CORPORATE SOCIAL RESPONSIBILITY

CSR from a company perspective

A case study of Tele2 AB and Nordea Bank AB

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Abstract

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Purpose: The purpose with this thesis is to study two companies implement of CSR.

Methodology: This thesis is a qualitative case study using abductive reasoning. The primary data was collected through interviews and information from the companies’ websites and CSR reports. The secondary data was collected through scientific literature and articles.

Research questions: How do companies define and communicate CSR?
How does a company conduct CSR to create value?
What problems and obstacles are there in the process of CSR?

Empirical foundation: The empirical founding’s consists of two representatives from the case companies.

Conclusions: The meaning of CSR can vary as the term differs from one company to another. To be able to create value with CSR, it has to be implemented at the core of the business. The attitude towards CSR issues must be constructive in order to have the positive affect the company strives to obtain. Ethical challenges can arise for companies which is a reason for them to implement a Code of Conduct.
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GLOSSARY AND ABBREVIATIONS

CoC - Code of Conduct is rules and guidelines that organizations implement for the employees and even suppliers to follow.

CO2 - Carbon Dioxide

CR - Corporate Responsibility is the duty and the rational conduct which is expected by a company. CR also shows the accountability of the company’s code of ethic and to established laws (thefreedictionary.com 2013).

CSR - Corporate Social Responsibility (CSR) is referred to that which is stated, in the European Union definition. That is actively working with stakeholder relationships beyond what the law requires and to do it voluntarily (thefreedictionary.com 2013).

ESG - Environment Social Governance

GBC - Green Building Council

GRI – Global reporting initiative

Integrated Reporting - “Integrated Reporting is a process that results in communication, most visibly a periodic “integrated report”, about value creation over time” (theiirc.org 2013). The integrated report is a brief communication that shows how an organization uses their strategy, performance and prospects can lead to value creation over short, medium and long term.

IIRC- International Integrated Reporting Council

PDD - Performance and Development Dialogue

SEK – Swedish Kronor

Stakeholders – Individuals/groups that are affected by company’s various activities.

TBL - Triple Bottom Line

3P’s- People, Profit and Planet
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1 INTRODUCTION

1.1 Background

Corporate Social Responsibility is a topic that has gained more attention and also becoming a focal issue within the world of business (Siltaoja, 2006). Due to the fact that the global population is ever growing and people continue to damage the social and environmental society, the need for people to create an understanding and a responsibility increases within these areas; none the least for companies as well as in the form of Corporate Social Responsibility. In the year 2004, during the World Economic Forum held in Switzerland, 24 % of the participants agreed that Corporate Social Responsibility should be implemented in all companies. At the same time, statistics show that almost 50% of companies in developed countries build their image around CSR (Polonsky & Jevons, 2006). These two factors indicate how important environmental and social factors are. Companies, in general, in the world today do not only have a large influence in the business market but also a major effect on communities, which goes hand in hand with a larger responsibility of their surroundings and the individuals in form of social and environmental obligation (Sahlin-Andersson, 2005).

This thesis aims to investigate the company’s CSR and their perspective towards the topic of CSR. It will cover how the company communicates CSR, how it conducts CSR to create value and also the complications that may arise in the process. This will be done through a qualitative based study together with interviews with personnel working with Corporate Social Responsibility in their organization. The thesis will show how a corporation’s engagement towards CSR can be seen as a comparative edge. The CSR can also be shown as the corporations’ environmental and social responsibility towards society. This thesis will focus on two companies and the CSR they perform; Nordea Bank, being one of Europe’s largest banks and Tele2, one of Sweden’s leading actor within the telecom industry. Both companies work actively with CSR and have departments that concentrate solely on CSR issues.

CSR includes areas such as social, ethical and environmental feature, where human rights, social improvements, democracy and continual development are in focus (Hemingway, 2004). CSR focuses on long-term goals that are reached by voluntary
activities and projects based on taking responsibility beyond cultural and national barrier (Näringslivet).

1.2 Problem Discussion

In the world today stakeholders do not only demand profits and returns but also a positive result of CSR, which is not always a financial value (Stormer, 2003). Apart from these aspects, the company is also obliged to take their employee’s and the society’s opinions and interests into consideration (Stormer, 2003). The time when economic neoclassical predecessors regarded CSR as ineffective and unnecessarily costly is now the past (Hartman, 2002). Most of the pressure for CSR comes from various consumers activists. A general sceptical opinion among consumers regarding the company's motives can sometimes occur, which comes from earlier corporate scandals or other unethical activities that deal with human rights, the environment and working conditions. A company's reputation and image can be put to the test and could result in different consumer groups boycotting the products and services; this could certainly be a reason to examine their own social performance (Tracy et al., 2005).

A global company’s CSR issues are more complex as their interest group may include both shareholders and other various different activists and to meet requirements of different groups at the same time can be problematic (Svenskt Näringsliv, 2002). A company should research why CSR work is essential in order to determine the areas of responsibility, which may be to perform a variety of stakeholder analysis to be able to understand the expectations contained in the company. Depending on where the company is located, the views of the responsibility may be one-sided, what is perceived as a social responsibility in one area might be seem as irresponsible for the company in another region (Juholin, 2004). There are various difficulties when implementing CSR for the global company, as consideration to the countries culture, legal requirements and different approaches for CSR can differ.

A research done by Hassel and Semenova (2007) showed that there is a relationship between environmental risk, performance and the profitability for a company. Some research evidence suggested that the company’s CSR work give the company value,
whereas other studies have not. Argument goes therefore bringing forth both pros and cons of the benefits of CSR for the company (PricewaterhouseCoopers, 2008).

A company’s ability to balance their economical interests in comparison to their impact on the society or the environment is therefore an interesting case to study in line with the vision and development of the company’s CSR. It is difficult for one company to tackle all of society’s problems, thus should instead focus on one specific CSR constellation that varies from other competitors in the market and make them unique. A company’s social responsibility should focus solely on the expectations and requirements affecting the core business to achieve an effective CSR results. The company is affected by internal and external factors surrounding CSR. When a company creates a balance between these factors, only then will it reach the best effect of CSR. The choice of different responsibilities and activities by the company can generate a competitive advantage and a significant involvement of CSR effort accrues both the company and the outside world. Although in recent years, criticism to the general approach towards CSR is that it is too self regulated as the company bases CSR on self-interest (Porter & Kramer, 2006).

Other theories imply that CSR adopts a perspective where issues are only seen to affect the company’s financial interests (Roberts, 2003). Company investments in CSR are often met with distrust and researchers mean that CSR must alter its direction in order to live up to the expectations towards a sustainable development; the fact that the company’s efforts towards CSR is large and true throughout the implementation process (Roberts, 2003).

