/Familie

Studier
Rejser
Venner
Arbejde eller andet Fagligt (fagforening, netværk, projekter/samarbejder/grupper)
Anden fritidsinteresse
Andet

Ekstra spgm.: Frontrunner?, Virksomheds størrelse ifht. CSR?, Værdiskift i samfundet?

6. Opsummering

- af **grunde bag**: Finansielle, Emotionelle/Etiske, Institutionelle, værdier
- Opsummering af **min fortolkning** af dem, be- eller afkræft, eller tilføj nuancer og præcisioner
- Hvad synes de om **interviewet** /Spørgsmål/stemning? Evt. kommenter senere.
- **Andet tilføje**

8.4 Interview guide translated into English

For methodological issues, the original Danish interview guide has been translated into English:

Recorder// Summary to approve and review

In order to know whether you fall within the SME (Small and Medium Enterprises)

Definition:?

Micro, small and medium enterprises are defined by the number of employees and turnover or annual balance sheet total.

Medium-sized enterprises are enterprises which employ fewer than 250 people and have an annual turnover not exceeding 50 million € or an annual balance sheet total not exceeding 43 million €.

Small enterprises are those employing fewer than 50 persons and whose annual turnover or annual balance sheet total not exceeding 10 million €.

For micro enterprises are those employing fewer than 10 persons and whose annual turnover or annual balance sheet total not exceeding 2 million €.

Independent, Partner, Associated ...

-> **I would just like to ask about the number of employees & your sales & possibly profits.**

1. Briefly present yourself and your background, what your company does? (educational and work/professional experience)?

2. Present your CSR:

- **(How long** have you done CSR?)
- What is your **definition** of CSR / possibly ethics?
- **What kind** of CSR do you do? **How?**
 - o Planned/ take things as they come?
 - o Project Basis, part of you, completely integrated for you?

- How do you experience **public knowledge** and **opinion** / **need for CSR?**

Market / customers, competitors

Media

(Local) **Society**

Public Authorities / State

NGOs

Professionally / educationally

Other private interest groups, other.

• **Have these factors, other events / reasons influenced your CSR?**

+ **Inspiration Models?**

+ Economic situation?

• What are the **disadvantages** of CSR?

o How **difficult / untangible** is the CSR concept for you / the difference between theoretical and practical

o Does it **cost** you in **resources** (time & money)

o **Deciding** upon definitions of your CSR, ethics, guidelines

o **Certification considerations** cost / benefit: Fair Trade / Ecology labeling, SA 8000

o **Control**

o The extent of familiarity with CSR / How is your **knowledge** of CSR?

• How do I **communicate** your CSR? How do I find your **vulnerabilities** as to CSR doing and openness / communication?

3. Results:

• What **advantages** does CSR bring to your company, **currently / future?**

o **Differentiation,**

o **Risk Management,**

o **Brand Image**

o **Efficiency/ Cheaper,**

o **Quality,**

o Attract / retain **employees**

o **Innovation and competitiveness**

o Better **relationships** with suppliers, local communities

o **Attracting new investment and ethically oriented markets and customers**

• CSR benefit your **bottom line?**

• How do I find **feedback** from different sides / stakeholders?

• **CSR** degree / **scope** / percentages? As to yours / others' expectations?

• **Crisis'** impact / implications? For business and for CSR?

4. Help requested / received?

How much and what, help / information / tools that you have received or requested? Mention the type and otherwise name a few you have heard about and / or considered? (Ex. public authorities, private / NGO organizations, projects / cooperations / networks, trade, professional / academic conferences)

"People and Profit"?

5. How and when did CSR start for you? first confronted / have to do with CSR?

Through:

Childhood / Family

Studies

Travel

Friends

Work or other professional (trade unions, networks, projects / cooperation / groups)

Other leisure interests

Other

Extra questions: Front Runner?, Company size as to CSR?, Value change in society?

