Managing Employee CSR Engagement

- A study of employee’s perceptions and expectations -
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Abstract

Background- CSR is a highly relevant subject for corporations today, since there is an increased stakeholder demand to report corporate social, economic and environmental performance. CSR may convey numerous benefits for a firm, such as a competitive advantage, increased trust and improved corporate image, as well as many outcomes related to the employee. The automotive industry is facing high external pressures to lower their carbon footprint, and to become more sustainable, consequently, this industry is a suitable context for CSR research.

Purpose- The purpose of this study is to investigate different characteristics of employee’s and their perceptions and expectations of CSR, to find the most important aspects of the phenomena from an employee’s perspective, and thereby, engaging them in a company’s CSR initiatives. By investigating this field, it will be possible for companies to improve their CSR communication and meet the employee’s expectations. An effort will be made to distinguish different types of employees, to find out their main differences in terms of preferences and willingness to engage, and by that, find the most efficient ways to get them involved in CSR activities. These insights could help companies to successfully implement CSR programmes internally throughout their organization.

Method- A mixed method was used to fulfil the purpose of the study. A quantitative online survey was conducted and provided responses from 350 employees at a single automotive company. To acquire deeper insights, qualitative interviews with ten employees and observations as complete observers were used in a complementary manner at the same company.

Results and Conclusion- The main conclusions from the empirical results and theoretical background showed that the willingness to engage in CSR activities might diverge depending on the location and the functional area of the employee. The CSR aspect that the employees perceived as most important was an economic aspect “maintaining a solid financial performance”, followed by “providing product innovations that get ahead of market and customer needs”, and “satisfying customer needs in a measurable way”. The most efficient ways to engage the employees appeared to be mainly through training, community engagement, and accurate communication.

Practical Implications- The findings from this study provides implications and recommendations to both managers and marketers on how to market the CSR programme internally, which aspects of CSR to emphasise and how to get the employees involved. This will consequently strengthen corporation’s CSR programme and thus, benefit the society.

Keywords - CSR, Employee Engagement, Internal Marketing, Stakeholder
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1 Introduction

The introduction consists of a short explanation of CSR and why it is important. The thesis has been conducted in collaboration with a company in the vehicle industry, and the company is presented further on in this chapter. The introduction also consists of a problem discussion, the overall purpose of the thesis, and the following research questions.

1.1 Background

The expectations about companies being more responsible increases due to organizations impact on the well-being of society, fair distribution of wealth, and preservation of natural resources. This consequently increases organizational actions and policies that take into account stakeholders' expectations (Vlachos, Panagopoulos & Rapp, 2014). Extra-financial information, such as disclosures on governance and environmental issues, has become an important factor for investors and analysts to consider when analysing a company. The increased demand and credibility of this information will lead to sustainability considerations becoming embedded into investors’ assessments of a company’s long-term value, and this demand is expected to increase further since these issues are becoming more relevant for stock prices. The investors wish for deeper and more direct communications from companies on their social, environmental, economic and financial performance (Global Reporting Initiatives, 2012).

Corporate Social Responsibility (CSR) is more relevant than ever and is perceived as a key element in ensuring long term trust from employees and consumers, since the phenomena is being viewed as a growth opportunity rather than just a regulatory compliance or philanthropic effort. CSR initiatives might contribute to a competitive advantage, facilitate when entering new markets and improve a company’s standing in the war for talent (McShane & Cunningham, 2012). The benefits of CSR could also lead to increased financial performance and an improved corporate reputation (Slack, Corlett & Morris, 2014; McShane & Cunningham, 2012).

In this thesis employee’s perceptions and expectations are of central matter, therefore, we felt the need to define and explain the terms. Perception is a process when sensations are absorbed by a person and used to interpret the surrounding world, translating raw stimuli, such as colours and sounds, into meaning. Perception consists of three stages: exposure, attention and interpretation. Individuals interpret various stimuli according to learned patterns and expectations (Solomon, Bamossy, Askegaard & Hogg, 2013). Previous theory suggests that employees’ perception of CSR affects their work outcome, and is therefore something that is important for managers to take into consideration (Farooq, Farooq & Jasimuddin, 2014). Expectations are defined as perceived contingencies between any two events, such as between an action and an outcome (Mittal, 1996). They are explained as a result from life experiences that changes and evolves due to many factors, such as personal aspirations, career progress, societal trends, etc. These expectations should be the target for the company’s resources and the basis for measuring
employee satisfaction and resource effectiveness (Woods, 1993). Solomon et al. (2013) further states that satisfaction or dissatisfaction depends highly on expectations, i.e., its consistency to previous experience. When something fails to live up to its expectations people become dissatisfied. When something exceeds its expectations, people become highly satisfied and pleased (Solomon et al., 2013).

1.1.1 Kongsberg Automotive AB

The vehicle industry is undergoing a large transformation due to the increased consumer preferences toward vehicles that has a lower carbon footprint. This new demand has resulted in governments all over the world imposing environmental regulations on emissions control and fuel economy. These regulations vary from different countries, resulting in companies constantly needing to update their product portfolios to meet numerous regional regulatory requirements and to stay competitive (KPMG, 2010). Although new cars now emit significantly less carbon dioxide, road transportation is one of the few sectors where emissions keep rising (European Commission, 2016b). Therefore, many manufacturers aim to reduce fuel emissions (KPMG, 2010).

Kongsberg Automotive (KA) is a global company that provides high quality products to the vehicle industry (Kongsberg Automotive, 2016). The company originates from Norway and has developed from a Scandinavian automotive parts supplier to a global corporation in one of the most competitive and complex industries in the world. They have for many years produced products that improve vehicle safety and reduce environmental impacts, and in 2015 they started with Corporate Responsibility Initiatives and Sustainability programs (Kongsberg Automotive, 2016).

KA strives to incorporate CSR into their overall strategy regarding day-to-day business practice and decision-making, to impact their industry and their communities in a positive way (Kongsberg Automotive, 2015). KA has three core values, which are passionate, accountable, and prepared (Kongsberg Automotive, 2016). The company considers societal, environmental and economic impacts in the design, manufacture and use of their products. They are promoting a culture of Corporate Responsibility that considers stakeholder interests, aligned with their business growth strategy. KA’s CSR guiding principles consists of nine areas (Kongsberg Automotive, 2015):

- Integrity and Ethics
- Human Rights and Labour Practices
- Leadership and Talent
- Community Engagement
- Environmental Performance
- Supply Chain Management
- Product Innovation, Product Safety, and Information Security

(Kongsberg Automotive, 2015)
1.1.2 Guidelines and Regulations for Sustainability Reporting

The Global Reporting Initiative (GRI) has become a leading template for voluntary sustainability reporting since it was founded in 1999, when it emerged from the debate around CSR (Brown, de Jong & Lessidrensk, 2009). Its core mission is to make sustainability reporting a standard practice for all kinds of corporations. A published sustainability report includes the economic, environmental, and social impacts the company has as a result of their everyday activities. It also includes the corporation’s values, and generates a picture of how the corporation’s strategy can be linked to its commitment towards a sustainable global economy (Global Reporting Initiative, n.d.a). On their website Microsoft (2016) denotes that the GRI “provides the leading framework for corporate sustainability reporting based on input from a wide range of civil society organizations, labour groups, businesses, academics, and other experts” (Microsoft, 2016). Thus, the framework includes reporting guidelines, sector guidance, and other helpful resources that will generate higher corporate accountability and transparency. Today, there are thousands of corporations, independent of size, that are using the framework to better understand their sustainability performance and to communicate it in the best possible way (Global Reporting Initiative, n.d.a), and KA is one of them.

As a Norwegian company, KA also needs to consider the domestic law. The government in Norway expects all Norwegian businesses to practice CSR in their operations worldwide, and large companies are required to report on their CSR activities. The government policy is based on key international standards, such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the UN Global Compact (Government.no, 2015).

1.2 Problem Discussion

Previous research on employees and CSR has primarily focused on employee outcomes from CSR, such as recruitment, morale, productivity, retention, commitment, increased organizational attractiveness to prospective employees, and enhanced employee pride, etc. (Slack et al., 2014; McShane & Cunningham, 2012). According to Rodrigo and Arenas (2007), employees as stakeholders have received little attention in the CSR field compared to other groups. This is surprising since the attraction of talent, employee loyalty, and employee motivation has been used to explain why CSR can be a source of competitive advantage to a firm. Even less attention has been given to the differences among employees in relation to CSR, assuming that employee’s expectations, views, and attitudes are homogeneous (Rodrigo & Arenas, 2007). Employees evaluate their organization’s CSR programme, but there is a large gap in literature considering how they do so, making it difficult to predict how they will respond to it (McShane & Cunningham, 2012). There are also relatively few studies that investigate employee engagement in CSR and the reasons for why there are barriers to it and, therefore, a diversity of engagement (Slack et al., 2014). Additional authors, such as Farooq et al. (2014), argue that there has been much previous research that emphasize the direct impacts of CSR on employee
related outcomes (e.g. organizational commitment, employee engagement, job performance, etc.) (Farooq et al., 2014), however, there has not been much research on employee’s expectations of CSR. Hence, Farooq et al. (2014) seem to have found a gap in the literature that regards this issue. By reading through and analysing relevant literature we can agree that there is a gap in the field regarding employee’s perceptions, expectations, and engagement towards CSR. We also argue that there is a gap regarding what aspects of CSR employees consider to be most important, and what influence the employees could have on a CSR programme. To close the gaps, we reason that it is essential for a company to practise employee engagement, motivation, and involvement, using internal marketing and stakeholder engagement as tools.

How can an organization get their employees involved and engaged in their CSR programme? Today, many companies worldwide are practising CSR, however in some cases, could the CSR programmes be “all bark and no bite”? In this thesis we intend to address this gap in the literature, through investigating employees as heterogeneous groups during the CSR implementation. In order to do so, we chose to study a company within the automotive industry, since it is a highly relevant industry, with high external pressures when it comes to complying with CSR standards, especially as a subcontractor. These pressures might result in the risk that CSR is implemented purely for the sake of implementation. A true CSR is more than just policies and paperwork, and it needs to be embedded throughout the company’s business strategy. To succeed with CSR, we believe that employees need to be involved in the programme in order for them to put their heart into it, and for CSR to become a part of their norms and routines. If employees perceive their organization as socially responsible, the society is more likely to do so as well. By studying a subcontractor in the automotive industry, we will also be able to disentangle differences between different groups of employees.

To successfully develop the CSR programme, it might be helpful to, from an employee’s point of view, distinguish the most important aspects of the phenomena. Therefore we asked ourselves, which aspects of CSR are the most valuable for employees? Which aspects of CSR do they prefer the company to emphasize, and which aspects do they perceive as most critical for business success? It is the employees that execute most of the CSR activities, therefore, they need to believe that what they are doing is important and right. Companies need to know what their employees are expecting from their CSR implementation and how they believe that it will affect themselves as individual workers as well as the whole company. What managers can learn from these expectations, is how to efficiently communicate with their workforce and successfully implement the CSR programme further. To successfully meet the external pressures, the internal efforts must first be made. This enables us to provide more nuanced insights into the different aspects that are important to stress when communicating and engaging employees in the CSR implementation process.

Additionally, we argue that CSR can be managed through internal marketing, since internal marketing involves employee commitment and motivation. Employee commitment and motivation are also possible outcomes for employees as a result of CSR. It is important to market and communicate the CSR activities internally in a positive way,
to make sure that all employees are aware and motivated. We also suggest that stakeholder engagement is an important part of CSR implementation since employees can be viewed as the most important stakeholder when implementing CSR (Cheng, Karlsson & Sinset Imele, 2008; Slack et al., 2014), and the guidelines that exist for CSR reporting highlights the importance of stakeholder input (Global Reporting Initiative, n.d.b). We consider that input and feedback from employees is vital information for a successful implementation.

To sum up, the importance of CSR is constantly increasing and as a consequence the pressure on companies increases as well, making it an interesting and contemporary issue to study. We used the gaps discovered in the literature to develop research questions that covered these problems. The thesis will try to answer these questions to provide managers and marketers with valuable input for them to consider when implementing CSR programmes within their companies, offering implications to both practise and research.

1.3 Purpose

The purpose of this study is to investigate different characteristics of employee’s and their perceptions and expectations of CSR, to find the most important aspects of the phenomena from an employee’s perspective, and thereby, engaging them in a company’s CSR initiatives. By investigating this field, it will be possible for companies to improve their CSR communication and meet the employee’s expectations. An effort will be made to distinguish different types of employees, to find out their main differences in terms of preferences and willingness to engage, and by that, find the most efficient ways to get them involved in CSR activities. These insights could help companies to successfully implement CSR programmes internally throughout their organization.

1.4 Research Questions

With the previous problem discussion and the purpose in mind the following research questions were developed:

**Research Question 1**: Which employee is most willing to engage in CSR, depending on different demographic characteristics?

**Research Question 2**: Which aspects of CSR are perceived as most important from an employee’s perspective?

**Research Question 3**: Which are the most efficient ways to increase an employee’s level of engagement in a company’s CSR initiatives?

1.5 Perspective

The thesis aims to collect data and information from the employee’s point of view. The paper will represent both the marketing and management field.
1.6 Delimitations

It would be highly interesting to conduct this study within different industries and to include a large number of companies. However, with the given time frame we chose to limit the extent of the study. This means that the study is limited to one industry, and further, to one single company within that industry.

1.7 Definitions

**CSR** - “The firm’s considerations of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm to accomplish social [and environmental] benefits along with the traditional economic gains which the firm seeks” (Davis, 1973:312).

*Internal Marketing* - The marketing efforts between the business and its employees (Berndt & Tait, 2012).

*Stakeholder* - Any group or individual who can affect or is affected by the achievement of the organization’s objectives, e.g., employees, suppliers, shareholders, customers etc. (Roberts, 2003).
1.8 Chapter Overview

Chapter 1: Introduction
This chapter will include background information about Corporate Social Responsibility (CSR) followed by an explanation of KA, and its industry. It also includes a problem discussion which provides a purpose and research questions. Furthermore, the chapter includes perspective, delimitations, and definitions.

Chapter 2: Frame of Reference
This chapter includes a theoretical framework for the chosen topic. It consist of previously published research that is of value to the topic. The main themes within the frame of reference are CSR, Internal Marketing, Stakeholder Engagement, and Employee Engagement. The framework provides the reader with significant knowledge and will be used a foundation for the forthcoming analysis.

Chapter 3: Methodology
This chapter explains why a mixed method was chosen for this study. This is followed by an explanation of the various research approaches that are used. The chapter ends with the method of analysis.

Chapter 4: Empirical Findings
In this chapter the data collected from the mixed method (survey, interviews, and observations) is presented and will be used as a foundation for the analysis.

Chapter 5: Analysis
In this chapter we will analyze the qualitative and quantitative data collected, with both the findings and the theoretical framework in mind.

Chapter 6: Conclusion
The conclusion in this chapter aims to provide clear answers to the research questions with the purpose in mind. It also includes a discussion with suggestions for future research, and implications (managerial, societal, and ethical).

References & Appendix
2 Frame of Reference

The purpose of the frame of reference is generally to test theory, design the study, and to interpret the findings. It consists of previously published research within the chosen problem area and the main themes are organized and summarized. In this chapter we bring up subjects, such as Corporate Social Responsibility, Internal Marketing, Employees as Stakeholders, Employee Engagement that we consider will generate deeper insights into the research problem discussed. We further argue that these topics are of great importance when creating a theoretical basis that is intended to be used for the following analysis and concluding remarks. The chapter concludes with a model and a summary of the frame of reference.