1.3 Problem

Based on the problem discussion, we find it interesting to study how CSR is applied based on a company’s point of view. In order to study CSR, one must first recognize what corporate social responsibility means. To be successful with CSR, the company should adapt their work based on studies in the area of CSR together with stakeholder’s demands. It is also interesting to compare the company’s social responsibility to their business. Throughout the implementation of CSR, companies need to unite existing standards and values, but also take obstacles into consideration throughout the implementation process.
1.4 **Purpose**
The purpose with this thesis is to study how companies work with CSR, from the companies’ point of view and also how it creates value.

1.5 **Research Questions**
How do Tele2 and Nordea Bank define and communicate CSR?

How do Tele2 and Nordea Bank conduct CSR to create value?

What problems and obstacles are there in the process of CSR?

1.6 **Limitation**
We are aware that there is a discussion on the meaning of CSR and its definition. Due to this we have chosen to limit the thesis by using the EU Commission’s description of the meaning of CSR. By doing so, we will not be studying the criticism of the different viewpoints on the definition of CSR. This thesis does not intend to discuss the social impact of the case companies products get on the market. Finally, we do not intend to discuss whether companies should or should not take social corporate responsibility, however this thesis deals with two companies that do take social corporate responsibility.
2 THEORETICAL FRAMEWORK

2.1 CORPORATE SOCIAL RESPONSIBILITY

2.1.1 Carroll’s pyramid

The content of CSR is described in Carroll’s pyramid. The model consists of four components that reflects and shows the company’s social responsibility. There are different levels of the pyramid which is illustrated (Carroll, 1991);

1. Economic responsibility (Be profitable)
2. Legal responsibility (Obey the law)
3. Ethical responsibility (Be ethical)
4. Philanthropic responsibility (Be a good corporate citizen)

At the bottom of the pyramid, there is the economic responsibility the company upholds. This means that the company supply the market with products and services which are in demand. The economic responsibility should also meet the requirements for profitability and to maximize the revenue to make sure that the company stays in a healthy position and to ensure its survival. The next level shows the legal responsibility. With this level the company must take responsibility for the legal issues, they must follow the rules and regulations set by the government. The third level contains the ethical responsibility which means that the company covers the social, ethical and moral values from the stakeholder’s perspective (Carroll, 1991).

According to Carroll (1991), the moral values and ethical norms cannot be compromised to ensure the company’s economic target. The ethical responsibility results in expectations of the board to act more responsibly than what is required. On the top of the pyramid is the philanthropic responsibility and it includes the company’s activities in relation to the expectations society has of the company to act as a good corporate citizen. While it is ethical issues that responsibility is based on action society expects the firm to perform, the philanthropic responsibility to a higher
degree of voluntary actions the company takes in meeting with stakeholders (Carroll, 1991). According to Carroll (1991), there should be philanthropic element included; however that does not mean that this is something that is as central as the other components.

**FIGURE 1: THE PYRAMID OF CORPORATE SOCIAL RESPONSIBILITY**

![Figure 1](Image)

*Figure 1 [The pyramid of Corporate Social Responsibility, Carroll]*

### 2.1.2 Triple Bottom Line

The meaning of CSR can also be described by the model Triple Bottom Line (TBL) where the starting point is the economic, environmental and social responsibilities (Norman & MacDonald, 2004). TBL was described by Elkington (1994), who also came to describe the responsibilities of people, profit and planet (3P’s). Welford (2004) argues that TBL is an important factor for development in a company and that CSR should be centred on a company’s financial success, but should also merge with factors concerning environmental and social integrity. In order to enable a long-term- and stakeholder value, the company and the stakeholders should be able to measure the progress of CSR and have knowledge surrounding the topic. Elkington (1994) suggests that the long-term success of CSR goes hand in hand in continuously meeting society’s needs for goods and services, without destroying natural resources or social capital. TBL, as well as Carroll’s model, insists that the company’s
responsibility should surround different groups and areas, not merely based on the financial obligation to the shareholders.

![Figure 2](image.png)

**Figure 2 [Tripple Bottom Line, Elkington]**

The figure above illustrates how the three P’s, people and planet and profit, integrated in CSR. When combining profit, people and planet, it results in sustainable development in the company CSR. Profit in the model is about achieving a positive result with respect to efficiency and resource consumption based on the limit to the company. The “People factor”, deals with the company’s ability to follow rational business practice that aims to improve the working conditions of the community where the company is located. The remaining factor, Planet, is about how the company is responsible for its own environmental actions and the effects it has on the environment which goes hand in hand with the pursuit of a sustainable environment. By working with the 3P’s, the company is developing a profitable strategy that together benefits the company, the customers and the environment within CSR issues. Elkington, (1994) Norman and MacDonald (2004) mean that TBL is a valuable tool that can help the company in reacting early and change the behaviour towards the 3Ps to adapt the strategy based on stakeholder wishes and needs.
2.2 IMPLEMENTING CORPORATE SOCIAL RESPONSIBILITY TO CREATE VALUE

2.2.1 Value creation model

Laszlo’s (2003) findings focus mainly on value creation activities that meet society's expectations of CSR. The figure below describes the stages of the company and how it generates value-creating results and increases the value of the company. Stage one identifies the stakeholders within the company. Stage two formulates the visions, goals and plans on how CSR performance can be complete. Value-adding activities are in line with companies strategies and are viewed within the leadership of the company. Performance of the financial, social and environmental factors are verified internally inside the company as well externally in sustainability. The final stage, results, are communicated outside the company through a variety of guidelines and standards. They are also reversed into the company's commitment which are keys factors in the first stages of identifying the stakeholders and withholding a sustainable strategy.

![Value Creation Model](figure3.jpg)

*Figure 3 [Value Creation Model, Laszlo]*

2.2.2 External demands and driving factors

When a company makes international investments and has an external supply chain their contribution to CSR suddenly involves various stakeholders outside the company. Stakeholders’ perspectives arise as a result the factors concerning activities on society. Studies show that the cause of a company acting responsibly is the encouragement by external and internal factors, example being stakeholders and employees; but also the company's efforts to do right on the market. A reoccurring
factor in the study shows that it also improves the company’s image and reputation, which is important in the engagement in CSR issues (Bruzelius & Skärvad, 2000). The majority of information gathered in the study indicates that the society, such as consumers, suppliers, employees and shareholders, are all in line with CSR in a company (Whitehouse, 2006).

A vital condition, when aiming to achieve balance and stability, is to help and reward all parties, within and outside the company. It is the company’s duty to continuously review and analyze the balance between benefits of CSR and stakeholders demands. If the company management does not constantly analyze stakeholders’ demands and their impact, it could lead to the company not reaching the demands set by stakeholders (Bruzelius & Skärvad, 2000).

Studies show that the branch of the company is important in stakeholders’ demands towards company CSR (Whitehouse, 2006). Although company’s line of business can vary, the demands towards the company are managed by maintaining relationships with stakeholders within the right area in order to create authenticity and result in successful CSR activities. It is difficult to measure the value of CSR from a stakeholder’s point of view; value is often measured through the company shareholders (Laszlo, 2003).