6. Summary

- the **reasons** behind: Financial, Emotional / Ethical, Institutional, values
- Summary of **my interpretation** of them, confirm or deny, or add nuances and clarifications
- What do you think of the **interview** / Questions / atmosphere? Possibly comment later.
- Other things to add

8.5 Theory, figures and tables

Institutions are everywhere to be found, from handshakes to organisational department, and on all levels, from family-level to world-level (Powell & DiMaggio, 1991: 9). New institutionalism in organisational studies and institutional sociology argue that shared understandings become akin to rules, absorbed and unconsciously transmitted on, ensuring the self-perpetuating nature of institutions. They are also referred to and become a lens through which the world is interpreted, restricting conceivable actions and preferences; to fully comprehend actions they must be looked at in their given cultural and historical context (op.cit.: 9-11, 13)

Distancing itself from mere socialisation of norms and values focused on by the older, new institutionalism in organisational theory sees institutions, on one hand, formed by shared and taken for granted understandings and classifications of reality, which, on the other hand, makes institutions independent of organisational entities, simultaneously transcending them as abstractions on a larger level. In the new institutionalism, the environment and institutionalisation are non-local, taking place on a greater level and more elusively, permeating organisations; the latter are not seen as wholes, but as being composed of loose structures and rules, independent from their entity. It is these parts that are institutionalised, not their organisational entity, and this institutionalisation creates increasing similarity and stability, sweepingly across organisations and taking precedence over local differences (op.cit.: 14-15) – hence the interest in the issue of homogenisation.

Organisations thus willingly construct a constraining environment around themselves (Powell & DiMaggio, 1983: 148).

Dissemination of processes comes from conformity and cultural persuasiveness (DiMaggio and Powell, 1991: 13).

In organisational studies, institutional theory answers to the inconsistencies between reality and rational or functional explanations, the latter having failed to clarify why legitimacy seems to win over the substantial and efficiency (op.cit.: 3).

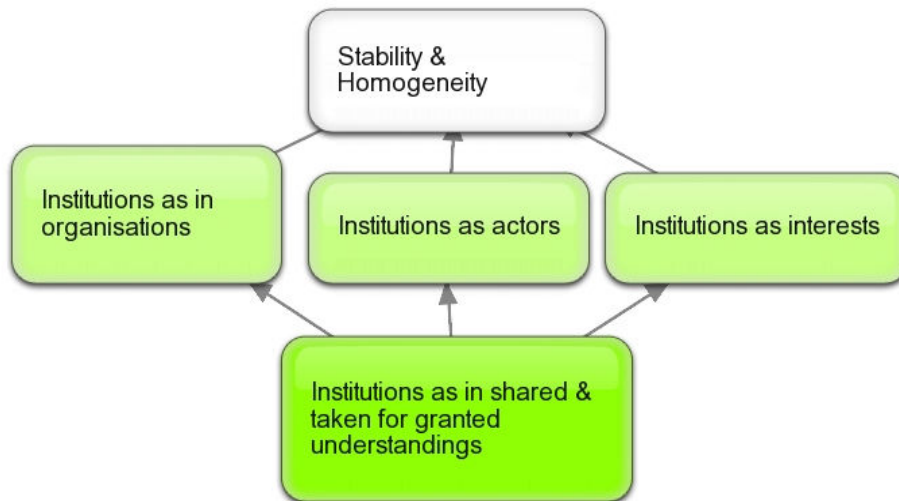


Figure 2: Illustration of Isomorphism's institutional foundations (own conception, inspired by definition compiled from Powell and DiMaggio (1991: 14-15))

Table X.X: “Ethical business between venality and sacrifice” and “Confidentiality and Transparency towards society” (Le Menestrel, 2002: 161, 164):

		ETHICS	
		Unethical	Ethical
INTEREST	Profitable	Venal/ Confidentiality	Ethical Business/ Transparency
	Costly	Irrational	Sacrificial/ Transparency
		Neutrality	

