Managing Corporate Social Responsibility

A Case Study of Max Hamburgare

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<td>Managing Corporate Social Responsibility: A Case Study of Max Hamburgare</td>
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Abstract

Problem Definition:
Sustainability is an important challenge in the modern business environment. Corporate Social Responsibility (CSR) is a set of business strategies that helps the companies to address the sustainability issues. Thorough and deliberate implementation of CSR is a complex process and is one of the factors that can help companies to be successful and competitive in a changing business environment.
Due to its nature, fast food industry is facing big challenges in the context of sustainability. Especially one of its sectors, hamburger chains, is an object of serious critics because of the health and environmental problems it causes. Max Hamburgare, as a leading hamburger chain in Swedish fast food industry, shows active initiative in implementation of CSR strategies into its business. Therefore, Max Hamburgare was chosen as a relevant case for the current study.

Purpose of the Research:
The purpose of the research is to analyze how Max Hamburgare manages environmental and social issues through Corporate Social Responsibility.

Research Questions:
The main question of the research is the following: How does Max Hamburgare manage environmental and social issues through CSR?
For the simplicity and clarity of the research the main question was divided into the following subquestions:
- What motivations induce Max Hamburgare to engage into CSR, and what are the results of this engagement?
- How does Max Hamburgare implement CSR into its business?
- What do customers know and think about CSR practices of Max Hamburgare?

Methods:
The research was conducted using a deductive approach, a qualitative research method and a case study framework. The theoretical framework was based on academic data that consisted of books, scientific articles and journals. The empirical findings of the thesis were based on secondary and primary data.

Conclusion:
Max Hamburgare sees CSR as a future business opportunity, the company engages into it in attempt to acquire additional resources and benefits. The management of CSR in Max can be described as a systematic process that helps the company to identify and understand the strengths and weaknesses in its CSR implementation strategy. Theoretically, this process can be divided into four stages: motivations, strategies, outcomes and communication. This study showed that each stage acquires its own characteristics in the process of CSR management at Max.

Keywords:
Corporate Social Responsibility (CSR), CR Innovation, CR Integration, fast food, Philanthropy, stakeholders, sustainability, 3P’s or TBL.
Acknowledgements

We would like to express a deep gratitude to Mr. Pär Larshans who dedicated his valuable time for helping us to achieve the purpose of this study, and recommending other essential representatives of the company for further interviews. We would also like to thank the managers of local Max restaurants in Västerås for their sincere participations in the interviews.

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Kim Grebe  Alina Koutun  Waseem Shaer

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List of Abbreviations

CEO Chief Executive Officer
CO2 Carbon Dioxide
CR Corporate Responsibility
CSO Chief Sustainability Officer
CSR Corporate Social Responsibility
GI Glycemic Index
GMO Genetically Manipulated Organisms
ICHF Low Carb High Fat
NGO Non-Governmental Organization
TBL Triple Bottom Line
3P’s People, Planet, Profit
Definition of the Key Concepts

**Corporate Social Responsibility (CSR)** is the “integration of social and environmental concerns in business operations, including dealing with stakeholders” (Lea, 2002, 7).

**CR Innovation** is “developing new business models for solving social and environmental problems” (Halme, 2010, 226).

**CR Integration** is “conducting existing business operations more responsibly” (Halme, 2010, 226).

**Philanthropy** is “charity, sponsorships, employee voluntarism” (Halme, 2010, 226).

**Stakeholders** are “any group or individual who can affect or is affected by the achievement of the firm's objectives” (Freeman, 1984, 25).

**Sustainability** is the “ability to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs” (Kates, Parris & Leiserowitz, 2005, 9).

**3P’s or TBL** is “an accounting framework that incorporates three dimensions of performance: social, environmental and financial. The TBL (or the 3P’s) dimensions are also commonly known as the three Ps: people, planet and profits” (Slaper and Tanya, 2011, 4).
1. INTRODUCTION

1.1 Background

In recent years the awareness and concern regarding sustainable development has increased (Jansson & Nilsson, 2010). The importance of sustainability can be explained by the damage that a rapid industrial development is causing to the planet, such as the increasing greenhouse gases and damage of the ecosystems that compromise the well-being of future generations. In the business world, sustainability is understood as the challenge of managing issues in three different dimensions: social, environmental and economic (see Figure 1). This approach is known as the “Triple Bottom Line” (TBL) and can be also presented as the “3 P’s”: people, planet and profit. (Gimenez, Sierra & Rodon 2012, 149)

![Figure 1: Sustainability (own illustration).](image)

However, sustainability is a much broader concept, and can be described as an ability to meet “the needs of the present without compromising the ability of future generations to meet their own needs” (Kates, Parris & Leiserowitz, 2005, 9). Based on several recent studies, many companies acknowledge the importance of sustainable development in the business environment (Sustainability in business today: A cross-industry view, 2010; Haanes, o.a.).
In general, the importance of sustainability can be explained through the interdependencies between the business and society. According to Porter and Kramer (2011), companies need a healthy society and a healthy environment in order to support their production and sales in the future. Whereas, society needs companies in order to get jobs, salaries, acquire goods and services, and create welfare. Through sustainable development, companies can create a healthy society and, by doing so, contribute to their own prosper, success, and survival in a highly competitive market place.

CSR is a dimension of sustainability at the corporate level (Ebner & Baumgartner, 2006). CSR is a set of strategies for companies to address sustainability challenges (Ajai, 2009). In the context of this study, sustainability challenges comprise social and environmental issues. CSR is a very broad concept and, therefore, it has more than one definition. Consequently, it is common that companies develop their own definition and approach to CSR (Schwartz & Tilling, 2010). CSR can be defined as the “integration of social and environmental concerns in business operations, including dealing with stakeholders” (Lea, 2002, 7).

There are many stakeholders, such as the government, competitors, suppliers, customers, media, investors and NGOs, that are important for companies in the process of handling environmental and social issues. According to Windell (2010), each of these stakeholders has its own background and interest in CSR, and, therefore, each actor influences the company in its own way. Depending on the interest and aims regarding CSR, each stakeholder can both affect and be affected by the activities of the companies. Consequently, companies should manage the mutual expectations about CSR between themselves and their stakeholders (Lauring & Thomsen, 2010). Thus, it is important for the company to identify the demands of their stakeholders regarding CSR, communicate CSR achievements to them and evaluate their perception about it. The primary stakeholder groups for most of the companies are customers, suppliers and employees (Maon, Lindgreen & Swaen, 2009).

1.2 Problem Discussion and Specification

The fast food industry is one of the many industries that cause social and environmental problems. In this context CSR is one of the tools that companies can use to deal with these issues to become more sustainable.

Fast food is defined as the food that is known to be ready for use or consumption, in other words, “food that can be prepared and served quickly” (merriam-webster.com, 2013). In the context of a modern busy life, getting a fast meal in order to save time can be suitable and helpful.
Fast-food began to appear in the United States during the 1920s, and then close to the 1950s the fast food concept started its propagation (Global Perspectives on Fast-Food History). Even today, most of the world’s largest fast food chains are from the United States.

One of the biggest sectors within fast food industry is the hamburger chains. This sector constitutes 45% of the world’s revenues within fast food industry (Fast-Food & Quick-Service Restaurants Industry Overview, 2012). Hamburger chains are often criticized in the context of sustainability by specialists from the area of medicine and environment. The reason for this is that hamburger chains cause and confront a variety of social and environmental issues. (Global Meat Production and Consumption Continue to Rise, 2012)

The social issues that the hamburger sector faces are mainly concentrated on health. Many researches show that eating fast food on a regular basis causes health problems. These problems are caused due to an overconsumption of fat, salt and sugar. Obesity, insulin resistance, high blood pressure and clogged arteries are some examples of what can happen if the diet of a person is based on fast food. (Health Effects and Diseases Caused by Eating Fast Food, 2011). The World Health Organization has declared obesity as a global epidemic (Fast food facts from the Super Size Me Web site).