2.2.3 The Value Chain

The Value Chain describes value from the company branch perspective, where stakeholders are value drivers in the company’s CSR (Porter, 2006). Focus on CSR has shifted from earlier being owner related, to industry structure related. The Value Chain model describes how company value is created through different activities. A company may have free activities which are dependent on one another in order to increase the company’s profit. The activities in the company’s domestic value chain are seen as primary. The company’s job is to find cost and value of the each activity. If significance is to be upheld, the company must study other factors in the value chain, such as the suppliers, distribution channels and other groups as production is often done through numerous parties (Normann & Ramirez, 1993). In other words, that it is not always the company alone that affects CSR issues and that the structure of the value chain is a more global than company based issue.
2.2.4 CSR strategy – Value creation

From a business perspective, the choice of CSR strategy is crucial and leads to increasing value in the company. Demands from society may cause the company to take action in different ways. The strategies chosen for dealing with CSR demands from stakeholders can be branch related or even cultural based. The company can react differently when experiencing external demands and different approaches and strategic decisions can be made: reactive, receptive and constructive (Öhrlings PricewaterhouseCoopers, 2008).

- Reactive approach means that the company always follows current legislation and is characterized by a procedure in which demands are seen as potential risks that must be taken care of in order to minimize future costs.

- Receptive approach means the company accepts the increased responsibility and an awareness that some necessary changes must be done to remain competitive in the market.

- Constructive approaches exist in companies where there are opportunities to create competitive advantage by developing new products and even by modifying the business concept.

The constructive approach may lead to the optimal value for both the company and society according to Porter and Kramer (2006). The company cannot take all the social problems in society into account, and instead have a starting point within the core business and to use their core competencies in doing so. It is within the strategic choice of CSR issues that the company can find their own paths and develop own understandings and conditions which can lead to an increase in value of CSR for both the company and society. Three factors of value creation problems have been identified and should be taken into consideration when strategies are implemented, being (Porter & Kramer, 2006);

- Generic social issues - problems with a larger weight on society but has no effect on the company’s long term business.
- Value chain social impacts – covers problems which are directly affected by the company’s actions, problems being socially based.

- Social dimensions of competitive contexts – Is about the factors within the external environments that can affect the competitive issues within company business.

Porter and Kramer (2006) proposed two types of the strategies which need to be balanced in order for the firm to achieve greater value of CSR and at the same time minimize the negative impacts the business has on society. The first strategy, the Responsive strategy towards CSR in the figure below explains how the company tries to fulfil the standards as a good citizen and reduced the negative impacts on society. As part of responsive CSR, companies should adapt to a proactive approach to the activities in the value chain (Porter & Kramer, 2006). The second strategy, Strategic CSR, connects both internal and external aspects of CSR. It implies that CSR is based on own core business and generates long term value, which can be expressed in new products and services that give the company an upper hand (Porter and Kramer, 2006). When the company has created a balance between the two strategies, it can achieve the best possible effect of CSR, while responsibility making greater profits and value within the company (ibid.).

![Corporate Involvement in Society: A Strategic Approach](image)

**Figure 4 [Corporate Involvement in Society: Strategic CSR, Porter & Kramer]**
2.3 PROBLEMS AND OBSTACLES IN CSR PROCESS

2.3.1 CSR – A global challenge

The concept of globalization consists of two main directions in the scientific debate. The first approach treats globalization as a process of long-term sustainable economy achieved through free trade prevails in the global market. The second approach sees globalization as a social condition in which the economic aspect is included and where politics, culture, ethics and ecology as well are included (Blowfield & Murray, 2008). As global companies spread environmentally friendly and resource-saving technologies, especially in the Third World, this has positive effects such as higher standards of living, employment and reducing discrimination. However, there are risks of deregulation and free markets. Global companies can out-compete local small businesses and exploit scarce natural resources without long-term economic development. Critics of the liberal approach argue that the West’s current prosperity has been built up and perpetuated by unethical trading conditions (Brytting, 2005).

CSR meets the three main areas of criticism for how it relates to globalization. The first critical aspect is that global companies should do more to address global challenges that exist. The perception is that government alone cannot deal with global problems. The solution is that companies in the private sector also have to act responsibly. This aspect is usually formulated under the term of corporate citizenship and the challenge is therefore to exploit own resources. The second critical aspect of CSR is that the ideas in the global corporate structure and procedure for the follow-up is too vague, the code is seen as too top-down and technocratic. The third critical aspect is based on the argument that it is too self-regulated and acts of self-interest, hence the focus will only touch upon which it perceives itself interesting and affecting their reputation (Blowfield & Murray, 2008).

2.3.2 Code of Conduct

Several companies formulate values and ethical guidelines, such as self-designed code of conduct in various relevant areas. This is a widespread practice among global companies. Code of conduct is a set of rules regarding human rights, labour, and what is expected of suppliers, management and employees. Studies show that companies spend and implement comprehensive programs to inform and clarify
values for employees (Hartman, 2002). The Code of Conducts importance was discussed and a study by Rich et al. (1990) shows no significant correlation between ethical codes and reduced ethical violations in the company. When analyzing the codes, Deck means (1994) that the problem is more about how the codes are implemented than the way they are designed. Rotta (2007) discusses the advantages of implementing codes of conduct in business. The author argues for example, that the company's brand and reputation protection, relations with various business partners improve, while studies show that motivation among employee's increases as codes of conduct communicated internally.

Roberts (2003) criticizes the fact that ethics often becomes a self-presentation of the company. The ethical structure is based too often from a Western perspective in which the financial interest controls. In this respect, CSR becomes convenient to improve their reputation, but does not change the company's actual behaviour. The purpose of this code is simply to repair its self-image. From this perspective, ethics become an expression of corporate egoism, the desire to be seen as a social responsible company. Roberts (2003) believes that the Code only becomes a tool if it is complemented and supported by a face-to-face dialogue with those who are affected most by the behaviour of the company in addition to dialogue with stakeholders that may affect the company.

3 METHODOLOGY

3.1 Research Approach
This study is based on a qualitative research approach and we wanted an explanation of the problem rather than statistical data. The qualitative research approach is focused on describing a situation, the environment surrounding the individuals and collecting data in form of words. As this study is based on interviews and primary data from reports and website, it is suited with a qualitative research approach (Jacobsen, 2002).
The study intends to inspect on how CSR is implemented in companies and how integrated it is in the company's business core. The CSR process may be difficult to separate and an overall approach was needed in order to gain a deeper understanding. The areas of CSR implemented by companies differ as a result of the industry connection, distribution and corporate structure of the company in question. We have therefore chosen Tele2 and Nordea Bank to receive two different perspectives of market leaders from two different industry perspectives.

There may be different understandings of the meaning of CSR and the importance may differ between companies depending on the companies' size and affect on society. Based on these issues, the study is an investigative case study. An investigative problem-position requires an extensive research approach (Jacobsen, 2002). The research approach is characterized by obtaining as much knowledge as possible in a given problem area and trying to cover all dimensions surrounding the problem (Alvesson & Sköldberg, 2008). In summary, this study is characterized by a qualitative research approach.