Status-quo

8.6 Extra interview material

Our convener is educated as a mentor, so when we engage someone who has fallen out of society and has to come back to worklife again, then we use him [convenor] as a sponsor who follows the person and schools the person in the things that are planned to be done. It is a big success. Two employees who have been permanently employed, were completely out there, where there was no hope, and three or four have disappeared, where the public sector has not had the possibility of supporting. We pay a part of the salary, and the public sector pays the other part, so as to be settle in. “Jobtræning” arrangement. Collaborating with the public sector, both with the Gladsaxe and Copenhagen communes. (Beck og Jørgensen)

I lost confidence in the leader, who was in DK [Denmark] for 2 weeks, where I got to know him, and had a difficult time seeing a connection between what he officially represented and the personality he had. (Again:) The personal acquaintance is very decisive. (Kuni)

Trying also to even out differences in the world. Helping grow a society for children to go to school, so they can afford it. Lights in the homes, so they can do homework at home, small things we take for granted in the west are big things for a developing country. (OEO)

There is a world of difference between the theoretical and the practical, the theoretical has been formed on one planet, and the practical runs on another planet. So it is. And the people who believe that what is possible in theory ...– or what they put up as theoretical demands – also can happen in reality, at least 100 percent, they have no idea what they are talking about. (Kuni)

I have had to prioritize because of the realities in Africa, where the 1. priority is “capacity development” – because it is the first premise for Africa to survive. (Kuni)

It is another world we are operating in, or another time if you want. And what one demands that people in the third world do, is to jump over 100 [hmmm – in some areas actually 300 years] years of development, which we ourselves needed very much, to reach where we are now. ... But of course, I also feel so that if it is a cementfactory having kids of eight years of age, working twelve hours a day, in cement dust ... of course, I do not think that it is very good. But I also feel so that if it means that the kid will die of hunger, if he or she does not

have work, then well, I do know what I would prioritise, if I was his or hers parent. Because it is a question of survival for a billion people. (Kuni)

I understand it, I would rather that they go out and do child labour than that they prostitute themselves or that the family dies, of course, so it is not that black and white either. (Mettes Afrika)

It takes commitment from the company leaders who take interest in it. ... to show the way and has to see and understand that it is important that we get these people back... suppose that one had kids of one's own who had fallen through socially, bad at everything, ... then one would do everything to help them back to work life again, and if we cannot as a company go into such an arrangement, then I think the film loses its rhythm somewhat. (Beck og Jørgensen)

It just is important to us, especially when we send people to India to look, it is that they follow training education which HVR og Danida has put up, typically workshops of two days with eight different themes. Keep up with, what we are trying to solve of problems, go out and visit afterwards, then you put it into a context, which is important to understand, nothing about giving a guarantees, about that all conditions are in order in all factories, absolutely not. It is about getting a journalist to understand that you start somewhere ... and change and do something else, no guarantees of anything, quite deliberately, with the market for guarantees, with child labor, it is galimatias to give that. (Mater)

Fair trade is the 21st century's indulgence opportunity, like you could buy the indulgence letters in the 17th century ... somehow, then they know that they are totally living above capacity. We are the modern-day counts and barons and kings who live by the servants. They are just located very far away. ... And by purchasing goods which are Fair Trade, or Max Havelaar, one buys indulgence from it ... like when you buy ecological food in the supermarket, which one has driven 20 kilometers in one's four-by-four vehicle, running on 5 kilometers a liter, it does not hang together, does it? Or ecological goods produced far away, and sent here by airplane. (Kuni)

Why do I actually have to go out and say that people are treated well, why is it not the opposite that all those who do not have a CSR project that they have to go out and say that they don't do it ... It is stupid not to do it, but I mean there is something wrong with the fact that I have to go out and tell people that we treat people decently in our production. (Mettes Afrika)

Size does not have much to say in it, you owe yourself to do it, in this way you optimise your earnings, no matter whether you are small ... or messing with different parts of production that have to be started, it does not take much to integrate tools such as the “CSR Compass” in what one does. (Mater).