The attention of the public to the health problems hamburger chains face, was attracted with the help of books such as “Fast Food Nation”, documentaries like “Super Size Me” and studies from health organizations such as the National Institute of Health. The public awareness obliged the hamburger chains to adopt healthier alternatives to their core products. (Fast Food Industry Analysis 2013 – Cost & Trends, 2012)

Another big challenge that hamburger chains face today are environmental issues. The reason for this is the intensive usage of meat, which is an essential ingredient for making hamburgers. Today the meat industry contributes to 18% of the global emissions of greenhouse gases that leads to large-scale meat production making a serious impact on the global climate (Global Meat Production and Consumption Continue to Rise, 2012). An interesting fact that can support the importance of this issue is that “cooking four normal sized hamburgers in a fast food emits the same amount of chemicals as driving a current model car for 1,000 miles” (Alter, 2006).

Thus, sustainability is a challenge that hamburger restaurants stay in front of, and should manage in order to adapt to a new business environment.

Fast food industry in Sweden faces even bigger challenges for its survival because the level of awareness regarding health and environmental issues is constantly growing. Due to this fact high demands on companies are imposed by the Swedish society. In the recent
years, sustainability has become one of the most important objectives for the Swedish Government, individuals and companies. The primary reasoning for this tendency is that individuals from one generation should preserve resources for the prosper of the future generations. According to the European Commission, Sweden leads the consumption of organic food in Europe. (Sustainability in Sweden)

An interesting fact is that in the U.S. 35% of the population eat fast food at least once per week, in Sweden only a 3%. (Jafferlali, 2010). This fact makes it possible to assume that Swedish fast food chains have to make an extra effort to attract customers. One way of doing this is to address environmental and social issues through CSR practices.

Taking into account this situation, it is interesting to analyze how a hamburger chain manages sustainability issues in the Swedish fast food market. Max Hamburgare, the most profitable and popular Swedish hamburger chain, is known for its responsible way of conducting business (Listening to the remarkable story of Max Hamburger). Thus, for the purpose of this study it is interesting to analyze how Max Hamburgare addresses and manages social and environmental problems that hamburger chains face.

The management of CSR is directed on specific stakeholder groups. One of the primary stakeholders of companies are customers. The customers and companies are connected with each other through the process of consumption. (Maon, Lindgreen & Swaen, 2009) Through this process customers can not only meet their physical needs but also express their ideals. This makes CSR one of the important factors that define the purchasing decision. (Golob, Lah & Jancic, 2008)

Therefore, in order to evaluate how effective CSR of Max Hamburgare is, it is interesting to investigate what its customers know and think about these practices.
Figure 2 gives an overview and summarizes the information presented in the problem discussion.

![Diagram showing sustainability and corporate social responsibility](image)

**Figure 2: Problem Specification and Research Question (own illustration).**

### 1.3 Purpose and Research Questions

The purpose of the research is to analyze how Max Hamburgare manages environmental and social issues through Corporate Social Responsibility.

The research question of this thesis is:

*How does Max Hamburgare manage environmental and social issues through CSR?*

In order to get a deeper insight into this research question, it is important to analyze:

- why Max Hamburgare engages into CSR strategies and what are the results of this engagement;
- how Max Hamburgare implements CSR into its business;
- what customers know and think about CSR practices of Max Hamburgare.
1.4 Target group

This work is of a particular interest for Max Hamburgare and other hamburger chains in fast food industry that are aware of the necessity and have an interest in sustainable development and CSR management. This thesis can also serve as a general insight and an inspiring source for future researches conducted by students and teachers within the Business Management field.
### 1.5 Chapter Overview

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<th>Description</th>
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<tr>
<td><strong>CHAPTER 1: Introduction</strong></td>
<td>The first chapter provides a general overview of the bachelor thesis.</td>
</tr>
<tr>
<td><strong>CHAPTER 2: Theoretical Framework</strong></td>
<td>This chapter includes the theories that are relevant for this study. It provides academic data that can be tested with real world data.</td>
</tr>
<tr>
<td><strong>CHAPTER 3: Methodology</strong></td>
<td>In this chapter a detailed description of the research method is presented. The reason for choosing a particular topic and the collected data are exposed. The principles of trustfulness such as validity and reliability are also addressed.</td>
</tr>
<tr>
<td><strong>CHAPTER 4: Empirical Findings</strong></td>
<td>This chapter presents the primary and the secondary data collected from the different resources.</td>
</tr>
<tr>
<td><strong>CHAPTER 5: Analysis</strong></td>
<td>In this chapter, both the primary and the secondary data, are analyzed and combined with theories previously chosen.</td>
</tr>
<tr>
<td><strong>CHAPTER 6: Conclusion</strong></td>
<td>It includes the sum up of the most relevant information and findings in the previous chapters, to be able to answer the research questions.</td>
</tr>
<tr>
<td><strong>CHAPTER 7: Future Research</strong></td>
<td>This chapter includes suggestions for further future researches that are deeper and relevant to the thesis topic and its results.</td>
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2. THEORETICAL FRAMEWORK

2.1 Motivations for companies to engage into CSR practices

Companies have various motivations when engaging into CSR. These motivations are mostly driven by some form of self-interest (Moon, 2001). Many scholars classify these motivations into two categories, the instrumental and the normative (Mintzberg, 1983; Smith, 2003). In addition to this, other observations drawn from researches in this area were helpful to point out another type of motivations – hedonic motivations (Lindenberg, 2001; Deci & Ryan, 1985). The arguments of Moon (2001) and Fang, Huang and Huang (2010) make it possible to distinguish between two types of the instrumental motivations – proactive and defensive. Thus, the motivations for CSR engagement can be divided into four categories depending on the approach to CSR: Hedonic, Normative, Proactive, and Defensive (see Figure 3).

![Figure 3: Motivations for CSR Engagement (own illustration).]

The Hedonic or Self-enjoyment motivations are more related to internal characteristics of the individuals and can be defined as the behaviors and practices that aim at improving the well-being of all stakeholders. This definition is drawn from the claim that this motivation “can be conceptualized as an emotion tied to improvement of one’s condition” (Lindenberg, 2001, 331) and, thus, can be a source of enjoyment. The purpose of engaging into CSR in this case is satisfying the will of the company to benefit itself and its stakeholders and “doing good” for the sake of doing good. CSR is a goal in itself to be achieved. (Lindenberg, 2001)
The Normative motivations are behaviors and practices, which are driven by the desire of creating an ethical relationship between the institution and the stakeholders (Gardberg & Fombrun, 2006). This implies the presence of a normative (ethical) control over a person’s actions and, consequently, a normative control over the company’s action on the institutional level. CSR is identified here as a moral obligation the company should fulfill, and, thus, the purpose of engaging into it is the compliance to moral norms. (Wiener, 1982)

The Instrumental motivations, according to Wiener (1982, 419), are “the person’s attitude toward performing a particular act, is a function of his beliefs concerning the consequences of the act and their value to him”. This can be also seen on the corporation level (Wiener, 1982). As it was mentioned above, there are two types of instrumental motivations – proactive and defensive:

- The Proactive motivations which are driven by the desire of obtaining additional resources, promoting good reputation and increasing the shareholders’ value. CSR is identified as a tool and an opportunity for creating a competitive advantage. (Porter & Kramer, 2006)

- The Defensive motivations, on the other hand, are driven by the desire to avoid losses of resources. Engaging into CSR is seen only as a need to survive in a new business environment, and its purpose is to increase shareholders value and to preserve firm’s legitimization in front of the stakeholders. Being driven by the defensive type of motivations, companies tend to implement the latest CSR ideas through imitating other companies. “Uncertain organizations imitate other organizations that seem to be more legitimate and successful than they are themselves” (Schwartz, 2009, 194). Furthermore, DiMaggio and Powell (1983) introduce the concept of institutional isomorphism as a process of homogenization that helps the companies to adapt to new business environment. This means that companies tend to become more similar to each other in order to become appropriate and legitimate in the eyes of its stakeholders.