It is appropriate to conduct a case study for specific descriptions when focusing on a specific phenomenon or even in the development of theory to find things that were not clear before the study began (Jacobsen, 2002). This case study is based on a broader perspective and is suitable when the process itself is to be investigated (Patel & Davidson, 2003). The choice of the case study fits well in the research of CSR and our study is concentrated in the case companies.

This case study examined CSR in two selected businesses as mentioned earlier, Tele2 and Nordea Bank. A case study of only one company would have been able to reproduce a more profound understanding of CSR, but the reflections would have been enclosed to the individual company. If however, the study involved two companies or more, we believe that the CSR process in companies would have become too briefly explored, as it width would have spread over a variety of areas. Based on the limitation of the study; as the area being covered in the thesis is broad and may differ when studying other companies; a case study based on two companies tells an essential breadth as we could account for CSR in more detailed manner.
3.2 Research Methods

There are different methods in order to draw conclusions in a study. The three methods being; induction, deduction and abduction, describe the relationship between theory and empirical data, but the process is divided in different orders. The research method of abduction is based on a fixed idea of what the outcome is, then down to the reason why the results were achieved, and finally a empirical study is done to see if the result is true (Hörte, 1998). Abduction has personalities from both induction and deduction, but is not a mixture of them, but adds new and custom dimensions (Alvesson & Sköldberg, 2008). The thesis will employ this method in research.

3.3 The choice of the companies

The companies we have included in the thesis are Nordea Bank and Tele2, who according to us are relevant for our investigation. The reason for choosing these two specific companies is not only because we are currently employed by them but also due to the fact that the two companies communicate with each other about CSR issues, this may also lead to a bias perspective towards the companies. The two companies have also worked with CSR over a long period of time and both have implemented processes and department working actively and broadly with CSR (Tele2.com & Nordea.com).

Furthermore it was interesting to investigate CSR from two different lines of business, Tele2 being an actor in the telecom industry (Tele2.com) and Nordea Bank being a financial company (Nordea.com). Nordea Bank is also an interesting company to study as CSR is implemented in the company values, as stated earlier.

3.4 Company Background

Tele2 is one of Europe’s largest telecom operators (Tele2.com). Tele2 works actively with CSR in four different areas. The areas being:

- Social – Tele2 promotes the possibilities for people when it comes to expressions and enhances sustainable development and economic
opportunities. This is a result of the increasing access of the communication services (Tele2.com).

- Economic – Tele2’s CSR within economic aspects goes hand in hand with their marketing. That being; offering the customers a cheaper alternative in mobile and internet services (Tele2.com).
- Code of Conduct – Tele2 work greatly with the code of conduct in order to be able to withhold great employee satisfaction index and be a popular employer on the market (Tele2.com).
- Environmental – Environmental awareness is implemented in the core of Tele2’s business. By offering customers alternatives to travelling through their services and products they enable the society to reduce the house gas emissions (Tele2.com).

Nordea Bank is Sweden’s largest bank and also one of Europe’s leading banks, as a result of successful mergers between several banks in the northern Europe. Nordea Bank has 3 values that the company operates by; “Great customer experience”, “All about people” and “One Nordea Team” (Nordea.com). Nordeas focus on CSR operates with five different Corporate Social Responsibility bases (Nordea.com);

- Working with sustainability – by tackling the challenges and the concerns the society and customers have in correlation with the way Nordea runs business (CSR Report 2012).
- Valuing employees – by valuing the employees and help striving after their goals and allowing development and growth and goes hand in hand with delivering great customer experience (CSR Report 2012).
- Environmental issues – By operating in an environmental friendly way and aiming to reduce CO2 emissions rapidly in the near future and working with other environmentally friendly solutions (CSR Report 2012).
- Engagement with society – By focusing on children and teenagers and helping them become financially literate and sponsoring and helping children within sports, music and other areas (CSR Report 2012).
- Communication with stakeholders – By enhancing the involvement and communication with stakeholders in form of taking up their expectations and
demands, in order to achieve a better understanding from them (CSR Report 2012).

3.5 Selection of reference

Theories have been based on what we considered appropriate and structure of theories have aimed to gain understanding of the meaning of CSR. Carroll's pyramid is an accepted scientific theory and divides CSR into different categories of conditions. To describe the expectations on corporate social responsibility, stakeholder demands are inevitable; it is the basis for value creation in CSR. Stakeholder model described the CSR from the company's point of view and depicted thus the obligations contained to the outside world.

The theoretical approach was held to discuss and describe how CSR was used practically in companies using a value model; the starting point was that the CSR process generated increase in value for firms to address social challenges. By that companies take responsibility for stakeholder expectations strengthens company competitiveness, thereby creating value-increase in the company. Porter and Kramer (2006) described the value creation of the CSR process in relation to the demands of society and how aspects could be balanced. In conclusion, we believe that the chosen theories, combined with empirical data describing the CSR work in from business perspective.

3.6 Interviews

To gather information in this thesis we also used interviews. This would give the thesis an overall and in-depth view of the companies that might not have been possible with just secondary data or information found on the company's websites. As interviews can take various forms and structure we decided to go with a structured approach for the e-mail correspondence. By having structured questions, this would allow the respondents to formulate their answers on their own terms without any intervention or guidance (Bryman & Bell 2007). We also decided to go have an interview over the phone as the respondent felt that this would be most convenient. The phone interviews where more of an informal conduct.
3.7 Collecting Data

Primary data includes interviews in form of e-mail exchanging and telephone conversations. Interview work was preceded by studies and searches for relevant theory. The company’s websites gave great information surrounding CSR through reports and general information. Secondary data consists of articles, literature books, publications and other documents, in order to gain a deeper understanding of the topic. For further information, we have also used Södertörns and Mälardalens University databases on scientific articles, Google and the companies’ websites.

3.8 Criticism

It is important to be critical when reading literature; it is not only about criticizing the content of the research but also investigating whether the relevance of the theories and research in comparison to other theories (Bryman & Bell, 2007).

Seeing as the research was conducted on two Swedish companies, even though they are global companies, the articles and literature are based on a more general and broad perspective. In other words the research is based on the subject in larger context.

The empirical findings, on the other hand, may be very one sided as we are employed by the companies. Critical towards their answers and information taken from websites may only be seen in a single manor, towards the companies’ advantages. It may also lead to the findings being to generalized and subjective according to Bryman and Bell (2007). The case may also be that the respondents may not want to express themselves openly towards the topic as they are not anonymous in the interviews and also due to the fact that they have a great affect on the company’s image of CSR.
3.9 Validity and reliability

Validity and reliability are in relation to each other. Validity is a measurement that the investigation and was intended to be investigated. When it comes to the qualitative aspects of the study the concept of validity and reliability convert to legitimacy and credibility. To validate a qualitative study, the choice of selection of respondents and whether the information is true is vital. The aim of the questions is to achieve high relevance, partly through acquiring knowledge of the study and also by reading about the subject before the interviews (Jacobsen, 2002).