2.1 The Development of CSR

What is Corporate Social Responsibility?

CSR can be seen as a global concept that has developed from the interaction between thought and practice. It is a concept known worldwide, and it has increased in importance as stakeholders have spoken about their expectations on modern businesses today, i.e., they should do more than just obey the law and earn money (Carroll, 2015). It is also because of tough, competitive environments that companies are exploited to high pressures concerning their philanthropy and social responsibility activities (Burke & Logsdon, 1996).

There is a large amount of literature that contains an even larger amount of definitions trying to explain CSR (Sprinkle & Maines, 2010). Just in one single research paper the author claimed to find, at a minimum, 37 different definitions that could explain the term (Carroll, 2015). CSR is explained as a phenomenon whereby corporations integrate environmental and social issues into their business operations, and include it in their collaboration with stakeholders on a voluntary basis (The European Commission, 2016a). When it comes to management literature, Davis (1973:312) provides a common definition of CSR as “the firm’s considerations of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm to accomplish social [and environmental] benefits along with the traditional economic gains which the firm seeks”. Simply put, CSR represents a firm’s voluntary efforts, which benefit society. There are a lot of supplementary concepts that could help explain the phenomenon, such as corporate sustainability (Sprinkle & Maines, 2010), and it has been competing with, and has complemented, several other concepts, such as business ethics, corporate citizenship, sustainability, and stakeholder management. All of these both interdependent and overlapping terms are incorporated in the concept of Corporate Social Responsibility (Carroll, 2015).

Cochran (2007) presents CSR as something that has grown from a narrow to a highly complex and multidimensional phenomena. Today, CSR is something that is of growing importance when it comes to corporations and their decision-making (Cochran, 2007). Carroll (2015) argues that the roots of CSR go back hundreds of years, and that during the last 50 years it has evolved and can be explained by several concepts. In the
60s it started out with social movements, such as civil rights, women’s rights, environmentalism, etc. Today corporations of all sizes have embraced the concept and therefore the debate serves a wide audience (Carroll, 2015). There was a debate among the first academics that discussed this subject, and one of the academics was Dodd Jr. (1932:1149) who argued that firms, in addition to their economic responsibilities towards shareholders, had a social responsibility towards society as a whole since the modern large corporation is “permitted and encouraged by the law primarily because it is of service to the community rather than because it is a source of profit to its owners”. This statement provided an intellectual basis for the statement that corporations do have a social responsibility (Cochran, 2007). Cochran (2007) claim that with the social movements followed an era of non-governmental organizations (NGOs) and activist groups that were highly concerned about businesses and their practices. Today, NGOs and activist groups still use media as a tool to increase people’s awareness of companies that they consider unethical or irresponsible. Media is a quick and easy tool that can be used by activists and NGOs in a way to tarnish a company’s reputation. This could lead to the case of, e.g., employees being dissatisfied or decrease in sales, etc. Hence, business managers have the opportunity to either embrace CSR, or not to and with that take a huge risk that could lead to serious consequences (Cochran, 2007). In the 70s the debate about corporate social responsibility changed. Instead, discussions arose concerning the concept corporate social responsiveness. In the mid-70s the term changed once again to corporate social performance (CSP). These different forms of CSR did not change the basic meaning of the phenomenon, rather, they provided a different perspective that was more attractive to some practitioners (Carroll, 2015).

2.1.1 Strategic CSR

More recently CSR has been viewed as a strategic tool. Carroll (2015) argues that people have expectations on companies, that they will “give back”, and therefore CSR is something that is expected as part of the social contract between an organization and the society. He also claims that external expectations usually are driven by ethical motives while companies are more driven by the fact that they want to be perceived as good corporate citizens in a way to improve their reputational capital (Carroll, 2015).

In their article, Burke and Logsdon (1996), try to explain how CSR pays off. They introduce the term Strategic Corporate Social Responsibility and argue that CSR is strategic when it yields extensive benefits to the corporation, particularly benefits that support corporation’s core business activities, and in that way contributes to its effectiveness in accomplishing its overall mission. In many of the empirical studies that have been made authors strive to find a connection between CSR and financial performance, especially the short-term gains (Burke & Logsdon, 1996). Even though many CSR activities are non-strategic, Burke and Logsdon (1996) try to explain the connection between CSR and a corporation’s strategic interest. They identified five dimensions of organizational strategy that are highly significant for a corporation’s success and also useful when connecting the firm’s value creation to its CSR
behaviours. The dimensions of strategic CSR are; centrality, specificity, proactivity, voluntarism, and visibility (Burke & Logsdon, 1996).

**Centrality** is about how close the corporation’s CSR activities are to its core mission and objectives. The CSR activities that have high centrality are usually the ones that the company see as main priority, and that are considered to yield the highest future benefits (Burke & Logsdon, 1996; Husted & Allen, 2007). **Specificity** reflects the corporation’s capability to make use of the benefits that the CSR activities are generating, rather than just create collective goods that could be shared by others within the same industry, society or community. (Burke & Logsdon, 1996). **Proactivity** refers to the amount that the company plan its behaviour and anticipates emerging technological, economic, political and/or social trends. Also the company’s absence when it comes to crisis situations. In the dynamic and fast changing environment that companies are operating in today it is important for them to continuously scan those environments in an attempt to anticipate changes that are most likely to affect the firm, before they have already occurred. **Voluntarism** represents the range of discretionary decision making by the company and the absence of externally forced compliance requirements. Even if executives are often exploited to external pressures from social networks, where they are expected to contribute to charities, philanthropic contributions are still normally seen as voluntary. **Visibility** is about observable and recognizable credit that the company can get from external and internal stakeholders. Visibility is something that could generate both negative and positive outcomes for an organization. However, CSR activities are most unlikely to have negatives effects (Burke & Logsdon, 1996; Husted & Allen, 2007).

The aim of using CSR as a strategic tool is to **create value**. Looking at Appendix 1 one can see the connection between the strategic dimensions and the case of **value creation** (Burke & Logsdon, 1996; Husted & Allen, 2007).

When managers have to make decisions regarding CSR activities it is advantageous if they have an overall knowledge concerning the costs and benefits associated with CSR (Sprinkle & Maines, 2010).

A corporation that executes CSR activities can receive benefits and these benefits are strong reasons to why corporations choose to engage in CSR in the first place (Sprinkle & Maines, 2010). Even if it can be hard to imagine that profit-seeking corporations would only have altruistic intentions, some corporations actually just want to be good global citizens (Sprinkle & Maines, 2010). Regardless, “free” advertising and a good reputation (Corrall, 2015) are common results for corporations engaging in CSR. Several authors, such as Carroll (2015) and Werther and Chandler (2005), argue that CSR is a tool to help strengthen and/or building a strong and strategic competitive advantage. They further claim that CSR activities have the tendency to reduce costs (Sprinkle & Maines, 2010) and risks within the company (Carroll, 2015), and could improve the relationship with suppliers and customers, leading to an increase in customer and supplier retention (Carroll, 2015; Sprinkle & Maines, 2010). There are also multiple arguments concerning the positive effect CSR has on employee retention (Sprinkle & Maine, 2010; Burke & Logsdon, 1996; Carroll, 2015; Cochran, 2007).
There are not as many costs presented in the literature as there are benefits, however, the costs presented are good for managers to keep in mind when measuring the true benefits of CSR activities. Sprinkle and Maines (2010) mentions that it is not CSR itself that should be seen as a cost, it is the CSR activities that could lead to both higher outlays of cash and decrease in cash inflows. However, there are many CSR activities that can be seen as costs that actually should be seen as benefits (Sprinkle & Maines, 2010).

2.2 Internal Marketing

According to Berndt and Tait (2012), internal marketing is something that occurs between the business and its own employees (Berndt & Tait, 2012). Internal marketing can be defined as working to attract, develop, motivate, and maintain high-quality staff by providing them with the work resources they need (Qing et al., 2013). It places people in the centre stage of organizational success, and it links the employees to the business strategy. This direct link helps to cut through the layers that often cause confusion, conflict, frustration and thus, inaction. Internal marketing manages both the individual and the collective that makes up the organization, influencing the formation of a “corporate identity” and “collective mind” for an integrated organization. It is through this combination that individual creativity is transferred to organizational effort and success (Ahmed & Rafiq, 2003). Internal marketing can be seen as a strategic tool that enables the implementation of strategic plans. It is important to satisfy the needs of the employees before the business can satisfy the needs of its customers (Berndt & Tait, 2012). Ahmed and Rafiq (2003) explain that internal marketing plays a role in all functions and operations in an organization, and is a total managerial approach for coordination and integration (Ahmed & Rafiq, 2003). Successful internal marketing starts with top management, and is embedded into the strategic management and the organizational structure. Furthermore, all employees should have knowledge regarding the business missions, strategies, goals and processes in order to deliver high service quality to external customers (Berndt & Tait, 2012).

Berndt and Tait (2012) state that there are two different purposes of internal marketing: to attract employees and to execute the internal marketing tasks.

The first purpose of internal marketing is to attract skilled employees, and the job should satisfy the employee needs, both financial and personal development needs (Berndt & Tait, 2012).

The second purpose of internal marketing is the nature and execution of the internal marketing task to motivate and encourage employees, to make them show initiative, and to keep them informed of the current marketing campaigns. It includes activities that ensure that the external marketing is successfully executed, and the marketplace performance enhanced (Bernt & Tait, 2012).

Berndt and Tait (2012) further states that there are three aspects within the latter perspective, namely, employee commitment: employees seeking opportunities and solving problems to improve the business, motivation: getting the employees motivated to implement all the strategies of the organization, and the relationships between
employees, management and various functions in the business. These relationships create an efficient unit, where all the different departments in the business share focus and goals (Berndt & Tait, 2012).

According to Berndt and Tait (2012), the objectives of internal marketing includes to enable all employees to focus on the same organizational goals, to create an awareness of both internal and external customers, and to establish a team spirit among the employees. It also includes relationship marketing objectives, such as maintaining employee relationships, recruit and retain skilled people, provide them with support that empower them, motivate them, to manage a culture of continuous change in the organization, etc. (Berndt & Tait, 2012). According to Qing et al., (2013), a large number of researchers have shown that employees who feel empowered are more loyal to the organization. A business can use internal marketing as an effective tool to improve the level of psychological empowerment among employees by establishing programs that promote the firm’s vision, providing training for employees, sharing profit with employees, raising support from the managerial level, establishing better incentive mechanisms for employees, and creating an exceptional corporate culture (Qing et al., 2013).

2.3 Employees as Stakeholders

According to stakeholder theory, the organization’s value creation for its stakeholders is the key driver of long-term survival, and should be its key responsibility. A stakeholder can be defined as any group or individual who can affect or is affected by the achievement of the organization’s objectives (Minoja, 2012). According to Roberts (2003), there are four groups of corporate stakeholders: authorisers (e.g. regulators, shareholders), business partners (e.g. employees, suppliers) customer segment groups (e.g. groups of customers) and external influencers (e.g. journalists, community members). Employees are valuable stakeholders as they are a part of the business partners group, facilitating the operations of the firm (Roberts, 2003).

Minoja (2012) states that a company’s purpose is the creation and distribution of value to a variety of stakeholders, to produce a combination of economic and social welfare to assure that each primary stakeholder group continues as part of the firm’s stakeholder system. The firm’s success depends on the cooperation and support of the stakeholders themselves (Minoja, 2012). According to Friedman and Miles (2006), there are two main principles of the stakeholder concept. The first is called the stakeholder-enabling principle and it states that corporations should be managed in the interest of stakeholders. The second is called the principle of director responsibility, meaning that the firm’s directors should use reasonable judgement to fulfil the first principle (Friedman & Miles, 2006). Roberts (2003), states that the firm’s reputation reflects the firm’s relative success in fulfilling the expectations of multiple stakeholders. Companies need to have a good understanding of who their stakeholders are and what kind of expectations they have. Stakeholder expectations of companies can include a high level of social and environmental performance (Roberts, 2003). Employees contribute to the formation of
corporate reputation through their interactions with other stakeholders. Thus, the greatest influence over corporate reputation can often be achieved through employees since they shape other stakeholders’ perceptions of the firm (Olmedo-Cifuentes, Martínez-León & Davies, 2013).

2.3.1 Stakeholder Engagement

Stakeholder engagement is defined as practices that involve stakeholders’ positively in organizational activities, and it includes the process of establishing, developing and maintaining stakeholder relations (O’Riordan & Fairbrass, 2013). The stakeholder theory was earlier developed under the label of CSR, since CSR can be seen as balancing the multiplicity of stakeholder interests. It has also strongly impacted the Human Resources Management (HRM) field through the corporate-employee partnerships and through HRM policies (Friedman & Miles, 2006). Stakeholder engagement can include stakeholder identification, consultation, communication, dialogue, and exchange. More recently, stakeholder engagement could be defined by the ISO 26000 principles for social responsibility, stating all activities undertaken to create opportunities for a dialogue between an organization and one or more of its stakeholders, to provide an informed basis for the organization’s decisions (O’Riordan & Fairbrass, 2013).

Another concept by O’Riordan and Fairbrass (2013) is CSR stakeholder engagement, which determines how the firm’s CSR response is viewed and evaluated by its stakeholders. CSR managers face a challenge when attempting to balance differing interests of various stakeholders on a day-to-day practical basis (O’Riordan & Fairbrass, 2013). Stakeholder engagement and stakeholder dialogue are critical elements in sustainable CSR management for two main reasons: to integrate a comprehensive stakeholder perspective into strategic business planning, and to facilitate decision-making regarding how business decisions initially impact collective value creation for all interest groups throughout the entire value chain. However, the triple bottom-line responsibilities to stakeholders can be balanced with frameworks and guidelines, such as the ISO 26000, and by integrating their stakeholder responsibilities into the business choices they make, to ultimately improve both the way they practice CSR, as well as their communication of that engagement (O’Riordan & Fairbrass, 2013).

2.3.2 Managing Employee Expectations

According to Mercurio (2005), managing employee expectations is an on-going process. Everyone has expectations, both realistic and unrealistic, and once they are known they can be responded to accordingly (Mercurio, 2005). Mercurio (2005) further explains that the main frustration from the employee perspective is that the business information seems to be available but not communicated in time. When anticipation of change exists, managers should increase the level and frequency of communication. Keeping employees informed will generate greater respect and increase productivity, resulting in minimized frustration and speculations (Mercurio, 2005). Another important aspect for managers is
to know and define the desired outcome, the employee's’ response or behavioural change, 
in order to develop the best approach, and as an attempt to keep the employee’s 
expectations clear. The purpose or intent should be clear from the beginning, showing 
that there are no hidden agendas or reasons for false expectations. Managers should 
provide frequent updates and collect continual feedback to monitor the expectations, learn 
from previous expectation management and always tell the truth (Mercurio, 2005). 
Mercurio (2005) further states that nothing is more important for an individual than 
knowing that you can trust the environment you work in, resulting in that employees are 
more productive and more likely to have realistic expectations (Mercurio, 2005).

An article by Woods (1993) addresses employees as customers of the company, and 
describes a process that enables the company to understand and meet their expectations. 
The gap between company capabilities and employee expectations should be reduced as 
much as possible. Capabilities are such things as job opportunities, benefits, recognition 
systems, etc. and employee expectations are described as job security, safe work 
suggests three steps in the process of managing employee expectations: understanding 
them and measure how well they are being met through a survey, analysing the data to 
match the expectations to the company’s strengths and weaknesses, and reducing the gap 
between expectations and capabilities (Woods, 1993).