Table 1 represents and organizes the four motivation types according to the following three dimensions: approach to CSR, purpose of CSR and expected outcomes.
### Dimensions of motivations

<table>
<thead>
<tr>
<th>Approach to CSR</th>
<th>Hedonic motivations</th>
<th>Normative motivations</th>
<th>Proactive motivations</th>
<th>Defensive motivations</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR is a will</td>
<td>CSR is a duty</td>
<td>CSR is a tool</td>
<td>CSR is a need</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Purpose of CSR</th>
<th>Increase social value</th>
<th>Be compliant to moral norms</th>
<th>Increase shareholders value</th>
</tr>
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</table>

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<tr>
<th>Expected outcomes</th>
<th>the pleasure from contributing to the benefit of the stakeholders</th>
<th>Avoiding moral conflict</th>
<th>Obtaining additional resources</th>
<th>Avoiding loss of resources</th>
</tr>
</thead>
</table>

**Table 1: Motivations Types (own illustration).**

#### 2.2 CSR Strategies

After the company discovered the right motivations to engage into CSR, it uses different strategies in dealing with sustainability issues (Schwartz, 2009). Halme (2010) suggests a framework consisting of three types of strategies that companies can use to address sustainability issues. These strategies are known as: CR Innovation, CR Integration and Philanthropy (see Figure 4). They differ from each other in regards to such factors as the relation to the core business of the company, the “target responsibility actions” and the benefits the company acquires (Halme, 2010, 226).

![CSR Strategies](image-url)

**Figure 4: CSR Strategies (own illustration).**
The framework elaborated by Halme (2010) is relevant for this study because it systemizes such issues as the CSR relation to the core business of the companies and the CSR benefits into one model and, thus, makes it helpful to observe CSR activities of the companies in a more structured way.

CR Innovation is a CSR strategy that is based on the development of a new business idea that would solve sustainability problems within the organizational field of the company. In other words, the company seeks to develop new products or services which provide a solution to environmental or social problems. This kind of CR strategy is implemented directly into the core business of the company by creating a new product or service. CR innovation fulfills the win-win condition, what means that the company will develop a new business that would help to solve environmental problems and, at the same time, create revenue for the company. (Halme, 2010)

CR Integration is practiced by companies that combine responsibility aspects with their core business idea. An important feature of this strategy is that the company takes a direct responsibility towards the concerns of its primary stakeholders, such as customers, employees and suppliers. This responsibility focuses on ensuring high quality products, paying fair wages and avoiding overcompensation to top managers at the cost of other employees. Besides, by practicing CR Integration, companies tend to pay the suppliers on time, support responsibility measures of the supply chain (e.g. no child labour) and apply environmental practices and policies. It attaches sustainable orientation to the core business and products of the company. The company will expect benefits for these actions, such as increase in corporate reputation, saving costs or reducing risks. (Halme, 2010)

Philanthropy is a strategy that is neither connected to the core business idea of the company, nor is bearing direct benefits to it. The purpose of the Philanthropic strategy is to improve the companies´ reputation (Godfrey, 2005) through such extra activities as charity, donations and voluntary work. Companies can also promote philanthropic actions by encouraging their employees to engage in voluntary work, offering them the adequate tools and time so they will have the possibility to do it (Halme, 2010).

It is common that companies combine these three strategies and that only a dominance of a particular strategy can be identified. Thus, companies do not follow one particular strategy strictly. (Halme, 2010)
2.3 Financial and Social Outcomes

Each of the above mentioned CSR strategies leads to different financial and social outcomes. Among financial outcomes, CR Integration and CR Innovation increase share value, contribute to customer and employee loyalty, reduce risks and costs. Both types are usually close to the core business. CR Innovation can also mean conquering major new markets. These two strategies can create a competitive advantage for a company that would be hard for other companies to copy. In sum, for the different reasons explained above, CR Integration and CR Innovation have more financial performance than Philanthropy. Social outcomes of Integration and Innovation can be presented by higher salaries for employees, environmentally friendly products and production. (Halme, 2010)

Philanthropy cannot achieve a long term positive financial and social outcomes because the company does not connect the CSR activities with its core business (Halme, 2010). Philanthropic strategy can contribute to the increase in the reputation of the company in the short run (Godfrey, 2005), but can contribute to financial risks of the company at the times of low business cycle (Halme, 2010).

In summary, Philanthropic strategy is less beneficial for companies than CR Integration and CR Innovation because it is not related to the core business of the companies. Moreover, the CR Innovation strategy may have the greatest potential in terms of social outcome among the other two CR strategies; because it’s very starting point is solving social or environmental problems with the help of new products. (Halme, 2010)

2.4 CSR Communication

In order to be able to justify the motivations for CSR engagement, gain and evaluate CSR outcomes, creating stakeholder awareness about CSR actions is very important. According to Maon, Lindgren and Swaen (2009), one of the most important stakeholders for the company are customers. In its essence, customers are connected to the companies through the process of consumption. The consumption process is something that helps people to satisfy their physical needs, express themselves and even to create more meaning in their lives.

In the context of this process there is a tendency of moving from satisfaction of lower order needs to satisfaction of higher order needs. This means that as basic physical needs are satisfied people see consumption as a way to express their personality, to make their life values, principles and ideals heard. In this situation an increasing interest of the consumers for corporate social responsibility issues can be seen as a way to manifest their identity in the market and as a way to satisfy their higher order needs. (Jansson & Nilsson, 2010) In such situation CSR along with the quality and price of the product
becomes the factor that defines purchasing decision of the customers (Golob, Lah, & Jancic, 2008).

This situation encourages the companies to engage into CSR, and to respond to growing demands of the customers. The company can make the customers aware about its CSR activities through an effective communication (Du, Bhattacharya & Sen, 2010).

Communication can be defined as “the process by which information is transmitted and understood between two or more parties” (Mark-Herbert & Schantz, 2007, 6). The current study refers to the communication process between the company and its primary stakeholders, customers. An effective CSR communication has become a key strategy for most of the companies (Mark-Herbert & Schantz, 2007).

Companies can communicate their CSR to the stakeholders in various forms. The most common ways of communication are annual reports, sustainability reports, annual shareholders letters, nonfinancial reports and information on the corporate home page (Mark-Herbert & Schantz, 2007). The Internet is considered to be one of the best mediums for companies to emit socially responsible information (Zieg, 2009). These different forms are important communication platforms to support credibility, to create awareness among the stakeholders and confirm the achievements of the settled goals (Mark-Herbert & Schantz, 2007).

2.5 Conceptual Framework

The information presented above is organized into the overall process of CSR management, which is a function of motivations, strategies, financial and social outcomes, and communication the company conducts and gains (see Figure 5).
3. METHODOLOGY

3.1 Choice of the Research Topic

An inspiration for the current study was the course “Business Strategies for Sustainable Development” taught by Birgitta Schwartz in Mälardalen University. In this course, sustainability and the CSR concepts were introduced, developed and deeply analyzed; showing the key role the both concepts play, when it comes to doing business “the right way”. It was understood that companies have a responsibility towards society and its different stakeholders. Besides, the course helped to realize the importance of sustainability and CSR in the business world and showed how companies can practically become more sustainable. Thus, with the current study it became interesting to get a deeper insight into how companies manage corporate social responsibility in practice.

Max Hamburgare was chosen for this study because it is a good example of an innovative company that is aware of the importance of CSR in the business environment. Working in an industry that is criticized for the environmental and social issues it causes, Max Hamburgare uses CSR successfully as a tool to manage these issues. Max is the most popular hamburger chain in Sweden and is a pioneer in the world regarding CSR practice in the fast food industry (Listening to the remarkable story of Max Hamburger). These facts made it interesting to analyze how Max Hamburgare manages environmental and social issues through CSR.

The integration of the theoretical framework with the CSR practices of Max will allow analyzing how CSR can be managed.

3.2 Delimitations

The study was focused on only one company, Max Hamburgare. Moreover the center of attention was one sector within the fast food industry, the hamburger chains. Max Hamburgare was chosen due to its extensive and successful implementation of CSR in its business strategies, what is considered to be of a particular relevance for the chosen topic.

Hamburger chains were chosen because of their great contribution to the amount of revenues in fast food industry (45 %), and what is most important, because of the serious sustainability issues they face today.