The measure of the legitimacy of the study consists of reliability, the reliability of the measurements, which means that it will give the same result at different times. Reliability is achieved when it is known that the testing has been carried out in a true manner (Patel & Davidson, 2003). The empirical data in this study should therefore be both consistent and trustworthy in order for it to be reliable. In order to create reliability in the study, the respondents were contacted and helped confirmed the results of the empirical investigation.
### 3.10 Operationalization

<table>
<thead>
<tr>
<th>Interview questions</th>
<th>Theory</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>How does Nordea/Tele2 conduct CSR?</td>
<td>Carrol’s Pyramid, Triple Bottom Line</td>
<td>The answer to this question will give us an idea on how the companies conduct CSR.</td>
</tr>
<tr>
<td>What complications or obstacles are there in performing CSR?</td>
<td>External demands and driving factors, CSR – A global challenge and Code of Conduct</td>
<td>The answer to this question will give us an understanding on complications and demands outside of the company surrounding CSR.</td>
</tr>
<tr>
<td>What external factors can have an effect on CSR value for Nordea/Tele2?</td>
<td>The connection between profitability and CSR, Value Creation model, External demands and driving factors and The Value Chain and CSR Strategy</td>
<td>This question explains what factors surround CSR and how stakeholders affect the implementation.</td>
</tr>
<tr>
<td>What is Nordeas/Tele2 CSR in general and goal?</td>
<td>Carrols Pyramid and Triple Bottom Line</td>
<td>Let us know what activities are carried out and why they are of importance in form of value towards the companies.</td>
</tr>
<tr>
<td>How are the CSR areas decided, are they from a local or global basis or are it in line with business core?</td>
<td>CSR Strategy – Value Creation, External demands and driving factors</td>
<td>This question will give answer to what value CSR give to the company and what drives them in choosing specific activities</td>
</tr>
<tr>
<td>How do the company’s goals and values affect CSR in general?</td>
<td>The Value Chain, Code of Conduct</td>
<td>These answers will give us answer on how much weight the company “internally” has and how company goals affect CSR.</td>
</tr>
<tr>
<td>How is the value of CSR measured?</td>
<td>The Value Chain, External demands and driving factors and Value Creation Model</td>
<td>This will give us an understanding on how the companies measure CSR in form of value.</td>
</tr>
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</table>
4  EMPIRICAL DATA

4.1  Tele2

4.1.1  Tele2 CSR

Tele2 have decided to call their CSR for CR (Corporate Responsibility). The reason for this is, according to Mikael Alenmark who is responsible for CR in Tele2 Sweden AB, focus tends to be on the social part only. The company has started to implement a concept of so called “integrated reporting”. Since there is no standard or guidelines for how this should form, Tele2 have decided to interpret an own version. A CR report will show the company’s step towards that direction. The CR report focuses on factors that are considered to be most relevant according to Tele2 and touches issues such as economical, social and also environmental performance.

One focal point in the report is the sustainability and to facilitate the comparability to other companies Tele2 shows the results according to Global Reporting Initiatives Reporting Guidelines (GRI). According to the Tele2 Annual CSR Report (2012), they are also planning to develop the accounting standards from the International Integrated Reporting Council (IIRC). This initiative is primarily intended for the shareholders and investors, but also for other stakeholders that is affected by the CR.

Tele2 have decided to implement the approach of TBL, which means that the goal is the find a balance between economic, environmental and social issues to achieve a sustainable development. With this approach the company wants to create a long-term success in value, and thus give the future generations the same opportunities as today. By having this as a reference the company aims their future CR work to be more focused and relevant to the company’s core business. By doing so it will guide perspective in both short- and long-term, and even act as a filter in business processes and decisions (Tele2 CR report).

According to Tele2's CR strategy two categories of material significance can be identified. The first category that requires compliance and contain risks the company must handle. The second category focuses on that which includes opportunities. A good management of all areas in the category of compliance is a minimum requirement from Tele2’s various stakeholders and is generally regarded as a
necessity to conduct a serious business. Focus category includes three priority areas that represent opportunities and is relevant to the company's future success. Below are a pictorial overview of the strategy and a brief description of these priority areas.

**Figure 5 Tele2s CR Strategy (Tele2)**

**Social**

Children's safety and wellbeing are core to Tele2's Kinnevik owners, governments and government agencies, and most likely for employees and customers. The company thinks there is business potential in developing new products and services that support the protection of children and the company intends to investigate what opportunities it can provide. Tele2 respecting customers' right to privacy is crucial for Tele2: it is part of Tele2's corporate culture and code of conduct.

Tele2 requires that the company's main business partner, whose contract value exceeds 1 million per year, to sign the CoC for business partners. This will include human rights clauses in the vast majority of contracts with Tele2 business partners. The company has in 2012 initiated a signing or escalation program to complete the signing of CoC of its business partners according to the annual report (2012).
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Environmental

Environmental risks are considered to be limited in view of the relatively low environmental impact. Risk of violation of labour laws is primarily considered to occur within the supply chain rather than within company's own business. There is no scientific evidence that electromagnetic fields have a negative impact on human health as long as they are below the recommended levels. This may be reassessed, and new guidelines can be developed in the future, just as in all areas where scientific research is conducted. In addition to the processes and control mechanisms to manage CR risks that are in place today, looks Tele2 regularly reviews and updates its internal control system to take account of existing and potential future risks (Tele2 annual report 2012).

Tele2 strive to contribute positively to society, in order to be an attractive employer, have healthy and respectful relationships with suppliers and partners, respecting human rights and provide safe and reliable products and services. Furthermore, the company acts in accordance with internationally accepted framework for business ethics and anti-corruption in the markets in which it operates (Tele2.com).

4.1.2 Interview with Tele2

According to Alenmark, Tele2 conduct CSR mainly related to their core business, as  Alenmark put it "Making CSR a part of everyday business"; but also look beyond to other problems in society that are not company related. An example mentioned is their “Reach for Change Program”, which is not related to their core business.

There is awareness within Tele2 on CR-related risks at country and regional level as well as on industry-related business risks, within CR, linked to the business. The most common risks, i.e. risks associated with areas of the UN Global Compact (environmental, labour, human rights and corruption), occurs in all countries where the company operates; as is the case with the concerns of electromagnetic fields.
Alemark mentioned that Tele2's CR goals are related to their company visions and goal. Tele2 have both short term and long term goals with their different CSR activities. Various activities need a longer time period to give complete value intended, and that it is difficult to measure value in the middle of the process. Also activities can be altered and changed during the period which makes the measurement more difficult to measure.