SA 8000, as far as I know, the only of fundamental social responsibility, as RICE is also certified for. We have chosen it as a starting point, but have chosen not to become certified, because it is extremely much more resource intensive, we will like to over time ... but the work of the [costs]. One step further along. Taken some points out of the SA 8000 is because it is very comprehensive, and about what is right and wrong, some things I think is frivolous in practice, in a dream world, fine enough. In a line of the certification, [it says] your supplier must commit to implementing this with all their subcontractors. Imagine engaging in this, so comprehensive, and I must first understand it, it must be the first step, then we must explain it to our suppliers. ... Explaining is not done in an hour or a day, slowly has to get into themselves. The suppliers we have in Thailand, it is well-educated people, so they are like a highly educated Dane, but they live in another world, and they understand it a little less than a Dane. (Bagus)

But if I were to only taking in certified things, well, all these small dainties, I happen to think it is cool to have special things, I have what the other shops don't have, then I wouldn't be able to take anyone in, right, then I'd only be able to get the big in, because it is so expensive and the circumstance as to getting a certification, right? ... But again, how ridiculous and ironic isn't it, instead of the state just saying “here is a bag of money, here you can get these certifications made ... something that we all want, and then there are so many small firms closing, why should it be so expensive to get these certifications done? ... To show that you are decent. (Mettes Afrika).

The quality of it, is still at some kind of level, where ... the execution in practice, I think ... it could be better, because ... if you talk with someone about it seriously, what they recommend as an absolute minimum, it is extremely comprehensive, in my opinion much too comprehensive, it actually one of the important points for me that I think that one should simply start somewhere, and one should know what one wants, and then do all that one does decently, and then one simply cannot take the whole big package right away. (Bagus)

We would just like to do it, because we think we that when we love these countries, then we also have a certain responsibility to do something for the countries out there, right? We get something from sending people overthere, well then we would also like to do something for those out there. (C&C Travel)

Our CSR focus is defined by us, as actually sustainability. Concept is like a three-legged stool: Economy, environmental management and ethics/social responsibility. If imbalance, then overturned stools, so balancing act constantly to maintain the three legs. Still, since we are small, with limited resources, we have chosen to focus on one of the legs. So one thing is the economy, it must at least be there, otherwise there is no company. What we could do with our economy, was to ask what we prioritize, environmental or labor standards, in other words ethics and morals, "social issues", and there we have chosen the environmental component as the first focus, not only of course. Because we would of course like to do everything, but we need to use our resources in the way, where we the fastest can do something good. (Katvig)

There is no environmental tax on the regular plastic [packaging] bags, cost nothing ... this one costs 1,75 kr, because there is an environmental tax on it, and that, we of course think is super unfair. No tax on the others because there is no whole in [them] and therefore are not a carrying bag, and even if ours in environmentally correct, there is a tax on [it]. We are a little tired of that, and tried to draw attention to [it]. It is currently discussed in Parliament, on the whole to ban plastic bags and only allow these, or to make a difference in any case, between ordinary bad [ones] and these environmentally friendly carrier bags. (Katvig)

There are also problems with and garbage and packaging, something that also needs to be solved design-wise. Many sinners, in relation to Cradle to Cradle, have to think differently with regard to products sent out on the market. Might be following the UN Global Compact and think that one has an ethical profile, which one perhaps also has in relation to human rights, but beyond packaging, there are also some products on the market that do not disappear by themselves, when they at some point, have to be thrown away. Invariably, garbage which is produced during the year, if one can then think about it differently, the packaging in another way, or something with a sustainable profile, or even further that the product itself is thought over. For instance, McDonough with Nike, and returnable deposit fee systems so that you can get your product back, in stead of in the garbage can after thirty years, where they are burnt and make CO2. (OEO)