A qualitative approach was used in the thesis. Because this approach does not allow establishing strong connections, tendencies and relations between different factors, some of the results can have a certain amount of subjectivity.
3.3 Research Methods

It is possible to distinguish between two principal methods of research, quantitative and qualitative. Quantitative research method presents the situation based on the quantitative data and relationships (Myers, 2008). Qualitative research method concentrates on how people see and perceive the situation around them, and allows the researcher to understand the context within which the decisions are made (Myers, 2008). This implies that the quantitative research strategy focuses on quantification in the collection and analysis of data, while the qualitative research method emphasizes words rather than numbers. (Bryman & Bell, 2007)

The qualitative research method was chosen for the current study because it gave the opportunity to test how the chosen theory about CSR management is applied in practice on the case study of Max Hamburgare. The qualitative research helped to generalize the theory based on the assumption that theory can take different forms when applied to different practical cases. Analyzing the form the applied theory takes at Max, the qualitative method allowed getting a picture of the context in which Max representatives and customers make their decisions and perceive CSR practices of the company.

The framework of the study is presented by a case study. A case study is based on a detailed and thorough analysis of a particular case (Bryman & Bell, 2003). A case study was chosen because it allows analyzing the theory in the context of its practical application and contributes to a deeper insight into the context of decision-making process. A case study was also chosen because, according to Hartley (2004), it lies in line with the qualitative research method. For the current study Max Hamburgare was chosen as a case study.

The combination of the qualitative research method and a case study will provide rich data about Max and, thus, will allow for a deeper understanding of the study conducted.

3.4 Research approach

The study is conducted based on a deductive approach. According to the deductive approach, the research starts with scanning the theory, generalizing its main points and exploring if this generalized theory can be applied to a specific practical case (Spens & Kovacs, 2006).

A deductive approach was chosen because it was interesting to analyze how Max Hamburgare manages environmental and social issues through CSR based on the theory about CSR management presented above. A deductive research helped to generalize the chosen theory and to apply it to the case study of Max Hamburgare, what, in its turn, allowed to analyze how the company manages environmental and social issues through CSR.
The deductive approach allowed moving from a general theory to its specific practical application and, thus, structuring the research process is a particular order. The order of the research process is illustrated by the research model (see Figure 6). The study starts with the introduction of sustainability and CSR concepts, complemented with the sustainability issues in the fast food industry. Then the study proceeds with the presentation of the theory on CSR management, followed by the presentation of Max Hamburgare and the main question of the research. Theoretical framework and presented empirical findings give the basis for conducting the analysis which ends up with the conclusions and the recommendations for the future research.

Figure 6: Research model (own illustration).
3.5 Literature Review

The consciously selected academic data used in this study consists mainly of scientific theories from the books, academic articles and journals, which were used for constructing the theoretical framework. This information was found with help of search engines of Mälardalens University Library, Discovery, Ebrary and Google Scholar.

The theory presented above highlights the motivations of why companies engage in CSR, the way they do it and the outcomes of this engagement. Such classification of theories about CSR makes it possible to analyze how Max Hamburgare manages environmental and social issues through CSR.

Relevant keywords were used when searching for specific information. For example, when searching for the relationships between sustainability and CSR, such key words as “sustainability”, “corporate social responsibility”, “relationships sustainability csr”, “csr versus sustainability” were used. The chosen literature was based on the relevance and trustworthy of the information provided in them.

3.6 Choice of Data Collection Method

In order to conduct the study, secondary and primary data were used.

3.6.1 Secondary Data

The required information about Max Hamburgare, especially data on its CSR practices and campaigns, was mainly found on the web site of the company. The information about specific projects, environmental and social strategies, as well as, achievements within CSR was found in the Sustainability report of Max (Klimatbokslut 2011). A Report on fat reduction of Max (Fettbokslut 2011) provided the study with solid information on the actions of the company within the improvement of product’s quality. More general information on Max CSR vision and its place in fast-food industry was found from the case study of the non-profit organization The Natural Step. It was also possible to collect the information about the company from journals and newsletters. For example, the information on one of the aspects of Max social activities, hiring disabled people, was taken from the article of an electronic newspaper “CSR I praktiken”.

3.6.2 Primary Data

Interviews were the primary data selected for this study. The academic and secondary data collected were essential to structure the interviews. This approach was useful for collecting information about Max Hamburgare and its CSR practices, because it allowed to get richer information about the opinions of the respondents and to get the structure of
the answers relevant for this study. This provided data that was otherwise difficult to find to complement this study.

Qualitative interviews were chosen as a strategy for collecting the primary data relevant for this study. Qualitative interview is a conversation between the researcher and the person interviewed in which the researcher leads the discussion (Rubin & Rubin, 2004). Such interview tends to be flexible and does not have a strict structure (Bryman & Bell, 2007). This type of interview provided the study with rich and detailed information on different aspects of CSR practices from the point of view of the representatives of Max and its customers.

The interviews conducted had a semi-structured form. A semi-structured interview is a context in which the researcher follows a prepared list of questions but can leeway from it (Bryman & Bell, 2007). A semi-structured interview was chosen for the purpose of this study because it allowed capturing a range of topics essential for the context of the study and, at the same time, by asking deeper questions, to get richer information on the concerns, views and opinions of people interviewed. Semi-structured interviews allowed gaining such advantages as the relaxed and natural flow of conversation due to a flexible order of questions. Such interviews also gave an opportunity to receive rich and deep answers. The disadvantages of a semi-structured interviews admitted during the study were mainly in the difficulty to generalize and categorize the received answers.

One of the interviews was a semi-structured telephone interview. It was conducted by phone due to the distant location and busy timetable of the respondent. The rest of the interviews were semi-structured face-to-face interviews. A list of questions was prepared on topics to be covered, but also questions that were not included in the guide may were asked spontaneously to the respondents. Such approach is consistent with the approach for the semi-structured interviews proposed by Bryman and Bell (2007).

3.6.2.1 Semi-Structured Telephone Interview

A semi-structured telephone interview was conducted with Chief Sustainability Officer (CSO) of Max, Pär Larshans. According to Bryman and Bell (2007) one of the main advantages of a telephone interview is that there is no place for prejudices of researcher and the person interviewed. The disadvantage is, though, the lack of visual contact what can make the conversation tensed, and makes it hard to judge the reactions of a person to a particular questions.

The interview took place on Tuesday 11 December 2012 and took 30 minutes (15.15 - 15.45). It was conducted in English what did not affect the interview in a negative way due to the rich knowledge of English Pär Larshans possessed. The purpose of
interviewing the CSO of Max was to collect general information about the management of CSR of Max, how top management understands CSR, how the decisions are made, who are the most important stakeholders for the company, what goals company has with CSR, and with what strategies it achieves them.

A contact with Pär Larshans was established through the head office of Max which is situated in Luleå. The interview was conducted through Skype (telephone service) due to the busy schedule of Pär Larshans. A telephone interview is allowed in case the person interviewed has a busy schedule or at the moment of the interview is far away from the researchers (Bryman & Bell, 2007). The lack of the visual contact could make it hard to get a complete judgment about the opinions of Pär Larshans; what, in its turn, could prevent receiving a good interpretation of the answers received.

Taking into account this factor, the interview was prepared seriously. There was elaborated a structured list of general and more specific open-ended questions that captured such topics as vision of CSR, motivations for engagement into CSR, strategies for managing it and outcomes. Open-ended questions allowed receiving rich and elaborated answers on the questions. However, according to Bryman and Bell (2007), this type of questions has a risk of biased interpretations of the answers. In order to minimize the misinterpretation of the answers received all three researches were present in the same group room at Mälardalens University during the interview.

In order to be organized, the interview was conducted by one researcher, while two other researches were listening and taking notes. Pär Larshans was asked if it was allowed to use his name in the study and record the interview. Asking these questions helped to express respect to the opinion and privacy of the respondent what contributed to the trustworthy atmosphere. The interview was based on the questions prepared in forehead, but some more questions were asked if new interesting aspects were admitted or deeper answers were required. Calm pace of interviewing was chosen in order to create a relaxed atmosphere and receive rich answers. For a deeper understanding of practical CSR management Pär Larshans recommended the researchers to contact managers of local Max restaurants. The openness and eagerness of Pär in answering questions was admitted by each researcher. Directly after the interview a transcribed version was written down.

3.6.2.2 Semi-Structure Face-to-Face Interview

Face-to-Face Interview is a communication that takes place between the researcher and the person interviewed at same time and place (Rubin & Rubin, 2004). A semi-structured face-to-face interview was conducted with two local managers, Lars Moqvist and Manager X. The purpose of interviewing local managers was to find out how CSR is
working in practice on a daily basis, what strategies are used for its implementation, and how it is communicated to the primary stakeholders. Besides, it was interesting to see how local managers understand the concept of CSR and the motivations for engagement into it in order to compare it with the vision of CSO Pär Larshans. A question guide was prepared, but also, some additional deeper questions were allowed. The contact with the local managers was established by calling directly to the local restaurants. Before agreeing to the interviews, the two managers verified this possibility with Max CSO Pär Larshans.