Stakeholder reactions is one way of measuring CR, or being able to confirm that CR is in the right “direction”, (Alenmark). As for the direct environmental impacts of Tele2’s operations are relatively limited, questions about climate change are taken very seriously when the company is working to lowering their environmental impact according to Alenmark.

<table>
<thead>
<tr>
<th>Responsibilities</th>
<th>Society</th>
<th>Partners and Customers</th>
<th>Environment</th>
<th>Work</th>
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<tr>
<td><strong>Goals</strong></td>
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<tr>
<td></td>
<td>• Community Involvement</td>
<td>• Supplier issues Product development</td>
<td>• Reduce CO₂ emissions</td>
<td>• Focus on a healthy work environment</td>
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<tr>
<td><strong>Strategy</strong></td>
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<tr>
<td></td>
<td>• Support and participation in social and environmental activities</td>
<td>• Implement Partners CoC</td>
<td>• Buy Locally • Recycling • Mobile telecommunication</td>
<td>• Educate employees • Suggestions from staff</td>
</tr>
<tr>
<td><strong>Activity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Reach For Change</td>
<td>• Partners Code of Conduct • Whistle Blower</td>
<td>• Educate customers in environmental issues</td>
<td>• Customer Integrity</td>
</tr>
</tbody>
</table>

*Table 1. [Tele2 Social Responsibility]*
4.2 Nordea Bank

4.2.1 Nordea CSR

Nordea Bank’s main approach is to work with sustainability, valuing employees, environmental responsibility, engaging with society and most important communicating with stakeholders (Nordea CSR report 2012).

Moreover, Nordea must be in tune with developments. Given that their greatest impact is indirect through investment and lending as often happens in other parts of the world, it is important to have the knowledge and support from the example of the treaty they follow. The challenges that are faced by the society and costumers needed concerns are something that needs to be reflected in the way the company run their business (Nordea CSR report 2012).

*Environmental, social and political credit risks*

According to Nordeas Annual Report (2012) it is clear that a risk which is social, environmental or even political is also a credit risk. The banks credit framework therefore reports risks and also includes methods and processes for identification and analysis.

Nordeas board of directors have implemented high level guidelines:

1. Credit instructions for the Nordea Group
2. Credit Strategy and Policy for the Nordea Group
3. Other industry-specific policies such as; Hedge funds, fish farming, real estate, shipping, aircrafts, telecommunications, private equity, renewable energy, energy with sub groups of power, oil services, oil and gas, pulp and paper.

In 2010 Nordea implemented a new strategy when it comes to responsible investments with increased focus on “in-depth environmental, social and governance analysis and commitment” (Nordea.com). Another part of the company’s new strategy is to raise the balance of communicating regarding achieved results and key developments within the company. To make this happen Nordea have formed a dedicated responsible investment and governance team.
The value of employees

Nordea Bank depends greatly on their employees in everyday business, and therefore has great expectations from them, according to their Annual CSR Report (2012). Nordea’s Human Resources strategy (HR), also referred to as the People Strategy, defines how for in order the bank to reach its goal, the employees should be able reach theirs. This also means the employees that must be given the opportunity to be able to reach goals by receiving the proper education and tools (Nordea.com).

It is also important to recognize that different people require different needs in certain stages and that is important to create a balance between work and leisure. Creating a healthy working environment by taking local working conditions, rules and regulations into accountability is vital according to Nordea Annual Report (2012).

An annual Performance and Development Dialogue (PDD) helps employees grow and offers the opportunity of career growth by addressing career goals, developments and motivation. An employee satisfaction survey is a tool that the company uses for the employees to evaluate such factors as: working conditions, stress and evaluating the company (Annual Report 2012).

Environmental awareness

According to the Nordeas Annual CSR Report (2012), Nordea Bank aims in running their own operations in an environmental friendly manner in order to reduce their CO2 emissions. The bank works actively together with other Nordic companies in the Green Building Council (GBC) to eliminate their global foot prints on the environment. The GBC network allows the members to share experiences and communicate environmental CSR in order to benefit from one another. As mentioned earlier by implementing CSR in core business Nordea uses modern technology such as video conferences to lower the amount of cross boarder travelling which also saves time and money. It is also mentioned about procedures that are in use in order reduced internal travelling and reduced paper consumption, example being video conferencing and emailing.
Communication with the stakeholders

According to the Annual CSR Report (2012), Nordea aims at enhancing the participation and communication with their stakeholders by embracing the stakeholder’s priorities and expectations to get a better understanding and to learn from them. This is made by stakeholder dialogues. A result from the dialogues is that responsible lending and transparent information is the most important thing and what Nordea should focus on.

Engaging with society

According to Nordea.com, the company engages with society by teaching high school students how to handle their own finances by giving them a basic economic understanding. The education targets are 13-17 years old and include all schools in the Nordic countries. The idea is to teach them practical everyday finances so that they are better equipped to manage their own finances. An example of this is according to Lena Höglund Rosen giving them information about: “what interest is? High interest and low interest rates. How much is a coke a day? About saving money, for a moped compared in comparison to taking a loan”

4.2.2 Interview with Nordea Bank

Nordea Banks long-term strategy with CSR is to integrate CSR with business, to have CSR in their core strategies, policies and procedures (Höglund Rosen). According to Höglund Rosen the company chooses their CSR investments based on their impact on society, both positive and negative impacts. There are both local and global investments.

Modern asset management is about managing environmental, financial, governance and social issues and risks. When asking Lena Höglund Rosen (CSR manager of Nordea Bank) of what the typical difficulties with CSR can be, she replied that there are many challenges along the way; but their long term goal is to integrate CSR and sustainability in all of their operations. “It is important to have it as part of any activity for it to be genuine” according to Höglund Rosen.
Complications with CSR within Nordea Bank are related to the fact that the world is ever changing in form of population, regulations and demands. Keeping up with these changes and more is the most complicated or greatest obstacle with CSR.

External factors, such as stakeholder reactions and demands have a great affect on Nordea Banks CSR activities value; as it is the stakeholders that are most important in the organisation. Stakeholders are customers, employees and other financial related institutes.

As in the case of Tele2, Höglund Rosen means that measuring CSR is not always easy as many activities are long-term. “Some activities are easier to measure than others” according to Höglund Rosen. A number of CSR activities values are measured through stakeholder reactions. Customers value of CSR is measured through surveys, as are employees’ response to CSR.