2.4 CSR and Employee Engagement

When knowing what employees are expecting, firms can focus on how to get them 
engaged in the CSR initiatives. According to authors, such as Cheng, Karlsson and Sinset 
Imele (2008), and Slack et al. (2014), the most important stakeholder when implementing 
CSR is the employee. Since the employees are those who endorse the social activities and 
policies of the organization (Slack et al., 2014), and those who execute CSR strategies 
and are directly involved in CSR programmes, it is interesting to investigate how 
changing organizational realities affect them (Farooq et al., 2014).

According to Vlachos et al. (2014), to effectively deliver CSR messages companies 
should communicate with an inside-out approach: first ensuring that internal 
organizational actors, such as employees (Maon, Lindgreen & Swaen, 2009) are 
committed to the company’s CSR initiatives before reaching external groups of 
stakeholders (Vlachos et al., 2014). If middle managers are convinced that the 
organization is socially responsible, their positive judgments are likely to spread among 
their employees. When the company succeed to cultivate positive CSR judgments among 
managers and their subordinates the result will be enhanced levels of emotional bonds 
between employees and the organization (Vlachos et al., 2014). When analysing how to 
engage employees in CSR, we argue that it is important to have knowledge about issues, 
such as employee attitudes, motivations, authenticity perceptions, and organizational 
commitment.
2.4.1 Employee Engagement and Involvement in CSR

Engaged employees put both their head and heart into their work, and are thus the most productive workers, the best team-players and the most committed to organizational goals ("Engaging employees through social responsibility", 2007). According to Slack et al. (2014), employees carry the main responsibility for implementing a firm’s CSR activities, and the employee willingness to collaborate will highly impact the outcomes. The employee engagement with CSR can be viewed as a social contract within an organizational context, outside of their normal economic contract with the organization. Not all employees will engage equally with the company’s CSR practices, due to the individual willingness of an employee to put forth effort and time on behalf of the organization (Slack et al., 2014). However, studies show that the great majority of employees report that they want to be engaged in the CSR activities (Mirvis, 2012).

According to Mirvis (2012), companies can do many things to engage their employees in CSR activities in order for the employees to be social responsible on-the-job, such as volunteerism, sustainable supply chain management, cause-related marketing, and green business initiatives. Employees who approve of their company’s CSR are more engaged on their jobs and tend to believe that their employers are interested in their well-being, perceive their management’s integrity favourably, and rate their companies as more competitive (Mirvis, 2012). Employee well-being is something that is seen as highly important for companies to consider when trying to engage employees (Mirvis, 2012) and therefore many CSR activities can be related to employee welfare and workplace safety (Sprinkle & Maines, 2010).

Slack et al. (2014) divides the employees into three types depending on their engagement with CSR: those employees who fully engage, those who perceive no value of CSR engagement at an organizational level, and those who prefer personal CSR engagement outside the workplace. The various levels of engagement depends on several barriers within the organizational context, such as insufficient communication, a perceived weak CSR culture with low visibility, and failure to align CSR strategically to business and personal objectives (Slack et al., 2014). Additionally, Mirvis (2012) states that there are different approaches to engage employees via CSR: through programmes that meet the needs of employees who want to take part in the CSR efforts, through commitments as psychological contracts, and through fully activating and developing them, and thereby the company, to produce greater value to the society (Mirvis, 2012).

Romenti, Murtarelli, Illia, Rodrigues-Cánovas and Carroll (2013) present storytelling as a way to engage employees in CSR. They propose six main strategies on how it should be managed. To begin with, stories that aim to encourage employee engagement should not include a clear picture of the future. Employees who feel that they have the possibility to contribute to the future of the company will be more loyal and trusting towards it. In this sense, they will also be more encouraged to be part of the CSR programme. Second, managers should use an inclusive, face-to-face approach. A one-to-one dialogue between a manager and an employee will create an emotional bond, and it is the most rewarding
way to directly engage employees. Third, rational stories are not enough. To truly engage employees managers should also add an emotional consent to the story. Fourth, managers should always be honest about the organization’s situation. Stories that start by explaining a situation where the organization, e.g., is facing a crisis or experience cultural changes, etc. seem to be highly efficient when engaging employees. This is because if employees see practical difficulties and how the organization tries to restore them, they will try to help the managers to achieve a good ending to their story. Fifth, the stories must be relevant and durable. Employees will not engage if they do not feel that the story is relevant to them, or their work. Also, if the story is not strong enough, it will not survive over time, it will be forgotten. Lastly, it is important that the stories are not about events that have already occurred. To secure their engagement, there has to be room for employees to feel that they have a chance to co-create the organization’s future (Romenti et al., 2013).

When it comes to CSR and the engagement and interest of employees in different countries, and hence different cultures, Visser (2007) argues that the phenomenon should be distinguished between countries that are developed, and countries that are not. He further argues that this is because: first, developing countries represent lucrative markets as a result of their growing economies. Second, socially and environmentally caused crises are mostly occurring in developing countries, which also aligns with the argumentation that these countries are the ones that most likely will experience the strongest social and environmental impacts. This results in the case that the developing countries provides the corporations with different CSR challenges compared to the challenges faced by corporations in developed countries (Visser, 2007). Carroll (1991) presents a pyramid of CSR, a pyramid that ranks different drivers of the phenomenon, and that starts with economic responsibility as the main driver, followed by legal, ethical, and lastly philanthropic responsibilities. Visser (2007) builds on this pyramid, however, he argues that in developing countries the ranking is different. He suggests that, as in developed countries, economic responsibilities comes first, however, they are instead followed by philanthropic, legal, and lastly ethical responsibilities (see Appendix 1.2) (Visser, 2007).

### 2.4.2 Employee Attitudes Toward CSR

A study by Rodrigo and Arenas (2007) showed that the implementation of CSR programmes generates two types of attitudes in employees: attitudes toward the organization and attitudes toward the society. Attitudes may be defined as value judgments held with respect to something. Furthermore, Rodrigo and Arenas (2007) suggests that based on these general attitudes and the different levels of acceptance, identification or development, important differences among employees with respect to their reaction to the implementation of CSR initiatives were noticed and three types of employees were found (Rodrigo & Arenas, 2007).
The first type is the *Committed Employee* who, based on personal characteristics, is very concerned about social welfare and social justice and is very enthusiastic towards the CSR practices implemented by the organization. They work at all levels of the organization and their average age ranges from 40 to 65 (Rodrigo & Arenas, 2007).

The second type of employee is classified as the *Indifferent Employee*, who cares mostly about the development of their own career, focusing on their jobs. They understand the new social role of the organization and they would not say they were for it neither against it. They work at middle and high professional levels, have good chances for promotion and their average age ranges from 25 to 35 (Rodrigo & Arenas, 2007).

The third type is the *Dissident Employee*. These workers would prefer the money spent on CSR programmes spent on increasing the salary instead, not spent on intangible things. They are not interested in the social significance of what they do, they want the benefits of social justice but do not see the need to contribute to it. They are generally found at low levels of the organization and have no clear age profile. Hence, the employee’s worldviews and their social conditions play an important role in the emergence of attitudes toward CSR. The implementation of CSR programs does not necessarily lead to a positive working attitude for all employees (Rodrigo & Arenas, 2007).

### 2.4.3 The Importance of Authenticity

Employees seek to determine whether the CSR initiatives and the organizational self, as put forth in the CSR programme, is authentic (McShane & Cunningham, 2012). It is crucial that employees perceive the manager’s CSR judgements as genuine, not hypocritical or forced by top managers (Vlachos et al., 2014). Employee’s authenticity judgments depends on the extent to which the image put forth in the CSR programme aligns with the organization’s true identity, and the extent to which the CSR programme itself is developmental (McShane & Cunningham, 2012). McShane and Cunningham (2012) explain that to assess the former, employees draw on cues about resource commitment, alignment between elements of the organization’s CSR programme, emotional engagement, justice, and embeddedness. Employees value consistency in alignment between corporate statements and actions, internal and external actions, functional areas, and alignment between financial and social goals. The latter assessments are based on the extent to which the organization adopts a leadership role with regards to its CSR initiatives. The perceived authenticity can lead to positive outcomes, such as organizational identification and employee connections. Managers should strive to integrate CSR initiatives across departments and gather employee input in selecting initiatives to set formal social and financial goals. Employee involvement at every stage of the CSR process, e.g., idea generation, development, and implementation, enables organizations to better develop authentic CSR programmes (McShane & Cunningham, 2012).
2.4.4 Additional Outcomes of CSR

Even though the connection between corporate social activities and the case of retention have not been investigated directly, studies have shown that participation in CSR activities has a positive effect on outcomes, such as **employee motivation** and **corporate identification**, since the intangible benefits the employees gain from participating in these activities seem to improve their perceptions about the company (Bode, Singh & Rogan, 2015). Generally, corporations perceive CSR as highly helpful when it comes to recruiting, motivating, and retaining employees. An increase in employee motivation is seen as a key driver since observers have stated that individuals seek meaning at work, and it is becoming clearer that employee motivation is a highly powerful bottom-line benefit generated from corporate responsibility (Sprinkle & Maines, 2010). Employees within large companies can sometimes find it hard to see the meaning in their day-to-day work. CSR activities can be a way for companies to provide their employees with a sense of meaningful belonging and existence, self-affirmation, and a feeling of acting in accordance with principles of justice and morality, and this in turn, leads to higher employee motivation (Bode et al., 2015).

Kim and Scullion (2013) reflect upon McClelland’s (1961) idea concerning three motivational factors of individuals; the need for **achievement**, the need for **affiliation**, and the need for **power**. Kim and Scullion (2013) further connect this with the perceived impact CSR has on employee motivation. Their qualitative study shows that corporations usually do not engage in CSR activities with the aim of increasing labour motivation, however, it seems as the activities do, in fact, have an emerging effect on individual motivation and it is appears as it is one of the main benefits for firms engaging in CSR (Kim & Scullion, 2013). There are authors claiming that employee motivation is only connected with monetary gains, while others authors, like McClelland (1961), instead claim that employees could not be motivated merely by need for money (Kim & Scullion, 2013).

Farooq et al. (2014) states that previous research in the field has found that CSR is positively related to **organizational commitment**, i.e., an employee’s emotional attachment to, identification with and involvement in, the organization. It has also a positive influence on **job satisfaction** (Farooq et al., 2014). Job satisfaction can be defined as a positive emotional state that results from the appraisal of one’s job or job experiences, and it is a strong predictor of employee behaviour, such as job performance, organizational citizenship behaviours, absenteeism and turnover (De Roeck et al., 2013). Therefore, a positive corporate image is associated with increased job satisfaction and decreased turnover intentions (Farooq et al., 2014). Furthermore, De Roeck et al. (2013) state that employees receive greater job satisfaction when they consider their employer ethical. Additionally, Cochran (2007) also presents the argument that a corporation with good employee relations will most likely experience lower turnover rates and a significantly more enthusiastic labour force (Cochran, 2007). CSR also affect **organizational identification**, which reflects individual’s self-definition and the extent to which the organization is incorporated into the self-concept (Farooq et al., 2014).
Employees evaluate their self-worth and self-esteem by using the status and social standing of their organization. The status of the organization depends on employee’s beliefs concerning what outsiders think about their organization (Farooq et al., 2014). The employee’s pride of membership in an organization that has a high social standing satisfy their need for self-esteem and their psychological needs for belonging and meaningful existence, which in turn, might enhance favourable attitudes, such as organizational commitment and job performance. It also has an influence on employee’s overall opinion of the organization's fairness and equity (De Roeck et al., 2013). In addition, employees tend to choose activities that are consistent with significant aspects of their identities and they support the institutions embodying those identities (Brammer, Millington & Rayton, 2007). Interestingly, not only internal, but also external CSR relates positively to organizational commitment, even though external CSR only provides indirect benefits to employees. Furthermore, Brammer et al. (2007) found significant gender variations in their research regarding preferences for CSR practises. Women tend to prefer external CSR practises and procedural justice, while men have stronger preferences for training provision. This implies that organizations that have a larger share of women in their labour force should focus on procedural justice and external CSR, while firms with a larger male work force should focus on the provision of training (Brammer et al., 2007).

2.4.5 Summary

A model of the theoretical framework, presented in Figure 2.1, was created in order to make the readers fully understand the issues of managing employees CSR perceptions and expectations, and the resulting implications. We started by defining and explaining the term CSR and its development, to introduce the readers to the broader context. Later, Internal Marketing was described since it could be used as a tool for communication and
engagement (Berndt & Tait, 2012), linking the employees to the corporate strategy (Ahmed & Rafiq, 2003). The Stakeholder Engagement perspective is highly significant since employees are important stakeholders (Roberts, 2003), and a stakeholder dialogue is a critical element in sustainable CSR management (O’Riordan & Fairbrass, 2013). In an attempt to connect the three subjects CSR, Internal Marketing and Employees as Stakeholders, the field of Employee Engagement in CSR was explored, and determined as the central focus of this research. We argue that knowing the different employee responses, such as attitudes, motivation, engagement and involvement, etc. is important when investigating the outcomes and implications generated from implementing a CSR programme. Thus, the factors of willingness to engage in CSR activities, attitudes towards CSR, perception of motivation to be social responsible at work, the perceived authenticity of the programme and organizational commitment was used for the analysis, connected with the demographic dimensions of gender, age, location and functional area. Consequently, the theoretical framework is highly significant in order for us to answer the research questions and to fulfil the purpose of this thesis.
3 Methodology

This part consists of methodological insight and reflection of the chosen approach. The method is the tool used for fulfilling the purpose to gain meaningful knowledge about the problem. It is a straightforward description of how the empirical work has been carried out, discussing pros and cons of the chosen methods. Both methods of data collection and data analysis are described and rationalised.

3.1 Research Design

Malhotra and Birks (2007) explain that the research design lays the foundation for any project. Its purpose is to specify the procedures that are required for obtaining the information needed to answer the research questions (Malhotra & Birks, 2007). The research design gives the objectives that are derived from the research questions, it specifies the sources for data collection, considers possible constraints, and it includes ethical issues (Saunders, Thornhill & Lewis, 2009). The steps in the design of a research includes specifying the information needed, deciding if the research should be exploratory or conclusive, deciding the measurement technique, construct and test the chosen form of data collection, specifying the sample and, lastly, developing a plan for the data analysis (Malhotra & Birks, 2007). The information needed for this study is specified and explained in the problem discussion and the purpose section in chapter one.

Malhotra and Birks (2007) state that an exploratory research design is suitable when the phenomenon is hard to measure, and one need to be flexible and unstructured (Malhotra & Birks, 2007). A conclusive design measures a clearly defined phenomena and it tests specific hypotheses and relationships (Malhotra & Birks, 2007). Since the research problem and questions are clearly defined for this study, the conclusive research design is the most appropriate method. Malhotra and Birks (2007) state that a conclusive design can be used to measure perceptions, and it is further characterized by a structured process, a large sample that aims to be representative and a data analysis that is quantitative (Malhotra & Birks, 2007). These are all characteristics of this study, since it aims to investigate the perceptions and expectations of employees.

Furthermore, a conclusive research design can be either descriptive (i.e., describe something) or casual (i.e., finding cause-and-effect relationships) (Malhotra & Birks, 2007). We argue that this research is descriptive, since according to Malhotra and Birks (2007), a descriptive research has the information needed clearly defined, is pre-planned and structured and is generally based on large representative samples (Malhotra & Birks, 2007). A descriptive research aims to portray a truthful profile of persons, events or situations (Saunders et al., 2009). This research aims to show the profile of employees in relation to CSR since the purpose is to find different types of employees and their differences when it comes to preferences.