Lars Moqvist is the manager of Erikslund Max in Västerås. The interview with Lars was conducted on Tuesday 18 December 2012 and lasted 30 min (15.00-15.30). The interview was taking place in the staff room of the restaurant, one-on-one. The visual contact of a face-to-face interview was taken into consideration and the interviewer was trying to keep a balance between appropriate and at the same time informal outlook in order to assure the manager that he is a student and not a representative of a competitive company. From the very beginning Lars Moqvist was eager to answer the questions, allowed mentioning his name and recording the interview. The atmosphere was described by the researcher as open, welcoming and honest. The interview was conducted in English but at times when Lars experienced difficulties in expressing himself he was allowed to answer in Swedish. Answers in Swedish were allowed by the researchers because two of the researchers speak Swedish fluently. Such approach secured the researchers from receiving poor answers. Directly after the interview, the questions were translated and transcribed.

Manager X is the manager of Hälla Max in Västerås. The interview took place on Tuesday 19 December 2012 and took 25 min (14.45-15.10). The manager did not allow using her name but allowed for interview recording. The interview was held in a staff room in the local restaurant, one-on-one. In order to escape any disadvantage of the visual contact the same measures regarding the outlook were chosen. Manager X was asked the same questions as Lars Moqvist but gave different and more specific answers to some questions. The atmosphere was described as tensed in the first half of the interview, but after the proposal to talk in Swedish the interview became open and relaxed. The answers received were directly translated and transcribed in order to restore all details.

For the purpose of the research it was interesting to see what customers, one of the primary stakeholders of companies, and, in particular of Max, know and think about CSR practices of Max. For this purpose a qualitative semi-structured open-ended list of questions was prepared. Open-ended questions are questions that do not provide the respondent with a list of alternative answers and, instead, encourage the respondent to answer in any way he or she wants (Bryman & Bell, 2007). A qualitative interview with
open-ended questions was chosen because it was relevant to look at personal opinions of the Max customers, their knowledge about Max CSR engagement, and their perceptions of how well Max communicates its CSR practices. The prepared interview questions aimed at highlighting such aspects as what the customers know about CSR of Max, what they think about it and what they expect from Max regarding social and environmental practices.

The interviews were conducted during two days, on Friday 14 December 2012 and on Monday 17 December 2012 by one of the researchers from 12.00 p.m. to 13.15 p.m. (lunch time). The lunch time was chosen as most people eat during this time. The interview took place outside, but close to the entrance of Max restaurant both in Erikslund and Hälla. This placement assured that people would not be influenced by various informative signs about CSR of Max which are placed inside the restaurant. From their personal observation, the researchers knew that various informative signs about CSR practices of Max are placed in the Max restaurants and, thus, it was considered that the answers of the customers could be affected by these signs. At the same time, the chosen placement provided the researcher with the possibility of interviewing the customers of Max only. The researcher selected customers between 20 and 40 years old. Younger and elder people were not selected in order not to introduce the differences of CSR understanding induced by generational differences. Due to the lack of time the objective was to get answers from 20 people of an indicated age range. Around 40 people were asked for the interview, but only 35 interviews were received, from which 20 relevant for the age criteria were selected. The interview questions were constructed in English but the customers were allowed to talk in Swedish as well. In the beginning of the interview the researcher mentioned that he was from Mälardalen University and not from Max. The necessity in accentuating this fact was admitted during the interviews when some people were absolutely positive about CSR and its activities but changed their opinion after the researcher pointed that he is a student and not Max representative.

Directly after the interviews the answers received were summed up in order to find the general tendency that prevailed in the answers on each question. The most interesting and extraordinary answers were presented separately in order to reflect the contrast of opinions and knowledge and, thus, to avoid bias in the question revisions.

3.7 Data Analysis

To be able to analyze how the company manages environmental and social issues with CSR, the theoretical framework was applied to the collected empirical data. This approach helped to analyze why the company thinks and acts in a particular way. Secondary data provided us with general information about the CSR practices of the company, while the collected primary data gave a deeper insight into the CSR strategies.
conducted by Max Hamburgare; and provided valuable information on how CSR is perceived, motivated and applied in the company. The information that was obtained from secondary resources and from the interviews with the representatives and customers of Max was combined with the theoretical framework in a way that allowed to look at the general vision of sustainability and CSR at Max and then at a more specific motivations, strategies, communication practices and outcomes of CSR management. The comparison showed the points where the theory and empirical findings coincide and where they contradict each other. Such approach makes it possible to get a clearer understanding about the topic and to answer the proposed research questions.

3.8 Validity & Reliability

It is argued that validity and reliability are different types of measures of the quality, rigor and wider potential of the research, which are achieved according to a certain methodology and principles (Bryman & Bell, 2007).

3.8.1 Validity

Validity means observing and researching the right “things” (Bryman & Bell, 2007, 410). Validity in a qualitative research emphasizes on how well theory is applicable to the case of study (Bryman & Bell, 2007).

In order to achieve a liable research study and results, all the consciously chosen data on CSR, challenges within the fast food industry, as well as secondary information about Max Hamburgare and its CSR strategies, are actual and significant for this study. All the concepts and theories expressed in the theoretical framework served as a base to develop the questionnaires for the interviews with representatives and customers of Max. The selected respondents were carefully chosen in order achieve a relevant research; and to get a deeper insight into CSR practices of the company.

3.8.2 Reliability

Reliability is about observing and researching “things” in a right way. Reliability implies the ease to replicate the research and the ability of the researches to find consensus in what they observe. (Bryman & Bell 2007, 410)

The researchers had a pre-understanding of CSR due to their participation in the “Business Strategies for Sustainable Development” course, as well as in other courses conducted in Mälardalen University, which were helpful to find and relate some of the academic literature used in this study. In order to maintain reliability, no attempts to influence the study with own opinions and believes were made.
Due to the awareness of the possible issues related to reliability, special attention was paid to the development of this study. Various sources were used to provide truthful information and results. The different interpretations of contradicting concepts were discussed between the members of the group and the consensus was found. Following the literature and avoiding expression of the own opinions of the researches were main principles in conducting the study.

Regarding the primary sources of information, none of the researches was familiar with the respondents; this increased the possibility to maintain a certain distance and impartiality. Besides, no attempts to influence the respondent’s opinion were made by the researches. To maintain the neutrality was a priority in this study.
4. EMPIRICAL FINDINGS

4.1 Presentation of the company Max Hamburgare

Max roots go back to 1968 where it was started as a grill kiosk called X-grillen in Gällivare, a small village in northern Sweden. Its founders were Curt Bergfors and his partner Britta (Historiska ögonblick, 2012). Year after year since that date, Max had been gradually growing inside the country reaching Stockholm in 1994. In 2002, the sons of Curt, Richard and Christopher took over the operational responsibility of the family.

The company is considered to be the oldest and the most popular fast food restaurant chain in Sweden today (Listening to the remarkable story of Max Hamburger). The company is well known for its strong social and environmental CSR practices and campaigns, not only in Sweden but also abroad (Richard Bergfors utnämnd till årets vd, 2012). The idea of being a sustainable company is reflected in Max vision (see Figure 7).

![Figure 7: Max's Vision. Source: (A Natural Step Case Study).](image)

Nowadays, Max Hamburgare has 86 restaurants in Sweden; all family owned. They employ around 3,000 people, having a turnover of 150 million Euros. This is an average turnover of 2 million Euros per restaurant. (Welcome to Max Burgers, 2012)
Max elaborated a leadership program that constitutes solutions to environmental and health issues. By doing so the company focuses on the demands of its customers and becomes more sustainable (see Figure 8).

![Figure 8: Max and Sustainability. Source: (Sustainability, 2012).](image)

On the environmental side the main focus is given to carbon dioxide offsetting. This is approached mainly in three steps.