<table>
<thead>
<tr>
<th>Responsibilities</th>
<th>Society</th>
<th>Stakeholders</th>
<th>Environment</th>
<th>Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goals</td>
<td>• Community Involvement</td>
<td>• Standardised stakeholder dialogues</td>
<td>• Reduce CO₂ emissions</td>
<td>• Healthy work environment</td>
</tr>
<tr>
<td>Strategy</td>
<td>• Support and participation in social and environmental activities  • Education</td>
<td>• Responsible Lending  • Transparancy and clear information</td>
<td>• GCB network  • Tele-communication</td>
<td>• Educate employees  • People strategy</td>
</tr>
<tr>
<td>Activity</td>
<td>• Educating young adults  • Financial Education</td>
<td>• Stakeholders meetings to have an open dialogue</td>
<td>• Internal travelling  • Reduced paper consumptions</td>
<td>• PDD  • Education in case of emergencies</td>
</tr>
</tbody>
</table>

*Table 2 [Nordea Social Responsibility]*
5  ANALYSIS

5.1  Corporate Social Responsibility

According to Elkington (1994), CSR can be divided into three categories, which are profit, planet and people (TBL). The results of the study show that both Tele2 and Nordea Bank have identified CSR-related issues within the areas of society, working conditions and the environment. According to Carroll (1991) and Elkington (1994), there is an economic aspect in the CSR activities within a company. Within it is an obligation to take a strong commercial position in order to ensure the company’s survival and primary tasks in order to create an increased value. Welford (2004) also implies that the foundation for sustainable business development is to enable long-term assurance in the market and at the same time create value for the shareholders; however both company and its stakeholders must be able to measure the progress and the results of the CSR. Profits, according to Elkington, is mainly about effectively and resource consumption from external demands.

There is a clear economic aspect and business relation in working from defined CSR principles for the case companies. According to the respondents, both Tele2 and Nordea Bank work with CSR and the main focus is to achieve a positive financial result. In Nordea Banks case, it is essential to create a trustworthy image of the company in its sector of banking. It is also about having responsible products in form of investments and also services. According to Nordea Bank and Tele2, the economical aspects are valued in form of how they are related to the companies’ business core and the society surrounding it. There is a theory that CSR in both companies that each activity has a purpose that contributes to the company as a whole, even if it does not directly lead to a profit. The research also shows that the total effect of CSR is to generate capital appreciation in the case companies.

Elkingtons “planet” is about how the company works with environmental issues, based on their own impact on the environment. Nordea Bank and Tele2 both have investments in environmental activities with a focus in different areas. According to Mikael Alenmark, Tele2’s industrial core is central to their involvement in environmental issues, example being recycling of used mobile phones. Nordea Bank’s environmental involvement in CSR surrounds minimizing their negative effects on
the environment in form of CO₂ pollution, example being travelling less and using environmental friendly alternatives such as advanced video conferencing and emailing. In both Nordea Banks and Tele2s case, their environmental contributions effect the company’s operations by cutting costs and at the same time not harming the environment.

According to Elkington, “people” is about improving working conditions and encouraging employees to follow fair business procedures. The respondents and primary data in the case companies imply that there is great value in improving working environments for their employees and taking care of their employees’ health. The companies’ goals are to minimize displeasure and stress issues in order for the employees to be able to reach individual goals. It is also vital that the companies are seen as attractive employers. The companies also work with training and improvement in order to retain and motivate employees. As a result of the companies CSR activities with the “people” competence is conserved and employees feel committed to CSR which leads to a sustainable business that is easier to reach.

Nordea Bank and Tele2 work with requirements based on an ethical aspect and that employees fulfil the company’s goals and values which is important in a CSR perspective. The CoC is related to ethics and guidelines on what is expected of employees, in Nordea Bank, it is embedded in their corporate values, example being “great customer experience”. In Tele2 it is mandatory for every employee to sign the CoC before being hired. Educating employees in the values have been high on the agenda in case companies, as they are vital for the companies’ everyday business. Investments in the ethical business philosophy are also seen as a step in the right direction in the eyes of stakeholders. The intention of their values and goals is to make sure future business is not put at risk.

According to Carroll (1991), the charitable aspect is to be included in the companies CSR. Nordea Bank and Tele2 are not seen as charitable in the form of donating money to charity. Instead seen through certain actions and activities the companies do for the society and the community. Nordea Bank, for example, travels to high schools and educate students in a general financial and economical bases. Tele2 on the other hand have the foundation “Reach for Change” which is a foundation that helps exposed children around the world to have a better life. According to the respondents, the reasons in supporting the activities are to create a good relations in
the immediate area in which the companies operate. It may also create a better image for the companies within the area the companies operate and help build a relationship between customers and the company.

5.2 Implementing Corporate Social Responsibility to create value

Lazslos (2003) figure The Change Management Process shows how Nordea Bank and Tele2 work to implement CSR. The companies are placed in a system and it is the stakeholders that affect and identify the company's CSR. Lazslo focuses on activities that add value for the companies. The activities are to meet the expectations of social responsibility based societies elements. It is also important that the long-term relationships with stakeholders are recognized.

According to Höglund Rosen, communicating with stakeholders is important to establish the expectations on Nordea Banks’ responsibility. The same is in Tele2s’ case. Both Tele2 and Nordea Bank have ongoing dialogues with their stakeholders throughout their activities as their stakeholders play a vital role in business procedures and activities. By analyzing and researching various stakeholders, can combinations between expectations and business opportunities to be clearer, as Tele2 and Nordea Banks stakeholders are the companies’ suppliers, customers, employees, shareholders and governments. By continually analyzing and researching these topics, it helps create a long-term relationship with the companies stakeholders. Suppliers and customers are a major factor in productions and sales up and downstream in the value chain.

The criteria in identifying the key stakeholder depends on how much power they have in affecting the company (Laszlo, 2003). For Nordea Bank it is their wealthy customers, most important in “Private Banking”, and also employees, as well as government. For Tele2, suppliers and customers are vital for business, but also employees.

Porter and Kramer (2006) describe the value chain as a set of activities in the company. It is the company’s dilemma to recognize the value in all activities. Normann & Ramirez (1993) mean that in order to have constant value, the company must evaluate the chain of actors which can be seen as a network. According to Norman & McDonald (2004), TBL’s theory is an important tool for the company in
order to have strategies based on external demands. The activities in Tele2 and Nordea Bank have their focus points on based the strategic goals within each area of CSR.

The most important strategy to achieve Nordea Banks and Tele2 goal is to visibly and responsibly communicate market activities and the choice of community projects where the company delivers their message. Based on Porter and Kramer's (2006) theory, Nordea Bank and Tele2’s strategic CSR positions are of Responsive CSR, although some specific activities may be described closer to a Strategic CSR approach. Tele2 and Nordea Bank select social problems in society that are worth being involved around. It has been mentioned earlier that different stakeholders have different demands and expectations in the companies. With Responsive CSR, Nordea Bank and Tele2, educate and invest in the youth in society and help give them a brighter insight on reality.

Nordea Banks financial products, i.e. obligations and funds, are strategic example, as the ranges of products are changed to adapt market demands. In this manor, Nordea Bank moves toward a more constructive approach to CSR. Example being, responsible investments, in making sure that there funds and investing is not in markets that are corrupt. In this sense Nordea Bank takes a social responsibility in the entire value chain in responsible investments. In this way the case companies create value with their activities.