The approach for this research is mainly inductive. Saunders et al. (2009) explains that an inductive research builds theory as data is collected and the theory is developed as a result of the analysis. This approach is often used when the research has a variety of methods for data collection, to gain different views of the studied phenomena (Saunders
et al., 2009). However, the study is not inductive in the purest sense. Instead it can be argued to be abductive, which is explained as a combination of an inductive and deductive approach (Blumberg, Cooper & Schindler, 2011). The data will be collected through a survey, interviews with managers and observations at the company to understand the nature of the problem, and then theory will be developed. According to Voss et al. (2002), the purpose of theory building includes identifying key variables, linkages between the variables and identifying why these relationships exist (Voss et al., 2002), which can be highly related to the purpose of this thesis. That is, identifying employee characteristics, preferred aspects of CSR, and to find out how to engage the employees.

3.2 Mixed Method

In order to fully understand the issue of CSR and its impact on employees, the data was collected in three ways; through a survey, through interviews and by observations. Therefore, the method for this thesis is a mixed method. According to Saunders et al. (2009), a mixed method means that both a qualitative and a quantitative method is used and analysed, either at the same time or sequential, but in their own different ways (i.e., quantitatively and qualitatively). This method might give a better opportunity for answering the research questions, and the credibility of the research findings and its inferences might increase (Saunders et al., 2009). The survey and the quantitative method is the main technique for data collection, which is why it received the most effort and time. Consequently, the interviews with managers and the observations of the CSR team are complementary methods, used to supplement the survey, to gain additional insights from different perspectives.

3.3 Quantitative Study

A quantitative approach is argued to be an approach where researchers primarily use post-positivist argumentations for developing knowledge, i.e., effect and cause thinking, reduction to variables and hypotheses, the use of observation and measurement, theory testing, etc. In quantitative studies researchers can use, e.g., experiments and/or surveys to collect data (Creswell, 2002). Since the purpose of this study is to investigate employee’s perceptions and expectations of CSR, this study aims to infer from a chosen sample to the larger population. Hence, we recognized the need to focus on a quantitative study. By analysing numbers one can get a clearer, more precise and objective measure of a phenomenon (Waters, 2011). Since the data is usually collected from a larger amount of respondents the results from a quantitative approach, with a known degree of uncertainty, could be easier to implement and generalize (Saunders et al., 2009). When investigating an area that has not truly been explored before, being able to infer through a quantitative research method and by that creating an overall picture of employee’s perceptions and expectations, not focusing too much on details, will be an approach highly valuable for our thesis.
Kothari (2004) presents three sub-approaches to quantitative studies; *inferential*, *experimental* and *simulation* approaches. The aim of an *inferential approach* is to create a database that could be used to infer relationships or characteristics of a population. This is usually conducted through surveys, where only a sample of the population is studied to determine certain characteristics. It could then be inferred that the whole population has the same or similar characteristics (Kothari, 2004).

### 3.3.1 Survey

To investigate employee perceptions and expectations, a survey was created to collect data from a large sample. Babbie (1990) argues that surveys include both longitudinal and cross-sectional studies that are using structured interviews or questionnaires for collecting data. This, with the intent of generalizing characteristics from a sample to a whole population (Babbie, 1990). Therefore, in our attempt to find out thoughts and perceptions of a population we decided that the best and most authentic would be to choose a sample frame, and to conduct a survey. Surveys are common research tools when it comes to quantitative studies and are often used for collecting quantitative data, since they are suitable for assembling a large amount of information drawn from a large population. The survey strategy can be used to suggest possible relationships between variables, and to display models of these relationships (Saunders et al., 2009). A survey can answer questions, such as who, what, when, where, how much and how many (Saunders et al., 2009; Williamson, 2002). Survey techniques are based upon the use of structured questionnaires where the respondents answers a variety of questions, e.g., regarding their attitudes, awareness, motivations, etc. (Malhotra & Birks, 2007). A descriptive survey measures a phenomenon at a given point in time, i.e., it is cross-sectional (Williamson, 2002).

Benefits of the survey strategy includes that it collects information in a highly economic way (Saunders et al., 2009), the survey is simple to administer and the data collected are consistent due to the responses being limited to the alternatives provided (Malhotra & Birks, 2007). However, the negative aspects of a survey include the possibility of a low response rate. Respondents might be unable or unwilling to answer since they might be unconscious of, e.g., their motivations, or the information sought might be too personal or sensitive (Malhotra & Birks, 2007; Williamson, 2002). A survey can also reduce the validity for data, such as beliefs and feelings (Malhotra & Birks, 2007).

The survey can be conducted electronically via Internet, using a hypertext markup language (HTML). Due to the growth of Internet and email usage, the electronic survey is rapidly becoming the most popular and practical method (Malhotra & Birks, 2007). The Internet survey provides a higher quality experience and elicitation process, since it might contain construct buttons, checkboxes, and data entry fields that prevents respondents from selecting more than one response and typing mistakes (Malhotra &
The survey for this research was conducted on the survey software Qualtrics and was later distributed via a link that was mailed to the respondents.

Advantages of an Internet survey includes the speed, low cost (e.g., due to less equipment, such as paper), quality of response, lack of interviewer bias, high data quality and the possibility to reach certain groups (Malhotra & Birks, 2007). Internet surveys make it possible to reach thousands of people with common characteristics in a short amount of time, despite being separated by great geographic distances (Wright, 2006). The data collection can be flexible and with a high diversity of questions. The perceived anonymity of the respondents is high, because there is no contact with the interviewer while responding (Malhotra & Birks, 2007). This indicates that an online survey is suitable for this study, since we wanted to reach a certain group of individuals, the respondents are located all over the world and possesses the common trait that they work at the same company. Since this thesis is limited in time, the speed of the online survey is a great advantage. However, there are disadvantages with Internet surveys that should be taken into consideration. E.g., the chance that some desirable respondents may not be accessed via Internet, also the possibility that technical problems might occur due to the hardware or software the respondents are using. The response rate might be low and that would lead to no possibility of probing the respondents (Malhotra & Birks, 2007). Since the data is self-reported, there is also a possibility that the participants might provide demographic or characteristics information that is not accurate. Furthermore, sizing and drawing a sample from an online population can be difficult (Wright, 2006). The sample had to be limited to workers at the company that have an email address and access to a computer which, consequently, lead to the case that manual labour workers (i.e. blue collars) could not be accessed.

### 3.4 Scaling and Questionnaire Design

#### 3.4.1 Scaling

The scaling techniques used in this thesis are a comparative scale called constant sum, and a non-comparative scale named Likert scale. According to Malhotra and Birks (2007), a comparative scale involves a direct comparison of stimulus objects with one another and must be interpreted in relative terms. The benefits of this type of scale includes that small differences between stimulus objects can be detected, respondents are forced to choose between objects, they are easily understood and can be applied easily. A negative aspect of comparative scaling is that it cannot generalize beyond the objects that are scaled. The second type of scale, non-comparative, occurs when each object is being scaled independently of the others (Malhotra & Birks, 2007).

The constant sum scale was used due to its ability to detect small differences between the objects. Not having enough spread in the answers was a problem in a previous survey conducted by KA, and more discrimination among the aspects was needed. Malhotra and Birks (2007) further explains constant sum scaling as a technique where respondents allocate a constant sum of units, such as points, among a set of
stimulus objects with respect to some criterion. The challenge with this scale is to make sure that the respondents allocate the correct amount of units/points (Malhotra & Birks, 2012), a risk that was eliminated through the use of an online survey software that automatically counts the point for the respondents, forcing them to allocate the correct amount to proceed in the survey.

According to Chandler and Munday (2011), the Likert scale measures the attitudes of individuals regarding a specific topic, and it is widely used in social science research (Chandler & Munday, 2011). According to Malhotra and Birks (2007), the Likert scale requires the respondents to indicate a degree of agreement or disagreement with a series of statements. It is easy to conduct and suitable for an Internet survey, but time consuming as the respondents need to reflect over each statement (Malhotra & Birks, 2007). A seven-point Likert scale was used that was balanced with an equal number of favourable and unfavourable categories, and with a neutral middle position.

### 3.4.2 Questionnaire Design

According to Malhotra and Birks (2007), a questionnaire should be designed to engage the respondents and stimulate their interests, in order to receive accurate and complete answers. It must translate the information needed into specific questions that the respondents can and would like to answer, while minimizing response errors. The questionnaire design begins with determining the information needed and the type of interviewing method (Malhotra & Birks, 2007). The interviewing method in this research is an online survey. The next step according to Malhotra and Birks (2007) is to determine the content of the individual questions, to make sure the questions are necessary, unambiguous and not double-barrelled.

Furthermore, the questionnaire should overcome the respondents’ inability and unwillingness to answer, e.g., though minimizing the effort required, making sure they are informed, making sure they can articulate, and place sensitive/complex questions at the end of the questionnaire. Additionally, the questions can be open-ended or structured, and structured questions should be used when possible. To a large extent a typical questionnaire consist of fixed-response alternative questions, where the respondent has to select from a predetermined set of responses (Malhotra & Birks, 2007). Ornstein (2013) explains that the problem of non-response is twice as high for open-ended questions, and the answers are often more ambiguous and might give multiple meanings (Ornstein, 2013). The wording should be ordinary and unambiguous, avoiding leading questions and implicit assumptions. The questions should be in a logical order and general questions should precede specific questions, to prevent the specific questions to bias the general. The questionnaire should be divided into sections and each question should be numbered (Malhotra & Birks, 2007).

The survey for this research is divided into two parts. The first part covers perceptions of CSR while the second part covers different aspects of CSR, and the perceived importance they have for employees and the company. Combined, the two parts provide answers to all three research questions. There are eleven main questions, divided
into three blocks. When designing the individual questions, previously conducted surveys was examined and relevant questions was found regarding employee perceptions of CSR from Turker (2009), thus, those were used as a foundation for the first part of the questionnaire. Regarding the second part of the questionnaire concerning different aspects of CSR, the aspects were selected from a previous survey by Kongsberg Automotive, the guidelines from GRI, and through benchmarking other companies CSR reports within the vehicle industry. The language used in the survey was English, since it is the corporate language at KA. When communicating to the employees in the survey, we used the term Corporate Responsibility (CR), since the abbreviation CSR has a different meaning in the vehicle industry. The survey can be found in Appendix 2.1.

3.5 Choice of Sample

When considering possible industries, we found it most interesting and rewarding to investigate the vehicle industry since we believe that it has high outwards pressures when it comes to environmental issues, such as fuel emissions, and also when it comes to social issues, such as abandoning child- and forced labour throughout the supply chain, etc. The employees within this industry might have similar views and requirements of CSR due to these specific industry demands. KA is a business-to-business company and works close to first tier suppliers, and therefore it is important for them to secure these types of issues.

The company KA was chosen and all employees that are provided with a personal email within the company was invited to take part in the survey. Hence, the participants are from all countries that KA operates in, from different functional areas, within a wide age range, and both males and females. Access to the participants was possible through collaboration with the contact persons at the firm and through their HR department. This is a form of convenience sample, explained by Cohen et al. (2007) as choosing the nearest individuals, which are easily accessible, until obtaining the required sample size (Cohen et al., 2007). Even though we did not have a random sample, the aim of the study is to generalize, and we argue that this is still possible with this sample choice.

The survey was sent out to approximately 3,500 employees, whereof 469 employees answered. Out of the 469 answers we had 119 that were only partially completed, giving us a completion rate of 75%. These respondents had terminated the survey at different stages of it. This meant that we had missing data, and we chose to delete the responses where data was missing and ended up with 350 complete answers, giving us a completion rate of 100%. We took this decision thinking that this would provide a more accurate picture of the results, and hence generate a more accurate analysis.

Regarding the choice of sample for the interviews, we asked our contact person to choose suitable interviewees that would possess sufficient knowledge about the subject. We conducted 10 out of 11 scheduled interviews, since one interviewee had to cancel.
Table 3.1 Survey responses

<table>
<thead>
<tr>
<th>Sample size</th>
<th>≈3,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responses</td>
<td>469 (Response rate ≈ 13.4%)</td>
</tr>
<tr>
<td>Partially completed</td>
<td>119</td>
</tr>
<tr>
<td>= Completion rate</td>
<td>75%</td>
</tr>
<tr>
<td>Deleted due to incompletion</td>
<td>119</td>
</tr>
<tr>
<td>Fully completed responses</td>
<td>350 (Response rate ≈ 10%)</td>
</tr>
<tr>
<td>= Completion rate</td>
<td>100%</td>
</tr>
</tbody>
</table>

3.6 Qualitative Interviews

To gain more in-depth insights, qualitative interviews were used to complement the survey. These in-depth interviews are valuable since they focus on individuals with the important qualities that the research is searching for (Malhotra & Birks, 2007). As mentioned by Malhotra and Birks (2007) a survey can reduce the validity for data such as beliefs and feelings (Malhotra & Birks, 2007), and this was counteracted through the use of interviews. The interviewees were managers and engineers from different parts of the company and from different countries, hence, both face-to-face and telephone interviews were conducted, and they lasted about 20 to 30 minutes each, as displayed in Table 3.2. The answers was audio recorded, notes were taken, and later the results were transcribed. The interview guide can be viewed in Appendix 2.2.

To analyse this data, the transcripts of the interviews was organized and structured, and thereafter displayed in a spreadsheet (see Appendix 3), to be able to detect similarities and differences in their opinions. Malhotra and Birks (2007) state that this approach enables the authors to visualise the whole body of data and to play with ideas and connections (Malhotra & Birks, 2007). These findings were later used for supporting the quantitative findings, and as material for the discussion and conclusion. The answers were specifically useful when answering research question 3.

Table 3.2 Estimated time of interviews

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Duration</th>
<th>Transcribing Duration (est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>24 min</td>
<td>30 min</td>
</tr>
<tr>
<td>2</td>
<td>22 min</td>
<td>30 min</td>
</tr>
<tr>
<td>3</td>
<td>29 min</td>
<td>30 min</td>
</tr>
<tr>
<td>4</td>
<td>19 min</td>
<td>30 min</td>
</tr>
<tr>
<td>5</td>
<td>23 min</td>
<td>30 min</td>
</tr>
<tr>
<td>6</td>
<td>21 min</td>
<td>30 min</td>
</tr>
<tr>
<td>7</td>
<td>20 min</td>
<td>30 min</td>
</tr>
<tr>
<td>8</td>
<td>29 min</td>
<td>30 min</td>
</tr>
<tr>
<td>9</td>
<td>23 min</td>
<td>30 min</td>
</tr>
<tr>
<td>10</td>
<td>20 min</td>
<td>30 min</td>
</tr>
<tr>
<td>Total</td>
<td>230 min</td>
<td>300 min</td>
</tr>
</tbody>
</table>
3.7 Observations

Since we visited KA in a weekly basis we realized that we, during the process of writing the thesis and without truly having it in mind, also made observations that could be valuable to include as part of our mixed method. During our visits at KA, we had two contact persons, which were the employees of the company’s CSR team. We had the opportunity to work close to them and collect their thoughts and feedback. We went to KA on a weekly basis during a period of four months and during that time we took part of several meetings, spending entire working days at their open landscape office. The meetings were mostly phone meetings with the CSR team, but we also had one meeting at the office with another manager. Moreover, we got guided tours in the facility and we had the chance to use their offices to spend whole days there, writing on our thesis. This gave us an astonishing access to the company and we had our contact person close at hand if there were any questions or uncertainties. It also gave us the opportunity to meet several employees and to experience the work environment. Our observations at the company are displayed in Table 3.3.