The first step is to analyze how much carbon dioxide is put into the atmosphere for the production of one particular product. The results are placed in the menu next to each of the offered products, so that the customer is informed about it and therefore makes a deliberate purchase decision. (Klimatbokslut, 2011)

The second step is to minimize the impact on the climate through the usage of alternative sources of energy such as wind power, and solar energy, to support the functioning of the local restaurants. (Klimatbokslut, 2011)

The last step started in 2008 with the help of the organization “Zero Mission” and involves planting trees in Africa. This is considered to be a compensation for the carbon dioxide release. The company plants around 15 000 trees each year, and the covered area with trees is equivalent to 1 300 football fields. (Klimatbokslut, 2011); (Alburg, Gustafsson, Hultmark, Jacobsson, & Tollstadius, 2012)

Max Hamburgare offers ecological coffee and milk, and the supplied meat comes from Swedish farms. The latter considerably reduces the carbon dioxide emissions due to the
avoidance of long distance transportation. Furthermore, Max took away meal boxes and plastic cup locks in order to minimize waste and improve recycling. (Klimatbokslut, 2011)

CSR strategies which approach social issues are focused on making the products of Max healthier. The word healthier is explained by Max in these words “No GMO, no trans fats, no antibiotics, no growth hormones”. (Healthier fastfood, 2012)

The improvement of the quality of the products is achieved through the following steps. Max strives to reduce the fat level in its offered products. According to Max (Klimatbokslut, 2011), they succeeded in reducing 92 tons of fat in their meals in 2011. Max introduced Deli fresh food section. These types of products are considered to be low fat food and induce better food habits. Max says that its work in this area is continuously developing from time to time. They also support their low fat claims by showing the green keyhole mark – the Swedish National Food Administration’s symbol – that certifies the low fat. (Delifresh, 2012)

The work of Max is also concentrated on the GMOs (Genetic Modified Organisms). This is something Max does not accept in its products. Controls and safety are paramount as it is written on their website. (Healthier fastfood, 2012)

Max still has some other successful practices and results when it comes to the healthier food, for example, the diet program “Minimize You” that was launched by Johan Grundstroem around the year 2008. Johan was a man who was suffering from obesity, and, thus, decided to follow a diet that could help him to lose weight, but at the same time to not prevent him from eating hamburgers. He came up with the idea of a hamburger diet that was sponsored by Max in a form of free burgers, and, as a result, helped him to lose 30 kg of his weight. In 2011, the project expanded with six other people that were following the same diet from Max in the hope of achieving the same results. (Grundstroem)

Max Hamburgare wants to express its honesty and commitment to sustainability through several channels of communication. One of the most important channels of communication of Max is its website where it is possible to find an extended amount of information about its CSR practices. The information in the webpage is easily accessible and is presented in a clear and simple way.

Besides, other ways of communicating CSR were found, such as the “Klimatbokslut 2011” (Sustainability, 2012), the “Fettbokslut 2011” (Report on fat reduction), big green posters with the main environmental strategies in the restaurant as well as the labels indicating the carbon dioxide releases next to each product on the menu list.
4.2 CSR Management of Max

Information on CSR management of Max was received from the interviews with the Chief Sustainability Officer (CSO) Pär Larshans, two local managers of Max restaurants in Västerås, Lars Moqvist and Manager X, and with one of the most important stakeholders of Max, the customers. This information was organized in accordance with the conceptual model presented in the end of the theoretical framework. First, the motivations by which Max manages CSR were presented, then the different strategies Max practices. This was followed by the financial and social outcomes it gains, as well as, the CSR communication regarding its customers.

4.2.1 Motivations for CSR engagement

Max Hamburgare has always had a great interest in being sustainable and taking social and environmental responsibility. Though the way the sustainability is approached today, is not the same as the way the company used to practice it in the beginning of its existence. The bigger the company got, the more important and extended CSR became. The company understands sustainability as the responsibility for the society which is supported and maintained in all of its restaurants. (Pär Larshans)

Max realizes that sustainability issues are serious, especially environmental issues. The problem of emitting carbon dioxide is considered to be one of the most severe issues in the fast food industry. In the case of Max, 90% of the CO2 emission comes from their suppliers, the local farmers. (Pär Larshans). Max also realizes that this issue and many other issues, like health problems, are also becoming more noticeable and serious issues in the industry today, and thus acquire more attention from the company (Manager X).

Max has the ambition to show other hamburger chains and other stakeholders that the hamburger itself is not a symbol of evil. Even being associated with many CO2 emissions, Max wants to show that a burger still can be good. Among the hamburger chains, Max’s ambition is to become the best hamburger chain in the world. Being a leader in CSR is one way of achieving this aim. (Pär Larshans)

When managing CSR, Max is driven by the following principle: “Being good for the business, good for the nature and good for the people” (Pär Larshans). CSR is seen as a way of giving something good back to the society and not only making money (Lars Moqvist); (Manager X).

Max believes that being a responsible company and doing good for the society is the right and normal way of becoming a sustainable business. (Lars Moqvist)
The owners of Max take responsibility for the business, by making it as clean as possible. Max believes that CSR is an important issue in the business world today. (Manager X)

4.2.2 CSR Strategies

The CSR strategies are initiated by the top managers. The sources for these ideas are inspired by the best practices of other companies, and by looking at the future problems that need to be solved. Initiating CSR practices gives Max a business opportunity to be one step ahead of others. (Pär Larshans)

CSR is also considered to be a key to the long term success of the company, because it is believed that customers in the long run perspective will prefer companies that take responsibility in their business. Besides, CSR gives a chance for top managers to express their own values and, by doing so, achieve good results for business. “We are doing this voluntarily, there is no law about it; we make it from the heart. Our customers and employees are happier and more satisfied with these practices”. (Pär Larshans)

In its CSR management Max orientates on its most important stakeholders, the customers. It is very important for Max to provide a good and satisfactory service to them. In the context of sustainability, the second most significant stakeholders for Max are the employees, because it is them who can directly deliver all aspects of good service to the customers. (Pär Larshans)

Max implements its CSR vision and understanding through all the levels inside the company. The process of learning CSR starts even before an employee starts working in Max and continues after the employee starts working in the company (Lars Moqvist). The implementation process is managed and updated by many means, such as Max school and what’s called MTC computer (system) (Manager X). This process does not happen as a one unit or a self-standing process; it is always implemented in daily practices. (Manager X)

Charity is not a primary strategy of Max, thus philanthropy is not practiced. “Many CEOs perceive CSR only as a marketing tool, for looking good at the surface, but there is nothing that can be really implemented”. (Pär Larshans)

Instead of charity Max concentrates on other practices, such as helping people with disabilities to find work in Max (Lars Moqvist), or contributing to reducing the use of electricity in their restaurants using alternative sources of energy (Manager X).

One of the future projects, that Max is still elaborating, is hiring refugees. It is considered that refugees could be a solid labor force for Max, because after some years they can
become managers of the local restaurants and, even further, they can go back to their countries and spread Max’s business idea. (Pär Larshans)

Even though Max has contributed a lot to sustainability, the company is still striving to implement sustainability principles in the core values of its business; and there is still a long way to go. (Pär Larshans)

4.2.3 Financial and Social Outcomes

In the last 10 years the loyalty of the customers has increased. From the surveys conducted by Max, customers approve CSR practices, and if they could choose, they would prefer Max over other hamburger chains. (Pär Larshans)

In Max, it is believed that CSR practices are positively affecting the image of the company among the customers, and generating more profits at the same time (Manager X).

The expansion of the Max restaurants is also seen as a proof of the positive effects and the good reputation of the responsible practices of Max. It is believed that CSR will create more loyalty among Max customers. (Lars Moqvist)

Today Max sees itself at the top within CSR field in fast food industry. This belief is mainly based on the increasing attention that the company says it has gotten recently (Lars Moqvist). But if that is not true, and if Max is not a leader in this field, then Manager X believes, its a very good example of a responsible company, and it is making its way to the top in CSR (Manager X).