As both companies work with delivering products and services for customers and adapting them to customers’ needs, also create greater value. According to both interviews with Nordea Bank and Tele2, it is important that CSR is reflected in the company’s business core. In this sense, according to Porter and Kramer (2006), it is defined as Strategic CSR. Factor in the external environment have an effect or create a driving force within the framework of competitiveness, which is expressed as Social Technology has been a driving factor in this case and both Nordea Bank and Tele2 have taken advantage of it in the market. By sending information electronically to customers and allowing them to access information through technology benefits the environment and lowers costs for the company; an example of this being, not sending out account statements or payment on paper to be more environmental friendly. This
also makes it more cost efficient for Tele2 and Nordea Bank which creates economical value.

5.3 Problems and obstacles in CSR process

There are obvious risks identified in the case companies linked to not meet the demands of corporate responsibility which may have a great affect on business. For Tele2 a major problem is educating customers in security mater and recycling of mobile phones in order to have a positive impact on the environment. A major factor that threatens Tele2, when discussing CSR, is the business partners that Tele2 have. It is important that their business partners and suppliers follow the same code of conduct and perform their business in a responsible manner. Tele2 implies that suppliers and other companies they work with is the greatest risk zone in CSR. Having complete information on the business partners is vital in having positive CSR. At the same time, according to the respondents, it is difficult to have complete control over suppliers and how they conduct business in every stage. Instead it is important to have a concrete partnership with an understanding of regulations and guidelines for business, according Alenmark.

According to Höglund Rosen, Nordea Banks major obstacle with CSR is implementing it with core business, which is Nordeas long-term goal. It is argued that it is important to have it as a part of the business core so that it is not seen as “cosmetic” according to Höglund Rosen, in other words not made up. Another challenge in CSR is keeping up with external factors and developments. That being vital as the largest influence arises from indirect investments and loans that are done in other parts of the world.

Roberts (2003) discuss how CSR programs focus on issues which affect the company’s own interests. Roberts (2003) takes a critical perspective on how companies work with CSR structure and the code of conducts significance. Roberts (2003) argue that the code of conduct is more based on how the company wants the stakeholders to define their CSR.
6 DISCUSSION AND CONCLUSIONS

6.1 Conclusion

The primary description of the problem resulted in three different research questions which intended to present what particular aspects in the implementation of CSR in a company are important. Through scientific articles, it eased the manner in identifying the problems in the existing theoretical management of CSR and through this the problem of CSR in general. In the study there are some key aspects worth highlighting for each research question.

*How do Nordea Bank and Tele2 define and communicate CSR?*

International guidelines and laws seem to be significant for the company to work with CSR. The Code of Conduct based on global compact can ensure that policies combine values that must exist in the company. The ethical codes are used to decide how work on CSR is implemented. The CoC also provides a structure and content, even though there is some uncertainty surrounding the codes actual meaning. Social responsibility is more than delivering ethical CoC or work based on human rights principles; it's about how the company interacts with the environment based on business by TBL principles. If the surrounding expectations are identified and worked with accurately, positive benefits of CSR can then appear which lead in a positive impact on business development. CSR also involves communicating with stakeholders, which is likely, in some cases, to collide with own interests. A self-regulated CSR risks losing stakeholders confidence and the company may find it more difficult to survive and be competitive on the market. On the other hand, if the company must be competitive, self-interest can also be seen as a benefit towards company, and in this way ensuring its survival. The empirical approach showed that CSR efforts in no way is standardized and instead based on its own merits. What CSR means may vary from the company’s own position and conditions and can also take different forms.

*How do Nordea Bank and Tele2 conduct CSR to create value?*

Global challenges have meant that companies have to think in new ways. Thinking long-term and also taking advantage of market opportunities in order to pick up new sustainable solutions is important. Porter and Kramer (2006) criticize CRS activities
in being "cosmetic" or “made up” without having any connection with core business, as was also mentioned by Höglund Rosen in the interview. CSR involves identifying basic social problems that affect the company, then formulating a strategy and through creative solutions in order to generate value. The empirical study shows how the case companies sifted into the specific activities linked to the business, there are also certain activities that are not directly linked to the core business, but may in other ways refer to activities that benefit the company as well as society.

A constructive approach towards CSR may result in a synergy affect; as a result directing CSR in a sustainable direction. Based on the study, we conclude that the strategies related to the core business have an effect on whether CSR program is perceived as successful in the company. The study does not on the other hand indicate whether CSR has been profitable or how stakeholders experience CSR activities. The introduction of CSR may be important to control global change and we believe that companies that choose to impose constructive CSR programs are better equipped to respond to the difficulties that arise. As a preventative measure, it can be vital to have insight and control in social issues.

What problems and obstacles are there in the process of CSR?

There are many reasons why companies engage in CSR. Roberts (2003) criticizes the meaning of the code of conduct and CSR based on how the company wants to be seen in society. It may be argued that companies may have ethics of self-interest as well as market-driven basis CSR. Companies that deliver ethical sustainability will be able to contribute on a higher level to regions with lower ethical claims. For companies that are expected, or forced, to work with CSR, show that ethics and business sometimes may not be separated. Companies are exposed in damaging their reputation due to unethical behaviour. Nordea Bank and Tele2 history shows the importance of securing the ethical values of the code to protect business. In order to create a positive view surrounding the ethics and codes, Tele2 and Nordea Bank focus extra on each problem area. The companies have implanted ethics using external support and international regulations in the process of the code of conduct. The empirical study shows that, for the Nordea Bank and Tele2, ethics more focused on how the code should be implemented to protect the business.
Porter and Kramer (2006) criticize companies for failing to take a practical approach to minimize risks in the value chain. The empirical data showed that a problematic area is where companies' immediate control over the value chain. The respondents argued that the involvement of suppliers and business partners in the corporate social goals, prevent risks of ethical transgressions. Furthermore it is vital that the companies are up to date with the ongoing global changes and requirements faced. Failing to update with new regulations may lead in negative consequences for the companies.

6.2 Research Contributions

Through critical research articles, the aim was to highlight what specific aspects are to be considered in the process of implementing CSR in companies. When companies develop CSR, it is essential that it creates long-term sustainability for the company and the society. Our intention has been to focus on the value-creating activities compared with similar studies. Consequently, we investigated how the value is generated in proportion to the demands of society and the challenges that companies face in the implementation of CSR.
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Phone interview with Mikael Alenmark, Responsible for CR at Tele2 Sweden. May 1st 2013

http://www.nordea.com/csr

Interview with Lena Höglund Rosen 14th May 2013
APPENDICES

Tele2 Annual Report 2012

Nordea Annual Report 2012

Interview questionnaire
Interview

How does Nordea/Tele2 conduct CSR?

What complications or obstacles are there in performing CSR?

What external factors can have an effect on CSR value for Nordea/Tele2?

What is Nordea’s/Tele2’s CSR in general and goal?

How are the CSR areas decided, are it from a local or global basis or are it in line with business core?

How do the company’s goals and values affect CSR in general?

How is the value of CSR measured?