Saunders et al. (2009) explain observations as activities that involve systematic observations, recordings, descriptions, analyses and interpretations of individual’s behaviours, etc. Saunders et al. (2009) further present two types of observations; structured observations and participant observations. The fact that we did not really plan to make observations exclude the argumentation that we did structured observations and hence, participant observations. There are different types of roles that a researcher can have when conduction observations. Four main roles are presented: complete observer, complete participant, observer as participant, and participant as observer (Saunders et al., 2009; Easterby-Smith et al., 2015). We acted as complete observers, focusing solely on studying behaviour, and not revealing the purpose of the research (Saunders et al., 2009). However, for us it was somewhat different since we did not plan to observe, we did not really withhold the fact that we were using this type of research method, as a conscious complete observer may have done.

The observations bring a strategic dimension of CSR into the method, showing how the CSR team works on a daily basis, their meetings, their discussions, etc. Our observations were summarized at the end of the thesis writing period and the main findings are presented in the results section. Similar to the interviews, these findings will be used to complement the survey and as material for the discussion and conclusion.

Table 3.3 Estimated time of observations

<table>
<thead>
<tr>
<th>Meetings</th>
<th>At KA</th>
<th>Phone</th>
<th>Est. duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 5</td>
<td></td>
<td>Taue</td>
<td>1 h</td>
</tr>
<tr>
<td>Week 8</td>
<td>Tue</td>
<td>(Phone meeting included)</td>
<td>8 h</td>
</tr>
<tr>
<td>Week 9</td>
<td>Tue</td>
<td>(Phone meeting included)</td>
<td>7 h</td>
</tr>
<tr>
<td>Week 10</td>
<td>Tue</td>
<td>(Phone meeting included)</td>
<td>8 h</td>
</tr>
<tr>
<td>Week 11</td>
<td>Tue</td>
<td>(Phone meeting included)</td>
<td>8 h</td>
</tr>
<tr>
<td>Week 12</td>
<td>Tue</td>
<td>(Phone meeting included)</td>
<td>7 h</td>
</tr>
</tbody>
</table>
3.8 Ethics

Saunders et al. (2009) state that in the research context, ethics can be defined as the appropriateness of one's behaviour in relation to the rights of those who become the subject of the work, or are affected by it. Ethical issues might appear during the research planning, when seeking access to organizations and individuals, and while collecting, analysing and reporting the data (Saunders et al., 2009).

The avoidance of harm can be seen as the foundation for an ethical research. A number of key ethical issues that is relevant to research includes the privacy of the participants, the right for participants to withdraw from the process, participant consent, maintaining the confidentiality and anonymity of data and participants, the reactions from the participants such as, discomfort, stress, pain etc., and the behaviour of the researcher and his/hers objectivity (Saunders et al., 2009). All records enclosing a reference to the identity of an informant must be securely and confidentially stored (Malhotra & Birks, 2007). Both the survey and the interviews were voluntary. The raw data collected was not displayed to any other but the researchers and the contact persons at the company. The survey commenced with an introduction page, and the information in this page states that the participant’s opinions and feedback are appreciated and for what purpose the information is collected. Furthermore, the survey introduction informed the participants of the subject and assuring the confidentiality, and their anonymity. To maintain the anonymity and the confidentiality of the data collection, no specific information about the individual was recorded except from gender, age and location, whereof both gender and age was optional to answer. Since it is important that the researcher’s identity and background are revealed (Cohen et al., 2007), the introduction page also explained that the research was done by students for the purpose of a master’s thesis.

Researchers seeking access to organizations are one of the key stages at which ethical problems must be considered (Saunders et al., 2009). Researchers should not attempt to apply any pressure on intended participants to grant access, and any refusal must be accepted at any time of the process (Saunders et al., 2009; Cohen et al., 2007). No employee was forced to conduct the survey and they could abandon the questionnaire at any time. Researchers have a responsibility to the research community not to compromise its reputation and not to spoil opportunities for further research (Cohen et al., 2007), thus, the questionnaire and the research method was developed in cooperation with the company to confirm their approval.
Malhotra and Birks (2007) state that the scaling in a survey should not be biased so that the scale could point the findings in any particular direction. To make the scale ethical, balanced scale descriptors should be used with comparable positive and negative descriptors (Malhotra & Birks, 2007). To ensure this criterion, the Likert scale used in the survey for this study ranges from strongly disagree to strongly agree, is balanced and has a neutral middle point. Furthermore, Malhotra and Birks (2007) state that the questionnaire should not be too long (i.e., exceed 30 minutes). It should be designed to obtain the required information in an unbiased manner, not asking any leading questions. The questionnaire should also be pilot tested before launching (Malhotra & Birks, 2007). These ethical issues have been taken into consideration and biased questions have been avoided. The survey was pilot tested by the authors, friends and family to the authors, the tutor, and the Corporate Responsibility (CR) Task Force at the company.

3.9 Quantitative Analysis Methods

The methods of analysis planned for the survey included Reliability and Validity of the measurement scale, Descriptive statistics, Factor analysis, One-way ANOVA analysis and Correlation analysis. Considering the different types of employees that exist within a company we chose to divide the respondents into four dimensions that we believed would be highly interesting to consider when analysing the results. The dimensions are; gender, age, location, and functional area of the employee, and will be further presented and discussed in the analysis. The One-way ANOVA test was used to find differences in the groups of these dimensions, and thereby, answering research question 1. The factor analysis would have been helpful to detect underlying factors, however, there was no clear evidence of factors. Thus, a reliability test of one preferred factor was conducted instead. Regarding the second part of the survey, which investigates preferable aspects of CSR, frequency counts and mean values was used to find the most important material aspects of CSR, in order to create a Materiality Matrix and answering research question 2. To analyse which subcategories of CSR (i.e., environmental, social, economic) that are perceived as most important we calculated the means of all aspects within each subcategory.

3.9.1 Reliability and Validity

The scales used in a survey should be evaluated in terms of reliability and validity (Malhotra & Birks, 2007).

Reliability occurs when a scale produces consistent results if repeated measurements are being made (Malhotra & Birks, 2007) and it shows the accuracy and precision of a measurement procedure (Kothari, 2004). Since systematic errors (e.g., stable individual characteristics or an unclear scale, etc.) affect the measurement in a constant way they do not have an impact on inconsistency and thus the reliability. However, random errors (e.g., short-term personal factors, situational factors, administration of the scale, etc.) leads to lower reliability, therefore reliability can be
defined as a measurement being free from random error (Malhotra & Birks, 2007). According to Kothari (2004) reliability can be improved either through standardising the external conditions under which the measurement takes place, or through designing the directions for measurement to avoid variation from group to group, using trained and motivated participants, and also through increasing the sample of items used (Kothari, 2004). Reliability can be evaluated through several statistical methods, one of them is through assessing internal consistency and with Cronbach’s coefficient alpha (Malhotra & Birks, 2007). This test was conducted and it produced an alpha value of 0.91, which is highly reliable. According to Pallant (2005) a measurement is reliable if it exceeds 0.7 (Pallant, 2005). To avoid random errors, such as personal health, noise and distractions, is difficult to do since the survey is self-administered. However, differences between the two authors regarding the administration and the analysis of the data was minimized. The participants are hopefully of similar training and motivation, and the sample size is large.

Validity is the most critical condition for a sound measurement, and it refers to the test measuring what is actually intended to be measured (Kothari, 2004). When perfect validity exists, there are no measurement errors, systematic or random. Hence, when a test is perfectly valid, it must also be perfectly reliable (Malhotra & Birks, 2007). There are three types of validity: content validity, criterion validity and construct validity (Malhotra & Birks, 2007; Kothari, 2004). Content validity evaluates how well the content of a scale represents the measurement task at hand. Criterion validity refers to whether a scale performs as expected with respect to criterion variables (Malhotra & Birks, 2007), if it is able to predict future performance and if it is useful for closely relating to other measures of validity (Kothari, 2004). Construct validity is explained as the degree to which scores on a test can be accounted for by the explanatory constructs of a sound theory (Kothari, 2004). Therefore, much consideration was taken to include all dimensions of CSR perceptions and expectations in the measurement to make sure the scale measured what we needed to investigate.

3.9.2 Factor Analysis and Reliability Test

Factor analysis is a class of procedures based on a matrix of correlation between the variables, and it is used for reducing and summarising the data (Malhotra & Birks, 2007). It aims to identify a small set of factors that denotes the underlying relationships among a group of related variables (Pallant, 2005). Based on our findings in the frame of reference, we wanted to investigate the factor organizational commitment and if it differed between the dimensions. The statements that generate this factor are “I am willing to put in required effort to make KA successful”, “It is important to me what outsiders think of KA” and “I prefer to work at KA above other organizations”. A factor analysis was conducted. However, there was no clear evidence of factors since many cases loaded on more than one component in the Rotated Component Matrix. Instead, we performed a reliability test with the mean of the three statements regarding organizational commitment. When testing the reliability of organizational commitment we got a Cronbach’s Alpha of 0.76, which means the data is reliable, since it exceeds a value of
0.7 (Pallant, 2005). Therefore, the variable of organizational commitment could be used in the analysis for different types of employees.

### 3.9.3 One-Way ANOVA Analysis

An analysis of variance (ANOVA) is used when comparing a variable with more than two groups, and you need to find the variability in scores between the groups. The Post-hoc test is then used to find out where the differences lie. The ANOVA analysis is one-way when there is one independent variable with three or more levels, and one dependent variable (Pallant, 2005). This method of analysis was used in order to find out which type of employee that was most willing to engage in CSR, using gender, age, location and functional area as the independent variables, and willingness to engage in CSR as the dependent variable. Additionally, the statements regarding attitudes, motivation, authenticity perception and organizational commitment were also analysed as dependent variables.

### 3.9.4 Correlation Analysis

A correlation analysis describes the strength and direction of the linear relationship between two variables. There are two types of methods. The Pearson product-moment coefficient is used for continuous variables (Pallant, 2005) and was thus used for correlating the statements in the Likert scale to find interesting relationships between different variables, and thereby, different perceptions and preferences. This analysis was useful in order to investigate what is important when trying to engage employees, and thereby, contributing to research question 3.

The values of Pearson correlation coefficients ranges from –1 to +1, and the sign indicates if the correlation is positive or negative. If it is positive, as one variable increases so does the other, and vice versa. A perfect correlation, of 1 or –1, shows that the value of one variable can be determined by the other variables’ value (Pallant, 2005).
4 Empirical Findings

This chapter reports descriptive data collected from the mixed method, including a survey, interviews and observations. It focuses on description, not deeper interpretation. The results will be analysed in Chapter 5.

4.1 Survey

In this section the most significant descriptive data will be presented. Out of the 350 participants, 267 (76.3%) were males and 79 (22.6%) were females. Four persons preferred not to answer this question. The age of the participants ranged from over 20 years to over 60, and the majority of them (33.4%) were between 40 and 49 years old. The survey provided the opportunity to choose among 19 different countries all over the world. Employees within USA, Sweden and Norway was the most frequent respondents, whereof 75 (21.4%) employees was from the US, 59 (16.9%) from Sweden, and 41 (11.7%) from Norway. The respondents operate in many different functional areas within the company, and the R&D/Engineering was highly represented with 86 (24.6%) respondents, followed by 38 respondents from QAHSE (10.9%) and 28 respondents from Purchasing (8%).

The results from the Likert scale and the different statements regarding CSR are presented in Table 4.1, including mean and standard deviation. Table 4.1 shows that all questions have a mean between 5 and 6.3, and standard deviations between 0.82 and 1.43.

<table>
<thead>
<tr>
<th>Question</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Somewhat disagree</th>
<th>Somewhat agree</th>
<th>Strongly disagree</th>
<th>Total</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am familiar with the term Corporate Responsibility (CR)</td>
<td>5</td>
<td>12</td>
<td>14</td>
<td>18</td>
<td>56</td>
<td>69</td>
<td>350</td>
<td>5.64</td>
<td>1.29</td>
</tr>
<tr>
<td>I believe that CR is essential to long-term profitability</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>22</td>
<td>27</td>
<td>180</td>
<td>102</td>
<td>5.98</td>
<td>0.96</td>
</tr>
<tr>
<td>It is important for me to work at a corporation that practices CR</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>19</td>
<td>35</td>
<td>176</td>
<td>111</td>
<td>5.60</td>
<td>1.00</td>
</tr>
<tr>
<td>I have a positive attitude towards KA’s CR program</td>
<td>3</td>
<td>2</td>
<td>10</td>
<td>32</td>
<td>38</td>
<td>175</td>
<td>90</td>
<td>5.81</td>
<td>1.12</td>
</tr>
<tr>
<td>I would like to engage more in KA’s CR program</td>
<td>1</td>
<td>8</td>
<td>10</td>
<td>65</td>
<td>69</td>
<td>145</td>
<td>52</td>
<td>5.29</td>
<td>1.19</td>
</tr>
<tr>
<td>I prefer to engage in social and environmentally responsible activities</td>
<td>6</td>
<td>14</td>
<td>19</td>
<td>81</td>
<td>85</td>
<td>306</td>
<td>350</td>
<td>5.00</td>
<td>1.35</td>
</tr>
<tr>
<td>I feel encouraged to be socially and environmentally responsible at work</td>
<td>1</td>
<td>10</td>
<td>12</td>
<td>30</td>
<td>70</td>
<td>154</td>
<td>73</td>
<td>5.61</td>
<td>1.29</td>
</tr>
<tr>
<td>I see the connection between my daily work and KA’s CR program</td>
<td>8</td>
<td>17</td>
<td>24</td>
<td>51</td>
<td>87</td>
<td>121</td>
<td>42</td>
<td>5.07</td>
<td>1.43</td>
</tr>
<tr>
<td>I believe the intent of KA’s CR program is genuine and credible</td>
<td>5</td>
<td>5</td>
<td>13</td>
<td>41</td>
<td>62</td>
<td>168</td>
<td>56</td>
<td>5.51</td>
<td>1.22</td>
</tr>
<tr>
<td>I am willing to put in required effort to make KA successful</td>
<td>2</td>
<td>7</td>
<td>20</td>
<td>153</td>
<td>150</td>
<td>350</td>
<td>6.30</td>
<td>0.82</td>
<td></td>
</tr>
<tr>
<td>It is important to me what outsiders think of KA</td>
<td>4</td>
<td>15</td>
<td>44</td>
<td>141</td>
<td>140</td>
<td>350</td>
<td>6.15</td>
<td>0.99</td>
<td></td>
</tr>
<tr>
<td>I prefer to work at KA above other organizations</td>
<td>2</td>
<td>4</td>
<td>9</td>
<td>57</td>
<td>62</td>
<td>140</td>
<td>76</td>
<td>5.56</td>
<td>1.19</td>
</tr>
</tbody>
</table>

The most important aspects from an employee’s perspective, for the employee and for business performance/success, are shown in Figure 4.1 below. To give a clearer overview
of the aspects in the matrix, we chose to label each aspect with a letter (see Table 4.2), since many of the aspects had similar scores and therefore the text was overlapping. We have also noted which subcategory each aspect belongs to (this will be further discussed and presented in the analysis). The Y-axis of the matrix shows importance to the employee, while the X-axis shows importance for the business performance/success, based on the mean values from the second part of the survey. This figure therefore reflects the employee’s perceptions regarding the most important aspects of CSR. It shows that “maintaining solid financial performance” is undoubtedly the aspect perceived as most important.