4.2.4 Communication

Max pays much attention to communicating its CSR achievements to its primary stakeholders. A good way of communicating CSR to the stakeholders is by “doing it for real”. This means, that tangibility plays a big role in the process of communication. These tangible elements are presented in the form of signs that appear everywhere in Max, and are used there more than in any other hamburger restaurants. (Manager X)

For example, Max reveals to its customers how much carbon dioxide was released in order to be able to offer their products. Max believes that the role of those signs is to communicate sustainability practices of the company to the customers (Manager X). Also, it is possible to see disabled people working at the restaurants, “we believe we need to have a real job for these individuals” (Pär Larshans).
The best way to check how effectively Max Hamburgare communicates CSR to its stakeholders was to ask directly one of its principle stakeholder groups, customers, about what they know and think about CSR practices of Max.

It was found that 17 out of 20 customers interviewed would prefer to visit Max if they were to choose between the hamburger chains. 13 out of 17 customers think that the main reason for preferring Max is the good taste, and the belief that Max offers a healthier food. Also, 19 out of 20 people interviewed think of Max as a trustworthy and responsible company. The CSR issues were important for 16 out of 19 people interviewed but only 3 out of 16 knew about CSR of Max. The amount of knowledge the customers possessed was very limited information, such as KRAV-coffee and planting trees in Africa. Moreover, one of the customers interviewed thought of Max as a “greenwasher”. This means, that this customer believes that Max promotes its environmentally friendly actions to influence the public opinion, and to distract people from other questionable actions.

Health issues were more important than environmental issues for 18 out of 20 customers interviewed. Furthermore, environmental concern was seen as undesirable if it would bear higher prices. The demands of the customers were concentrated on the service quality, the appropriate locations of the restaurants, and healthier food. The conducted interview showed that 17 out of 20 customers think that their lack of CSR awareness was caused by the lack of the right communication tools that could deliver this information to them. 16 out of the 20 customers interviewed showed interest to CSR practices of Max and wanted to know more about it.
5. ANALYSIS

5.1 CSR Management

The results of the conducted study suggested that sustainability issues are important today and require a deliberate approach for their solution. The environmental and social problems the world faces today, together with the growing awareness of the stakeholders about sustainable development, induce the companies from all industries to face these problems and respond to growing demands of the stakeholders. (Jansson & Nilson, 2010); (Gimenez, Sierra & Rodon, 2012)

Max Hamburgare believes that realizing the importance of sustainability issues is not enough for the survival of the companies in a changing business environment. What is required is the management of the new business environment, which can be approached with the help of CSR.

The company manages CSR through a process that starts with the identification of the motivations, elaboration of the appropriate strategies, followed by the achievement of outcomes, and the communication of the CSR practices (see Figure 9). Such approach allows for a systematic management of CSR that helps the company to transform sustainable development into a competitive advantage, acquire new business opportunities, and, at the same time, address the demands of the different stakeholder groups, especially of its customers.

![Figure 9: Implementation of CSR (own illustration).](image)

Max realizes the need for sustainability not only for the survival in the business environment but also for the strengthening of its position in the market. The ambition of the company is to implement solutions for environmental and social problems into the
business. It is believed that such an approach will allow the company to find equilibrium between business, society and environment (see Figure 10). These implies that the sustainability management of the company has a three dimensional character and can be presented in the form the Triple Bottom Line.

![Figure 10: The sustainability of Max (own illustration).](image)

The approach of Max is based on the belief that sustainable development will affect the company in the future, that in the long run customers will choose companies that are more responsible. The reason for this can be explained by the fact that people can express their beliefs, principles and ideals through consuming certain goods. Due to the increasing awareness of the consumers about sustainability issues, they are becoming more demanding when it comes to CSR practices, and, therefore, their consumption choice will be affected by the practices of the company (Jansson & Nilson, 2010).

Also, CSR can be seen as an opportunity to make the product of the company – the hamburgers – more sustainable in the eyes of the various stakeholders. For example, Max believes that using alternative sources of energy in its restaurants, reducing the CO2 emissions and offering healthier menu options, such as vegetarian hamburgers, could help to reduce the controversial opinions that hamburgers create. The implementation of the environmental and social concerns into the business of Max can help the company to become a leader in the industry, acquire new business opportunities, build a good reputation, increase loyalty of its customers and, finally, gain more profits. Besides, the conducted study showed that sustainable development is considered to be very important for Max, because of the beliefs that the owners of the company share.
5.2 Motivations
Understanding the importance of CSR management is formed by specific motivations. The identification of strategic motivations helps the company to approach CSR consciously and thoroughly (Moon, 2001). The study showed that Max has a complex system of interconnected motivations. This motivational variety can be explained by the idea that the company sees CSR as an opportunity that will bring financial and non-monetary benefits and will raise the company to the higher level of business performance.

One group of motivations Max is driven by is concentrated on the increase in customer loyalty and reputation. This group of motivations would allow the company gain a competitive advantage and acquire a leading position within an industry and CSR. Another group of motivations allows Max to adapt to the changing conditions of the business environment by imitating other companies. Max learns from the best practices of other companies. This makes Max feel more confident when managing CSR, and enriches all levels of management with additional knowledge about CSR. The last group of motivations for CSR gives the owners of the company the possibility to express their own values and beliefs, by pursuing goals other than profit maximization.

Based on the classification of the motivations provided in the theoretical framework, it can be identified that the company uses hedonic, normative, instrumental proactive and instrumental defensive motivations. Hedonic motivations are identified in Max by the personal desire of the owners to conduct a sustainable business. Normative motivations are directed on meeting the ethical believes of the company’s stakeholders. In order to achieve it, Max is striving to reduce the CO2 emissions through planting trees in Africa, using renewable energy sources in its restaurants as well as buying the meat from local Swedish farmers. Proactive motivations of Max can be identified in such practices as hiring people with disabilities as well as the future project of hiring refugees. Also, the diet program “Minimize You” is considered to be a proactive motivation of Max, because it helped to promote the company and increase its reputation. The defensive motivations can be reflected through the imitation of the actions of other companies regarding their best CSR practices.

By applying the model of motivations to the empirical findings it was possible to identify the dominance of hedonic, proactive and normative motivations. The dominance of hedonic motivations is based on the vision of Max owners and their own desire to lead a sustainable business. The proactive motivations are based on the idea that Max wants to become a leader and gain competitive advantage by increasing its reputation and the loyalty of its customers. In this context defensive strategy becomes less relevant, because the company wants to be visible and heard by its competitors and stakeholders what induces Max to address CSR issues proactively. On the other hand, Max strives to look
ethical in the eyes of its stakeholders, especially of its customers. Max believes that CSR will make them distinct and more responsible among other companies. Such approach allows for the normative type of motivation.

5.3 Strategies

In order to practically implement CSR ideas into the company Max uses a range of different projects, such as planting trees in Africa and hiring people with disabilities. These projects address both environmental and social issues of sustainable development. The mixture of these projects reflects a distinct way of practicing CSR and makes it possible to systematically approach CSR on different dimensions. Based on the strategic framework provided by Halme (2010), it can be estimated that Max uses a mixture of only two CSR strategies – CR Integration and CR Innovation. Moreover, CR Integration is a dominant strategy. For instance, the company remains its core business product – hamburgers with meat – but, at the same time, introduces various environment and social strategies that aim to improve the image of the product. Environmental actions, in particular reduction of CO2, are attached closely to the core product and improve its environmental aspects. Also, the introduction of healthier meals positively contributes to the social aspect of the product. The social aspect has a broader meaning for the product of Max; for example, hiring people with disabilities as well as the future project of employing refugees, is aimed at bringing moral aspects to the business and product of Max.

The findings suggested that the CR Integration is building a strong foundation for CR Innovation; the strategy that is found only on its beginning stage in CSR of Max. With the CR Integration the company is gradually leading its managers to a deeper understanding of the necessity of CSR and the way it can be practiced. This approach contributes to the learning process of the managers in the company and therefore creates basics for innovative CSR ideas that can generate and improve the position of the company in the context of sustainable development. As a result, when the company introduces a new product that considerably minimizes environmental problems because of the absence of meat, for example, vegetarian hamburger, the employees of Max can understand the mission of this product and communicate it in an appropriate way to the primary stakeholders, customers.