Table 4.2 Table over aspects and their respective letter presented in the matrix

<table>
<thead>
<tr>
<th>Letter</th>
<th>Subcategory</th>
<th>Aspect</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Economic</td>
<td>Maintaining solid financial performance</td>
</tr>
<tr>
<td>B</td>
<td>Economic</td>
<td>Providing product innovations that get ahead market and customer needs</td>
</tr>
<tr>
<td>C</td>
<td>Social</td>
<td>Satisfying our customers in a measurable way</td>
</tr>
<tr>
<td>D</td>
<td>Social</td>
<td>Assuring the occupational health and safety of our employees</td>
</tr>
<tr>
<td>E</td>
<td>Social</td>
<td>Guaranteeing product safety</td>
</tr>
<tr>
<td>F</td>
<td>Social</td>
<td>Providing career development and training opportunities</td>
</tr>
<tr>
<td>G</td>
<td>Social</td>
<td>Designing products that enhance the driving experience (safety and comfort)</td>
</tr>
<tr>
<td>H</td>
<td>Social</td>
<td>Assuring equal opportunity for all employees</td>
</tr>
<tr>
<td>I</td>
<td>Social</td>
<td>Ensuring the security of our employees and facilities</td>
</tr>
<tr>
<td>J</td>
<td>Social</td>
<td>Preventing the use of child- and forced labour practices throughout the supply chain</td>
</tr>
<tr>
<td>K</td>
<td>Social</td>
<td>Maintaining the privacy of employees personal information</td>
</tr>
<tr>
<td>L</td>
<td>Economic</td>
<td>Encouraging all KA employees to promote their innovative ideas</td>
</tr>
</tbody>
</table>

Figure 4.1 Matrix of most important aspects
4.2 Interviews

By creating a spreadsheet (*Appendix 3*) we identified similarities and differences in the answers from the various interviewees, and it created a clearer overview of our qualitative data. Below, we will cover some of the most interesting findings from this approach.

The interviewees were located either in Europe or in the US, where of four of them were females and six were males. Their ages ranged between 25 and 51, with an average age of 40.8 (≈ 41) years. All of the interviewees had positive attitudes towards CSR in general, and perceived that CSR could contribute to a company’s competitive advantage, e.g., through positioning the company as caring and sustainable. Only two of them mentioned that it could also have negative effects, e.g., if a company promise too much and do not live up to it, it would affect the company image negatively. Nine out of ten believed that CSR has a positive impact on how a company is perceived, and many of them believed that people prefer to work at a company that is caring.

When we asked the interviewees how they perceived KA’s CR programme, 50 percent said that they did not even know of the programme. The interviewees that did know of the programme understood that it is quite new and they had a positive attitude towards it. However, they felt that more should be done so that the programme could be truly incorporated to the company’s culture, and align with its values. None of the interviewees felt that they were involved in the CR programme at the moment. Only one interviewee said that he believed he could see employee’s involvement. He further argued that they are not involved in the CR programme per se, rather that the programme aligns, unconsciously, with day-to-day operations, such as safety controls, etc. Therefore, there was no clear answer from the interviewees regarding the question if the programme lived up to their expectations, since they did not really have any. However, they are expecting the programme to develop and involve people more. All interviewees believed that CSR could be used as a tool for involving employees into the core strategies of a corporation, depending on the position the employee have.

Suggestions regarding how the CR programme could be further communicated and implemented within the firm was through, e.g., effective training of the workforce and leadership education, KA’s Intranet (KAI), the usage of internal TV displays, local activities, involving top management and other highly dedicated teams, etc. This was some of the things that the interviewees saw as crucial in order to get exposure and make employees aware. Regarding aspects that they perceived as most important, integrity and ethics were mentioned by three participants. Aspects regarding individuals were recurring, e.g., diversity, human rights, leadership and talent, and fair working conditions, as well as environmental issues, e.g., fuel efficiency, sustainable sourcing, etc.

Eight out of ten felt that they, with their position in the company, had the possibility to motivate and engage their co-workers to practise CSR. Regarding how much time should be spent on CSR activities, four managers argued that CSR should be a part of the daily routines, while others seemed to wish for specific CSR activities weekly, monthly or yearly.
4.3 Observations

KA’s CR team currently consists of two people, one based in the US (the Director of Corporate Responsibility (DCR)) and one in Sweden (Conflict Minerals and Sustainability Expert (CMSE)). Additionally, there is a CR Task Force consisting of seven individuals from different departments within KA that provides input with their specific expertise. The firm’s CSR programme is very new, only a year old, and we got the impression that the programme will expand in the near future, and that more employees will be assigned to work with it. The DCR seemed to be working with many different CSR aspects, including creating the CSR report with help from the Task Force, while the CMSE had a sole focus on assessing suppliers and making sure they did not supply any minerals from conflict areas. These two had weekly telephone meetings, which we did not participate in. However, both of them took part in the weekly meetings for the thesis process that we had, and seemed very interested and engaged in our work. We noticed that the DCR travelled a lot in her work, as she, e.g., went to Norway a couple of times. We also got the impression that both had much work to do and were highly occupied. Therefore, we were very thankful that they put so much time to assist us.

It was interesting to see how they worked at the company and whether they “lived as they learn” or not. As mentioned, KA have three main core values: accountable, prepared and passionate, which they strive to live by. Whenever talking to any of the employees they seemed to know about these values and it felt as they actually tried to live by them. However, it was a slight difference in their opinions about which of the values that were of most importance. Some felt one single value, e.g. accountable, was the most important while others valued all three equally much. We could also observe that KA had pictures on their walls and, among others, they had pictures presenting the three core values. This is a highly efficient strategy to make the employees aware of the values, since only after a couple of visits the core values was stuck in our mind as well. When we got the guided tours they showed us their laboratories and what we observed was that the safety of the employees was highly significant to KA. For example, everyone working in the laboratories had the right equipment (protective shoes, overalls, etc.) and when we walked through the laboratories they told us to make sure not to step outside the marked lines on the floor, which they did to secure our safety.

Also worth mentioning is that we observed that other employees did not know much about CSR, and we often had to explain the term. The employees were, however, curious of us and our thesis, and asked us a lot of questions about it. Even if they did not know of CSR, we felt that they were genuinely interested and wanted to learn more about the subject.

When developing our survey, we got the chance to meet the Senior Vice President for Quality and HSE in person to receive his feedback. He had a positive attitude towards our project and wanted to share to the rest of the company, via KA’s intranet and their magazine, what we were doing. He also wanted to ensure the employees that the thesis will be available to them when finished. Before the launching of our survey, the CR Task Force and the Executive Committee was contacted by the DCR. They got the chance to
look through the survey, pilot test it, and give feedback on it. This showed us that there is an interest and engagement from KA’s top management regarding CSR initiatives, which is a highly positive feature in a corporation that is in the implementation phase.
5 Analysis

In this chapter the analysis is presented in a systematic manner, including the concepts introduced in the frame of reference, to throw light on the empirical observations made. It aims to explain what the research implies, and what different meanings it can give.

5.1 RQ 1. Which employee is most willing to engage in CSR, depending of different demographic characteristics?

To analyse the findings from this research, we connected empirical results from the survey, the interviews and the observations with our purpose, research questions, and frame of reference. We used Figure 2.1, the model that summarizes the function of the frame of reference, to assure that all relevant literature were considered when writing the analysis. In order to analyse the first research question, we decided to base our analysis on four dimensions that represent four groups that differentiate the employees. The dimensions are the gender, age, location and functional area of the employee. We argue that these dimensions are highly interesting to consider when analysing the results.

5.1.1 One-Way ANOVA Analysis

To find significant differences in the mean scores within the different dimension, the One-way ANOVA analysis with Post-hoc test was conducted. We started by comparing the different dimensions to the statement “I would like to engage more in KA’s CR program”, to find the type of employee that are most willing to engage. If there is a significant difference in the groups of the dependent variable, the Sig. value should be less or equal to 0.05 (Pallant, 2005). We also compared different means that explained employee’s attitudes and motivations towards CSR, whether they perceived their own CSR programme as genuine and authentic, and their organizational commitment.

Assumptions for this analysis technique includes that the population is normally distributed and that the population has an equal variance (Pallant, 2005). The distribution was examined showing that age followed a perfect normal distribution, while the other dimensions had some minor deviations. However, because of the large sample size, the violation of this problem should not cause any problems (Pallant, 2005). A test of homogeneity of variances, Levene’s test, was conducted on all dimensions, giving values of 0.19, 0.37, 0.00 and 0.09. According to Pallant (2005), this value should exceed 0.05 (Pallant, 2005), which implies that the third dimension, location, violates the assumption of homogeneity of variance. When analysing this issue, the violation is explained by the fact that Japan had only one respondent, and thus, there is no variance in the answer.

5.1.2 Dimension 1: Gender

A mean plot was created for each of the dimensions to show a clear picture of the different group’s mean scores. The mean scores range from one to seven, where one is strongly disagree and seven is strongly agree.
In order to find a significant difference in the values of the dependent variable (gender), the Sig. value should be less or equal to 0.05. However, the Sig. value for gender was 0.51, meaning that there is no significant difference between the gender groups concerning the willingness to engage in CSR. Figure 5.1 shows that women scored slightly higher with a mean score of 5.51 compared to the male mean score of 5.36. The mean for both genders was quite high, which agrees with Mirvis’ (2012) statement that the majority of employees would like to engage in CSR activities.

![Figure 5.1 Gender dimension and the mean scores of engagement](image)

Comparing this gender dimension to the research by Brammer et al. (2007) that states that women prefer external CSR practises, we can agree since we found that women prefer to engage in CSR activities outside work more than men (with a mean of 5.28 compared to the male mean of 4.91). The interviews also supports this, since all the participating women were practising CSR more outside work or equally much at both, while all the men practised more at work. This implies that women might be willing to put in effort both at work and outside the workplace, but at the moment there is still more opportunities outside work. However, based on our observations of the company, we noticed that the only two persons in the CSR team are, in fact, women.

To find possible reasons for why women might be more willing to engage in CSR activities, we examined the differences in the mean values of the gender groups regarding how encouraged they felt to be social responsible at work, and found that women scored slightly higher than men (5.66 compared to 5.59), but the Sig. value showed that the differences was not significantly different. Surprisingly, the males who participated in the
survey scored higher than the women, regarding the fact that they believed the intent of the CSR programme was genuine and credible. These analyses do not provide an answer to why women scored higher on willingness to be engaged, otherwise, the perceived motivation and perceived authenticity could have been possible explanations for this.

When analysing the factor organizational commitment, we noticed that males scored slightly higher than women, yet the difference was not significant (6.03 compared to 5.90). Hence, women and men at this company have a similar organizational commitment, and this could not be argued as a reason for the small variation in CSR engagement.

### 5.1.3 Dimension 2: Age

![Figure 5.2 Age dimension and the mean scores of engagement](image)

The Sig. value for age showed 0.75 in the ANOVA test, which, equal to the gender dimension, suggests that there are no significant differences between the groups. However, Figure 5.2 indicates that the age group that would like to engage the most are those employees above the age of 60. The employees aged between 30 and 39 are those who have lowest mean values. However, the willingness to engage in the company’s CSR programme is still quite high. It is above average for all of the respondents, regardless of their age.

Rodrigo and Arenas (2007) identified three types of employees; the committed employee, the indifferent employee, and the dissident employee. Just focusing on the age dimension it is quite interesting to see that Rodrigo and Arenas’ (2007) theory seem to align with the results collected from the survey. Rodrigo and Arenas (2007) argue that
the most committed employee have an average age between 40 and 65 years. Looking at Figure 5.2 above one can see that employees between 40 and 65 have quite high values and that employees over 60 have the highest mean score. Parallely, Rodrigo and Arenas (2007) argue that the indifferent employee, the employee that focuses mainly on their own career development over anything else, is aged between 25 and 35. Looking at Figure 5.2 once again, one can see that the lowest mean score fits well with the aforementioned age range. However, the results from our interviews did not show any significant differences between the age groups.

When comparing the means of employee’s attitudes towards CSR they also fit well with Rodrigo and Arenas’ (2007) argumentations that the committed employee has a more positive attitude towards CSR. Between the ages 40 and 65 the means range from 5.80 to 6.13 which indicates that they have a very positive attitude towards their CSR programme. The means for the ages 25-35 are yet again lower, and therefore indicate that they do not have the same positive attitude as their older colleagues. However, Rodrigo and Arenas (2007) do not argue that they are not interested at all, more that they are indifferent in their attitudes and may pay their attention elsewhere, rather than on socially responsible actions. All respondents from the interviews had positive attitudes towards CSR, arguing that a CSR programme is important for both suppliers and customers, as well as employee performance, and the corporate image and trust, etc.

When investigating the case of organizational commitment and whether there was a difference depending on the age of the employee we could see that there was a significant difference in the answers. This argumentation is also strengthened by the Sig. value for this dimension (0.03). The data shows that employees aged between 30 and 39 have the lowest mean values (5.80) and are, hence, the least committed towards the organization. Putting that fact aside, it seems as commitment increases parallelly with age, and employees aged over 60 have the highest mean values (6.22) when it comes to organizational commitment. Since the age groups of 30-39 and above 60 scored lowest respectively highest on both willingness to engage in CSR and organizational commitment, we argue that there might be a connection between the two.
5.1.4 Dimension 3: Location

This dimension gave a Sig. value of 0.00 in the ANOVA table, which tells us that there is a significant difference between the means of the various countries. The two countries that scored the highest was India and Mexico, with corresponding means of 6.25 each, while the mean score in the Netherlands was the lowest with only 4.00. This dimension is highly interesting to analyse since different countries and their cultures can differ significantly in many ways, e.g., in the way they operate and the way they perceive the importance of their daily work, etc. The fact that countries, such as Mexico and India have the highest scores can of course depend on many different aspects. However, it may be possible to say that the perception of CSR could differ between developing and already developed countries. Authors, such as Visser (2007), bring up the subject. Visser (2007) explains that the drivers of CSR differ in different countries, depending on the level of development. Hence, the fact that India and Mexico have such high means when it comes to engagement could be as a result of the local requirements of more specific CSR actions than in other countries. This is something that was also brought up by some of the interviewees. They argued that employees in developing countries might perceive their job differently, than in developed ones. For example, one of the interviewees said:

“If you are in countries like Mexico and China you have a culture where you ‘live’ for your work in a different way. They are very proud to be operating in a large corporation. I do not believe this is the same in, e.g., Sweden, Norway, Germany, and/or France. It is more in their [employees in developed countries] nature to do so, e.g., sometimes they
spend whole days in the facilities showing their families where they work and what they do. I do not believe that we, Swedes, would enjoy spending a day off at work with our families in the same sense. They [employees in developed countries] do not have the same opportunities, so the corporation may help their families with education and so on.”

- Global Aftermarket Director & Plant Manager

Therefore, the CSR culture that Slack et al. (2014) mention may vary depending on the strength of the national culture of each country, which in turn, may affect the employee’s willingness to engage in CSR. Looking at the means of other behaviours, such as attitudes and motivations towards, and perceived authenticity of, the company's CSR programme, the means for countries like India and Mexico is generally higher than for countries like Sweden, Slovakia and UK. These are the countries that most frequently score the lowest means when it comes to the aforementioned behaviours. This also seems to align with the fact that there is a difference in organizational commitment depending on the location of the employee. The ANOVA test of organizational commitment and location gave a Sig. value of 0.002, showing that there is a significant difference between the answers. Once again, employees from India and Mexico scored the highest (6.54 and 6.33), meaning that they have a high commitment towards KA. Countries like Sweden and Japan scored the lowest (5.49 and 5.33). We argue that the dimension of location is important when analysing CSR engagement, since there seem to be significant differences depending on which country the employee operates, and more specific if the country is developed or under development, such as Mexico and India.

Could this mean that employees in developing countries generally have more positive behaviours towards CSR than employees in developed countries? Also, is the case of developed/developing country a determinant factor when it comes to an employee’s organizational commitment? With the interviews and the results collected from the survey in mind, we argue that we have enough input to say that this could actually be the case.
5.1.5 Dimension 4: Functional Area

The Sig. value of the functional areas regarding willingness to engage showed 0.01, meaning that there is a significant difference in the mean scores between the different work positions within the company. The two departments that scored highest were logistics and maintenance, both with a mean value of 6.00. These differences in level of engagement could be explained by reasons that were mentioned by Slack et al. (2014), such as inadequate communication, a perceived week CSR culture, low visibility of the CSR programme, and/or poor alignment of the CSR programme with other business objectives (Slack et al., 2014). There seems to be different ways and level of communication of CSR in different departments. As mentioned by Mercurio (2005), managers should increase their communication when anticipation of change exists to keep the employees informed, and thereby increase productivity (Mercurio, 2005). Low visibility of the CSR programme was also mentioned as an issue in the interviews, where 50 percent of the interviewees were not even aware of the CSR programme. Those who did not know about the programme seemed to have slightly “lower” positions within the company. This could indicate that the CSR programme has not yet reached the lower levels in the company. It might exist, being practised unconsciously, but it is still distant from the employees. Our observations at the company further support this issue. However, considerations should be made regarding the fact that the CSR programme is still very new within the company and this could be why the programme has not reached all employees yet. Furthermore, none of the interviewees felt that they were actively involved in the programme at the moment. We can see the connection between the
interviews and the research by Rodrigo and Arenas (2007), who argue that the worldviews and social conditions are important factors for employee’s attitudes toward CSR. They argue that the most committed employee work at all levels of the company, while the dissident employee is found at the lower levels. The committed employee is generally a graduate professional and has some type of technical training, a high organizational identification, and sense of work importance, etc. The dissident employee do not care about the social significance of what they do, and has no organizational identification or sense of work importance (Rodrigo & Arenas, 2007). The mean values of our functional area groups from the survey does not show this relationship between level in the company and engagement in a clear way, since maintenance and logistics that scored high are not high position jobs, and management scored a mediocre 5.41.

However, maintenance and logistics both scored high regarding motivation to practise CSR at work. Therefore, the communication towards them and the encouragement from managers to practice CSR might be better than at other departments. Logistics also had a high mean value regarding the perception of the programmes authenticity, meaning that they perceive the programmes as genuine and perhaps that it aligns with the corporation’s true identity. Nevertheless, as mentioned by McShane and Cunningham (2012), managers should strive to integrate CSR initiatives across various departments of the company and involve employees at every stage of the CSR process, since employees appreciate consistency and alignment between functional areas (McShane & Cunningham, 2012). The engagement must specifically be improved for the aftermarket department, who had a significant low mean of 4.00.

There was no significant difference between functional areas regarding organizational commitment. The departments who scored slightly higher than others on this factor were aftermarket, purchasing and administration, while maintenance had the lowest mean. This does not explain any variations in CSR engagement.

The result from this study might be confusing since it indicates that managers lack knowledge of the CSR programme and do not feel particularly involved in the programme at the moment, while the employees responding in the survey scored high on knowledge of CSR and attitude towards it. This gives an impression that managers knows less than the employees and is less enthusiastic towards it. However, this can be explained by the cover letter of the survey, explaining briefly about CSR and the current programme, giving the employees sufficient knowledge to answer the questions. The interview with the managers was also directed in a different way, focusing on the programme and how to increase the employee involvement, and not on CSR preferences in general.

5.2 RQ 2. Which aspects of CSR are perceived as most important from an employee's perspective?

To answer this research question we were interested in which aspects of CSR that the employees perceived as most important to them as individuals and to business performance/success, and if the perceived importance aligned between the two cases. We
also investigated which subcategory of CSR that was perceived as most important: economic, social or environmental. The statistics are based on the survey where the respondents had to choose ten aspects that they perceived as most important and then allocate 100 points between them, to reflect the importance of each aspect. This analysis section is not much connected to our frame of reference. This is because we did not find any previous literature concerning employee’s preferable aspects. Instead, we aim to fulfil this gap in the research field.

Based on the matrix presented in Figure 4.1, we can see that the top three aspects are perceived as equally important for the employees as individuals as for the business long-term success. “Maintaining a solid financial performance” is perceived as the most important aspect, followed by “providing product innovations that get ahead of market and customer needs” and “satisfying customer needs in a measurable way”. The next two aspects of importance to the employee are “assuring the occupational health and safety for the employees” and “guaranteeing product safety”. Respectively, the following two for importance to business success are “designing products that enhances the driving experience” and “guaranteeing product safety”.

The three top aspects should be emphasized in the internal marketing communication to the employees and should receive much resources and efforts in the CSR work, since according to Mercurio (2005), once the employee expectations are known they can be responded to accordingly. The purpose should be clear from the beginning to reduce false expectations, and feedback should be collected frequently to manage the expectations (Mercurio, 2005). Therefore, once knowing the preferable aspects, managers can meet and handle the employee expectations of a CSR programme. The company should attempt to match the employee’s expectations with the corporation’s strengths and weaknesses (Woods, 1993).

Not surprisingly, many aspects concerning the employees themselves scored high for importance to the employee, including “career development and training”, “equal opportunity for all employees” and “ensuring the security of employees and facilities”, etc. However, the aspects of “maintaining the privacy of employee’s personal information” and “encouraging all employees to promote their innovative ideas” scored higher on importance to business performance. This indicates that they perceive aspects related to employees as a competitive advantage, not only for their own benefits and convenience. As mentioned by Sprinkle and Maines (2010), the wellbeing of employees is often considered when attempting to engage employees, and therefore many CSR activities concerns employee welfare and workplace safety (Sprinkle & Maines, 2010).
Table 5.1 Descriptive statistics of subcategories

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Aspects</td>
<td>0.00</td>
<td>50.00</td>
<td>11.30</td>
</tr>
<tr>
<td>Social Aspects</td>
<td>0.00</td>
<td>36.00</td>
<td>9.99</td>
</tr>
<tr>
<td>Environmental Aspects</td>
<td>0.00</td>
<td>36.00</td>
<td>8.39</td>
</tr>
</tbody>
</table>

Based on an analysis with descriptive statistics we calculated the mean scores of the aspects divided into the three subcategories of CSR: economic, social and environmental issues. This analysis showed that the economic aspects were perceived as most important to the employee, with a mean value of 11.30. Social aspects came in second place with a mean of 9.99 and environmental aspects received the third and last place with a mean value of 8.39. This could be surprising for some people, since CSR activities often is associated with environmental concerns. However, this result aligns with our analysis of the most important aspects for the employee, since “maintaining a solid financial performance” is an economic issue and was, by far, the highest ranked issue. The second aspect “providing product innovations that get ahead of market and customer needs” is also an economic aspect, while “satisfying customer needs in a measurable way” was considered as a social aspect. The environmental aspect that was ranked highest for importance to the employee was ”designing sustainable products that minimize environmental impact at use or end of life”, and received merely a twelfth place.

Table 5.2 Descriptive statistics of subcategories depending on Location and Functional Area

<table>
<thead>
<tr>
<th></th>
<th>Location</th>
<th>Functional Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>India</td>
<td>Mexico</td>
</tr>
<tr>
<td>Economic Asp.</td>
<td>10,91</td>
<td>10,65</td>
</tr>
<tr>
<td>Social Asp.</td>
<td>9,41</td>
<td>10,18</td>
</tr>
<tr>
<td>Env. Asp.</td>
<td>9,67</td>
<td>8,00</td>
</tr>
</tbody>
</table>

Taking this analysis one step further we also chose to investigate what subcategories that scored the highest means depending on different locations and functional areas. The locations we chose to examine further were India, Mexico, and the Netherlands, since these were the countries that scored the highest (India and Mexico) and the lowest (the Netherlands) when we investigated the level of engagement. We also did the same regarding the functional areas where logistics and maintenance scored the highest and aftermarket scored the lowest. Looking at Table 5.2, one can clearly see the preferences and the perceived importance of the different subcategories depending on the different locations and functional areas. What is interesting to see is that in India and Mexico they seem to have a more equal distribution between the categories, compared to the Netherlands where the economic aspects got significantly higher scores than the social and environmental ones. This can, once again, be connected to Visser (2007) who argues that the perception of CSR can vary depending on the level of development of the country.
Hence, the perceived importance of each aspect may differ because of the local CSR issues that are faced within the different countries. When it comes to the functional areas the scores are not as equally distributed. Looking at Table 5.2 once again, one can see that the economic aspects are not ranked the highest, as for all other factors, when it comes to logistics and aftermarket. Instead, there is a higher perceived importance regarding social aspects. We argue that this could depend on the aim of the internal CSR marketing and the level of communication towards these different functional areas.

With the stakeholder engagement perspective in mind, it is important for corporations to have a dialogue with their stakeholders, employees in this case, to use as a basis for business decisions (O’Riordan & Fairbrass, 2013) and to fulfil the stakeholder’s expectations (Roberts, 2003). The internal marketing should be adapted to, e.g., link the employees to the business strategy, form a collective corporate identity, enables the employees to focus on the same goals, and establish a team spirit and empower the employees (Berndt & Tait, 2012). Thus, employee input could facilitate the customization of the internal marketing communication concerning the CSR programme. Knowing which aspects the employees want the company to focus on, and then act accordingly, could make it easier to get the employees involved and to put their hearts in the work to reach the shared CSR goals.

5.3 RQ 3. Which are the most efficient ways to increase an employee’s level of engagement in a company’s CSR initiatives?

The results from the survey showed that the employees want to be engaged in CSR, and that they are willing to put in the required effort to make KA successful. The answers from the open-ended questions provided suggestions on how the CSR programme could be strengthened. The suggestions that were most frequent included training, community engagement and increased communication. They proposed that for training, there should be specific CSR teams in each plant, case studies, e-learning, etc. that will increase the knowledge of CSR at all levels in the company, all the way down to the plants. One of the interviewees stated:

“We need a fair budget to promote that training needed. For example, the supply chain cannot be improved if we are restricted and do not have the training to know how to develop it.”

- Quality Engineer

For community engagement, they should support their various local communities through events, etc. The communication should get the employees involved, be more formal, be showed on the intranet, and be distributed to all levels. Fordham (2016:1) emphasizes the importance of internal CSR communication and argues that it “…is at the core of successful CSR strategies. There is strong research evidence that effective CSR
communication has a positive impact on employee outcomes, from attracting and retaining talent, to employee motivation and commitment and high job satisfaction”. The CSR programme must be further exposed and visible. Seven out of the ten interviewees suggested the intranet as a good way of communicating CSR. To reach all employees, they argued that the communication first has to come from the CEO, and then from both top- and local managers. This seems accurate since authors argue that this is important in order to reach all employees. Fordham (2016) argues that managers should use a top-down communication. However, she further argues that this top-down communication has to be complemented with bottom-up communication (Fordham, 2016). Other suggestions brought up by the interviewees included that there should be goals set up for local managers, there should be a dedicated CSR team working to properly spread the CSR message, that employees should get the chance to visit other plants to see how others are working with CSR, etc. One interviewee explained:

“We must express how important CSR is to KA. We should travel to, e.g., Brazil to raise the awareness level. It takes more than to just send out flyers there, it requires action! We must act, and show our plans for what we intend to achieve.”

- Project Manager

This input aligns with Mercurio’s (2005) statement that the main frustration for employees are that the information is available but not communicated in time, thus, managers should increase the communication when there is an undergoing change in the company. This should reduce the employee’s frustration and increase their productivity (Mercurio, 2005). It is important to make sure that the employees are committed to the CSR activities before reaching external stakeholders, and thus, starting the communication with an inside-out approach (Vlachos et al., 2014). As mentioned by Slack et al. (2004), insufficient communication is an organizational barrier that affects the level of engagement (Slack et al., 2004).

The employees also mentioned local activities and physical involvement as ways to strengthen the programme. Other input included that there should be more recognition to people who takes initiatives and practises CSR in a good way. This input can be strengthened by Fordham’s (2016) argumentation saying that managers should encourage employees to participate in the corporation’s CSR initiatives, and that the possible benefits that the employees may experience because of CSR should be emphasized to them. This, in turn is argued to make employees more willing to take part of, and engage in, the CSR implementation (Fordham, 2016). The employees wished for CSR to be a bigger part of the business culture, and incorporated into the daily work. There should also be a clear focus from the management on people, not profits. It seems important to communicate the CSR programme in an authentic way, as suggested by McShane and Cunningham (2012), through aligning corporate statements and actions, internal and external actions, functional areas, and financial and social goals (McShane & Cunningham, 2012), to make it a part of the culture and the daily work.
When conducting a correlation table and searching for significant values, a few variables with high positive correlations stood out from the rest. The statements that had the highest positive correlation was “it is important for me to work at a company that practises CSR” together with “I believe that CSR is essential to long term profitability” with a correlation value of 0.74. The second and third highest correlations were “I have a positive attitude towards KA’s CSR programme” together with “I believe the intent of KA’s CSR programme is genuine and credible” (0.72), and “I believe the intent of KA’s CSR programme is genuine and credible” together with “I see the connection between my daily work and KA’s CSR programme” (0.71). This highlights once again the importance of a CSR programme to employees, and the fact that it must be genuine and connected to their daily work. If the programme is perceived as genuine and credible, it is likely to create a positive employee attitude, and if the programme is perceived as connected to the daily work, it is likely to be perceived as genuine and credible, etc. The connection to the daily work is supported and emphasized by some of the interviewees:

“Even if we might not notice that we work with CSR, I believe it is quite integrated in our daily routines without us even knowing.”

- Global Aftermarket Director & Plant Manager

“The CSR programme should be a part of the normal, daily routine. E.g. integrity and ethics, human rights and labour practices, treating co-workers fair and with respect, and product innovations, should be a part of your normal day. The social aspects, such as community engagement, should be after work activities.”

- Manager End User Computer Support

The response from the second open-ended question regarding how the employees would like to engage in CSR at work showed that many were willing to support local communities. They would be willing to sponsor local activities, engage in social global activities and to volunteer. There was a suggestion that KA could have a community team at each plant. However, the reason that many employees mentioned community engagement might depend on the fact that these activities are those who stand out from their daily work, and thus, those who come to mind. Many employees was also willing to engage through CSR training, through promoting CSR, and through participating in CSR activities that are, or will be, provided by the corporation. The interviewees also mentioned proper training and leadership education. Furthermore, the employees mentioned that they would put effort in to the protection of the environment, e.g., through minimizing paper waste. As mentioned by Mirvis (2012), companies can engage their employees in CSR activities through, e.g., volunteered, sustainable supply chain management, cause-related marketing, and green business initiatives (Mirvis, 2012), which seems to be suitable for the employees at this company. Consequently, the company should increase the opportunities for these activities to make it possible for the employees to participate in the ways that they prefer. Mirvis (2012) further states that employees can be engaged in CSR in different ways, and one way is through programmes
that meet the needs of employees who want to take part in the CSR efforts. The other ways to engagement are through commitments and through fully activating and developing the employees (Mirvis, 2012). Nine out of ten interviewees believed that they had the possibility to motivate their co-workers towards CSR.