Philanthropic strategy is not practiced in Max, because it is considered to be ineffective and does not bear accrual results the company expects. Max believes that charity is often used as a marketing tool, but does not really addresses social or environmental problems (Pär Larshans). The approach of Max can also be supported by the theory of Halme (2010) who states that philanthropy is not bearing any direct benefits, it is only considered as a short term strategy.
By classifying the CSR practices of Max according to the theoretical framework elaborated by Halme (2010), the current study showed that by combining CR Integration as a dominant strategy with CR Innovation as a developing secondary strategy, Max builds a serious and extended approach to CSR by introducing projects that are closely or directly related to the core business.

5.4 Outcomes and Communication

The company achieves both financial and social outcomes from its strategies. Increase in customer loyalty, competitive advantage and reputation is something that is visible already today. The inquiry into CSR knowledge of customers of Max showed that the customers do not know much about it and, thus, implies that it is not clear if the reason for these outcomes is the CR integration and CR Innovation as it is stated in the theory of Halme (2010). This shows that CSR management is a long and complicated process. The results of this process are distinct only in the long run and depend not only on the actions of the company but also on the level of awareness of its stakeholders.

Communication is an essential process in the management of CSR. Max realizes it and introduces CSR communication extensively in the form of various tangible elements placed in the local restaurants. The company also actively communicates its CSR strategies through the website and the sustainability reports.

One of the primary stakeholders the company aims at in its CSR communication is the customers. Despite of this fact, the conducted study showed that the customers do not know much about CSR practices of Max. Moreover, the customers do not give a significant attention to CSR practices of Max. Customers pay attention to the healthy impacts of the products and not their environmental impacts; furthermore, they are not eager to pay higher prices implied by CSR. If this is compared with the findings and the approach of Jansson and Nilsson (2010), it can be seen that the level of awareness described in their theories is not yet achieved and CSR is not a factor that defines the consumption of customers.

This information makes it possible to reveal two conflicts regarding the CSR communication of Max: from one side, the managers of the company believe they communicate CSR extensively, but the customers know little about it. Regarding the first problem, there is evident the problem is in the process of communication. The reason for this problem may lie in the wrong forms of communication that were chosen from the perspective of managers and not the customers. But this is not the concern of this study. The second communication problem is more interesting from the perspective of the current study.
Regarding the second conflict, it can be admitted that Max practices CSR more than the actual expectations and demands of the customers require it. With such approach, the extensive implementation of CSR by Max can be questioned on the ground of big resource and time expenditures. Though, this conflict can have its solution in the long run, and, thus, Max practices CSR in such a big scale because it is aware of this. Analysis of Jansson and Nilsson (2010) theory implies that the increase in CSR awareness is a complicated and long process that requires investments of efforts today but bears the results later.

Thus, the current study implies that the company is looking further and deeper on the possibilities of CSR and prepares itself for the new opportunities in the future. Such approach gives the company an advantage of being one step ahead from the managerial perspective.
6. CONCLUSION

Max tends to manage the challenges of sustainability through its understanding and practices of CSR, which might not be completely clear as a solid definition and principles for everyone in the company, but is more seen as a strategic tool to interact with its environmental and social problems.

In order to overcome one of the biggest environmental problems the hamburger chains face today, the carbon dioxide emissions, Max implements different strategies such as planting trees in Africa, using alternative energy sources, recycling as well as buying meat from local Swedish farmers. These strategies are designed to reduce the carbon dioxide emissions. On the other hand, Max strives to solve the social problems related to health issues. One way of doing this is offering healthier menu alternatives such as vegetarian hamburgers and fresh salads, as well as avoiding GMO products and the reduction of the fat in their offered food. This way of management orientation and practice makes the company more confident and able to control the potential changes that might appear in its organizational field and acquire new business opportunities in the future.

Max is induced by a mixture of motivations with regard to its engagement into CSR. The most dominant is the hedonic motivation which reflects the vision of the founders of Max and builds a strong base for other motivations the company has today. Equally important for Max is the instrumental proactive motivation according to which CSR is a real tool and opportunity to become more competitive, sustainable and, thus, a leader in the hamburger chain sector. In addition, the normative motivations strive to meet the ethical believes of the stakeholders of Max. Finally, the defensive motivations are less significant for the company, but are still used when Max imitates other companies regarding their best CSR practices.

The managers of Max believe that CSR engagement bears such financial and social benefits as the increase in the loyalty of the customers, the reputation of the company and its competitive advantage as well as a better working place for the employees. This study, though, showed that the level of CSR knowledge among the customers of Max is very low, what makes it unclear whether the results achieved were due to the CSR engagement of the company.

Max focuses on two types of strategies as a way of implementing CSR into its business; those are CR Integration and CR Innovation. CR Integration is the dominant strategy of
Max; it is used to combine the responsibility aspects into their business to be able to improve environmental and social aspects of the core product. It implements CSR within the company and teaches the company’s managers and employees about its CSR practices. In addition, the company seeks benefits related to the corporate reputation. The CR Innovation is used to minimize the environmental impact of the core product, the hamburger, and to acquire new sustainable business opportunities in the future. The combination of these two strategies increases the reputation and the competitive advantage of the company, and helps Max to acquire leadership in its field.

The current study showed that customers know very little about the CSR practices of the company. Their purchasing choice is based on the belief that Max offers them tastier and healthier food than other hamburger chains. In addition to this, the customers do not want to pay higher prices implied by CSR. One reason for the customers’ lack of knowledge about CSR practices of Max is due to their very limited awareness and interest in CSR. The awareness about CSR in the society is increasing, but slowly, and has not reached yet the right level of importance to affect the purchasing choices of customers.

On the other hand, the reason for the lack of knowledge about CSR practices of Max can be due to the ineffective ways of CSR communication practiced by the company. Even if Max realizes the importance of the communication and makes an extensive effort to deliver their CSR practices, the company should develop their existing communication channels in order to be able to reach the customers.
7. FUTURE RESEARCH

It is recommended that further studies will investigate more about the CSR management process of the companies and the outcomes it bears, and cover the possible ways of measuring these outcomes in order to see how much the CSR activities contribute to the results achieved.

Another possible topic for the future research can be concentrated on the communication of CSR between the company and the stakeholders, other than the customers. Such research can analyze the present condition of CSR communication, the reasons for it, and suggest possible ways of its improvement.

It would be also interesting to study other companies in the fast food industry and find out about their impact on sustainability as well as their approach to CSR. It would be recommended to expand the study by analyzing CSR and the approach of the companies to it in other industries and countries.
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Managing Corporate Social Responsibility: A Case Study of Max Hamburgare
APPENDICES

Appendix 1: Interview questions for Pär Larshans CSO

› Can you please introduce yourself, your name and position in the company?
› What is CSR to Max Hamburgare, and how is it understood?
› Was the CSR idea already implemented into the Max business concept in the start, or did you realize the necessity of it sometime later?
› Who is the most important stakeholder for Max?
› What are the sources for the CSR ideas you implement?
› How does Max implement CSR in the company?
› Do you have these values integrated in the core business already?
› Why and how does Max practice CSR?
› Where do you get inspiration for the CSR practices, are these all your own ideas or do you also look at other companies’ actions?
› Do you see yourself as a leader in a Swedish fast food market in the field of CSR?
› Do you still have many areas to improve?
› How is the customer loyalty affected by CSR?

Appendix 2: Interview questions for the local managers

› Can you please introduce yourself, your name and position in the company?
› Have you heard about the concept “CSR” or “Corporate Social Responsibility” before?
› What is CSR to you, and how do you understand it?
› How and where do you learn about it in Max Hamburgare?
› Do you think that CSR is an important factor in any corporation in general, and for Max Hamburgare in particular?
› On what aspects do you base the answer to the previous question?
› Why do you think Max Hamburgare became engages into CSR?
› How do you practice CSR as a manager here in this restaurant, any specific scheme or model?
› How do you see Max Hamburgare in the field of CSR, is it a leader?
› How CSR is communicated to the different customers in this restaurant?
› What outcomes from practicing CSR you see in Max Hamburgare?

Appendix 3: Interview questions for the customers

› How old are you?
› Do you use to eat in Max Hamburgare?
› Why would you choose to eat in Max Hamburgare, or why wouldn’t you choose to eat in Max Hamburgare?
› Are you aware of the practices of Max Hamburgare for the society and environment?
› Can you tell me some of what you know about these practices?
› Are these practices important to you as customer of Max Hamburgare?
› What do you think Max Hamburgare should do better for you as a member in this society?