“I can make people aware of the consequences of actions (in production and office), in a motivational way!”

- Interior Manager

“As leaders, if we get involved, they will follow our example.”

- Quality Engineer

Vlachos et al. (2014) support that managers contributes to employee motivation, since they argue that positive judgements regarding CSR is likely to spread from managers to their subordinates (Vlachos et al., 2014). Therefore, it is crucial for all managers to be supportive of the programme and show that they believe it is important.

Many of the interviewees emphasized that there are cultural differences between the countries that the company operates in, and that the importance of CSR activities varies between them. In the developing countries, issues like abolishing child- and forced labour, the occupational health and safety of employees, and community engagement, may have a lot higher significance than in already developed ones. We argue that this could depend on the fact that they are much closer to the “source” in the developing areas. What is meant by that is that, e.g., the case of child labour is more likely to occur in developing countries, and/or there may be other risks in developing areas, that does not exists in developed ones, that force the company to be more attentive when it comes to the health and safety of their employees, etc. This puts more pressure on the company and its actions in some areas than in others, and hence, the perceived importance of CSR may differ between these areas.

In order to engage and motivate the employees to practise CSR is an efficient way, we argue that the internal marketing should be customized to the diversity of the employees. CSR managers must attempt to balance differing interests of various stakeholders on a day-to-day practical basis (O’Riordan & Fairbrass, 2013), and thus, the interest of the various types of employees should be considered. Since internal marketing includes motivating high-quality staff by providing them with the work resources they need (Qing et al., 2013), this internal CSR communication should be adapted to the different types of employees, as well as the allocation of resources required. As mentioned by Berndt and Tait (2012), one of the purposes of internal marketing is to motivate and encourage employees to make them show initiative and to keep them informed (Bernt & Tait, 2012). Therefore, internal marketing is an efficient tool for engaging employees in CSR.
6 Conclusion

The conclusion starts with a summary of the output generated from the analysis, answering the three research questions. This will be followed by a discussion including managerial, societal and ethical implications, as well as, strengths, limitations, and recommendations for future studies.

6.1 Concluding Remarks

Since the purpose of this thesis is to investigate a diversity of employee perceptions and expectations of CSR, to find the most important aspects from their perspective, and to give recommendations on how to get the employees involved in the CSR activities, this is what the conclusion aims to answer. We are using our three research questions to generate a clear picture of our findings.

6.1.1 RQ 1. Which employee is most willing to engage in CSR, depending on different demographic characteristics?

Based on the analysis of our four different dimensions, we aimed to find significant differences between various types of employees. The analysis showed that there were only significant differences in level of willingness to engage depending on the location and the functional area of the employee. The employee who is most willing to engage in CSR activities seems to be from India or Mexico, and work at the logistics or maintenance departments. The organizational commitment factor was only significant for the dimension of location, which also showed India and Mexico as the highest scoring countries. This indicates that the location is likely to affect both organizational commitment and willingness to engage in the company’s CSR programme, and that the both variables might increase parallelly.

6.1.2 RQ 2. Which aspects of CSR are perceived as most important from an employee’s perspective?

The top three aspects of CSR was perceived as equally important for the employees as individuals as for the business long-term success, and those are “maintaining a solid financial performance”, “providing product innovations that get ahead of market and customer needs” and “satisfying customer needs in a measurable way”. The subcategory of aspects related to CSR that had the highest mean value was economic aspects, followed by social and, lastly, environmental. When narrowing down to the countries where the employees are most willing to engage (Mexico and India) the economic aspects was rated highest once again. However, the functional areas that was most willing to engage (maintenance and logistics) had different preferences. Logistics perceived social aspects as most important, while maintenance perceived economic aspects as most important. Thus, the aspects that are perceived as most important could therefore be emphasized in the internal CSR marketing and made available to the employees to participate in, since
these are the CSR activities that they appear to perceive as valuable and meaningful. Connecting the aspects to strategic CSR, these aspects are of high centrality, and should therefore be made main priority, and align with the company’s core mission and objectives.

6.1.3 RQ 3. Which are the most efficient ways to increase an employee’s level of engagement in a company’s CSR initiatives?

Based on the empirical data and the frame of reference, it appears that the ways that are most suitable for engaging employees are through training, community engagement and communication. Furthermore, the CSR programme should be embedded into the business culture and into the employee’s daily work. The correlation table of the statements supported CSR connection to the daily work, as well as the importance of a genuine and credible programme. The company should also highlight the aspects discussed in previous research question, to meet the needs that the employees have. When involving the employees in the CSR decision-making, they are likely to feel empowered, and consequently, become more loyal to the company. Employees who approve of the company’s CSR are more engaged in their jobs. Since this is the engagement that employees prefer, it is reasonable that this is the most efficient way to get them to participate. It is likely that they are willing to put in time and effort into activities that they perceive as important. Right communication seemed to be critical, based on the empirical results, and it must reach all levels of the corporation. The programme needs to be visible, and reinforced by all managers in order to spread positive judgements. It could also be appropriate to provide benefits to employees who actively participate in CSR activities.

6.2 Discussion

The empirical findings did not only provide insights regarding our research questions, they also emphasized the importance of efficient CSR communication. Thus, we felt that it would be interesting to investigate further how the communication should be conducted in order to truly reach the employees. The communication should come from all managers, from the CEO and down to the local supervisors. This also aligns with studied efficient internal marketing strategies. The messages should be frequently displayed on platforms that reach employees on a regular basis, such as their intranet, TV monitors, magazines, etc. A technique for CSR communication was brought up in the literature review, called storytelling, where different strategies were explained so that managers would be able to truly engage employees through the communication of stories. Thus, through effective storytelling managers could enable employees to feel engaged. If employees perceive that they have the possibility to make a difference regarding the company’s future, it will increase their level of engagement and their willingness to help their managers to reach a better ending of the story.
Another subject that frequently emerged from the empirical data was the perceptions that CSR should be adjusted to different countries and their different cultures. Employees are likely to value their work and CSR activities higher in countries that are more exposed to social, environmental and economic crises. These countries are developing countries, and their drivers of CSR appear to be stronger. Therefore, this is something that is highly important to consider when marketing CSR internally to employees in different countries, and we argue that it is not possible to make use of a ‘one-fits-all’ type of strategy when it comes to cultural differences. We suggest that managers could agree on some main CSR activities and initiatives that truly aligns with the corporation’s core mission and use the same marketing strategies throughout the company when it comes to those chosen initiatives. We further suggest, that when it comes to more specific initiatives and actions the internal communication strategies could be adjusted depending on the location where the initiative takes place.

Our empirical findings showed that the employee’s perceptions of the importance of CSR appeared to be highly focused on profits and money. This indicates that there might still be the personal gaining, such as an increased salary that is the most important issue for the employee. If the company is performing well, there is a greater chance of salary raises and the job security increases. These perceptions might be explained by the tough competition in the vehicle industry. The industry has low margins and that is likely to affect the employees to be profit driven in mind and to appreciate the importance of monetary success. Therefore, it is possible that these perceptions could differ significantly between industries. However, there is a discussion in previous literature suggesting that individuals cannot solely be motivated by money, but also the feeling of achievement, affiliation and power.

The gender dimension did not appear to be significant for KA’s employee CSR engagement, since the empirical findings did not show any interesting results regarding this characteristic. However, this could be the case for other corporations or industries, and there is previous literature that supports it. Hence, the CSR initiatives could still be customized for men and women. As mentioned, women tend to prefer CSR activities outside work, therefore, we suggests that a company could provide CSR activities that takes place out of the office that specifically appeals to women, if the proportion of women in the workforce is large. If the workforce is mainly represented by men, the CSR initiatives could emphasize training provisions.

6.2.1 Managerial, Societal and Ethical Implications

It is essential for managers to know about the cost and benefits associated with CSR in order to make correct decisions regarding the corporation’s future CSR activities. If handled the right way, there are many possible beneficial outcomes generated from CSR. For example, a good reputation, “free” advertising, and customer and supplier retention are common outcomes. Since employees has the possibility to shape other stakeholder’s
perceptions of the company, they can have a great influence over the company’s reputation. CSR can also create a competitive advantage that could be highly significant for a corporation, especially regarding attracting talented employees. CSR could be embedded into the corporation’s core business strategy, to prevent it from being just “all bark and no bite”. Satisfying employees will lead to satisfied customers and the company being more attractive for investors. Obtaining direct stakeholder input will lead to increased organizational learning, and thereby increased trust and credibility. If the CSR programme is perceived as genuine, and not forced by top managers, the employee involvement should increase. As mentioned in the literature review, managing employee expectations should include three steps: understanding, analysing and reducing the gap between the expectations and the corporation’s capabilities. Through collecting this information on employee expectations of CSR, the firm can reduce the gap between what expectations they have and what resources the company possesses and thus, what is possible to achieve. Managers should market the CSR programme internally, to make the employees aware, explain what outcomes they aim for, and to get all employees involved. If managers have a positive judgement of CSR, it is likely that this positive attitude will spread throughout the organization. As mentioned, stakeholder input is important when developing the CSR programme, and employee expectations should be monitored continuously.

In the literature review we further discussed how CSR could be used as a strategic tool to create value to a corporation. Authors have presented different dimensions of strategic CSR, and we believe that it is important for a corporation to consider these to be able to connect these to their CSR behaviours and to be able to truly create value. Therefore, some suggestions will be provided. First, managers must make sure that the CSR initiatives fully align with the company’s core missions and objectives (centrality). Second, they should be aware of the benefits that CSR can generate and make use of them in the best possible way, so that they do not only create collective goods that companies in other industries could take part of (specificity). Third, managers should plan the CSR behaviours and try to anticipate emerging trends, e.g., economic, social, political, technological, etc. to keep a possible competitive advantage and not to fall behind (proactivity). Fourth, they should make sure that people perceive the company’s CSR programme and its philanthropic efforts as fully voluntary, and not something they do because of external pressures (voluntarism). Lastly, managers should make sure that their CSR initiatives remain visible in order to get the right attention and credit from both internal and external stakeholders (visibility).

A successful CSR programme will have positive implications on society. The employees might experience a greater job satisfaction when working at a company they consider ethical, and thereby possibly increasing their own well-being and self-affirmation. Additionally, since CSR efforts provide benefits outside the corporation itself, e.g., through community engagement, product innovations, less fuel emissions, etc. making the corporation's operations more sustainable and perhaps increasing the standard of living for people worldwide. Therefore, getting employees involved in the corporation’s
CSR activities, and thus strengthening the corporation’s CSR actions, will benefit the entire society.

Ethical considerations regarding CSR includes that the corporations remains honest in their reporting. Companies should not report only what they believe that their stakeholders want to hear, but how they actually operate in their business. Otherwise, overpromising and not deliver could have fatal consequences. A good example of this is Volkswagen with their emission cheating scandal, when the company used software in their cars that cheated in tests, resulting in the company reporting record losses and facing legal battles (Gates, Ewing, Russell & Watkins, 2016). We argue that CSR is built upon ethics and morale, the fact that corporation’s want to show goodwill and strive to leave a positive footprint.

6.2.2 Strengths

The particular strength of this thesis could be argued to be the mixed method approach, providing input from several perspectives. This provides the empirical results with both quantitative and qualitative data in a complementary manner, and consequently, providing more depth to the analysis. This should increase the credibility of the reported results, and hence strengthen the conclusions. The method in combination to the incredible access we had to the company is a huge strength, made possible by our contact persons at KA and regular visits and meetings at their office. Further, the thesis provides findings in an area that has not yet been explored, i.e., which aspects of CSR employee’s perceive as most important, which we argue is an additional strength of this study. Lastly, this thesis is written within the two tracks of marketing and management, providing expertise and perspectives from both areas.

6.2.3 Limitations

This study has been highly interesting and rewarding, however, there are some limitations to it that could be eliminated and this would, in turn, be a way to further strengthen conclusions made from the findings in our analysis. The limitations that we have encountered during the thesis writing includes the unavailability of manual labour workers as survey participants, the sample size being limited to just one company and one industry, and the fact that the investigated company was in such an early stage of their CSR implementation.

6.2.4 Suggestions for Future Research

To begin with, suggestions for future research includes deeper analysis of cultural differences regarding perceptions of CSR, i.e., focusing on one of our four dimensions. Our analysis showed that there might be some interesting differences depending on which country that the employee is situated in and, specifically, if the country is developed or
under development, since there was a significant difference between the location groups regarding both willingness to engage and organizational commitment.

Future research could also include more companies and industries for the same research questions. The perceptions and expectations of employees regarding CSR might vary significantly between different industries because of their various external pressures. Also, since we did not have the possibility to reach manual labour workers (i.e., blue collars), it could be interesting to include them for future studies. Also, a larger sample size would have been preferable, as well as a larger time frame. Additionally, it would be highly interesting to investigate a company that has been practicing CSR for a longer period than KA, to see if the preferences change over time, and possibly obtain deeper insights from the employees. This would facilitate when measuring if the CSR programme has lived up to the employee expectations.
References


Appendix

Appendix 1.1 Value Creation

How strategy is linked to corporate social responsibility by Burke and Logsdon (1996)

Appendix 1.2 CSR Pyramid for Developing Countries

CSR Pyramid for Developing Countries by Visser (2007)
Appendix 2.1 Survey

(This survey was made online via the survey software programme Qualtrics. Hence, the layout differs significantly and the survey below is a simplified version.)

Kongsberg Automotive AB
Corporate Responsibility (CR)

Thank You for agreeing to take part in this survey!

The aim of this survey is to measure our employees’ opinions concerning current Corporate Responsibility topics and how Kongsberg Automotive can prioritize its’ work.

Kongsberg Automotive has defined its’ core values, passionate, prepare & accountable, to clearly represent the culture and character of our company. By promoting and engaging in responsible & sustainable practices, we assure those values are reflected in our people, our products and our processes. We view this as essential for the long-term success of our business.

We have recently defined nine Guiding Principles, or areas of focus, to help us anchor Corporate Responsibility into our day-to-day business. These Guiding Principles emphasize our commitment in the following areas:
- Integrity & Ethics
- Human Rights & Labour Practices
- Leadership & Talent Development
- Community Engagement
- Environmental Performance
- Supply Chain Management
- Product Innovation
- Product Safety
- Information Security


We seek your input, as key stakeholders, as we develop further our Corporate Responsibility initiatives and translate above commitments into concrete actions. This survey assures the group priorities established reflect our employees’ interests and input.

The survey should only take 10-15 minutes to complete and all answers will be kept in the strictest confidentiality. We greatly appreciate your insight and look forward to receiving your feedback by no later than April 29, 2016.

Please know this survey will be completed in collaboration with students from Jönköping International Business School (Sweden) for the purpose of their master’s thesis.

Sincerely,
Kongsberg Automotive Corporate Responsibility Task Force
Corporate.responsibility@ka-group.com
Hanna and Alexandra, Civilekonomprogrammet (MBA), Jönköping International Business School
Employee Identification

1. Gender
   - Male
   - Female
   - Prefer not to answer

2. Age
   - <20
   - 20-29
   - 30-39
   - 40-49
   - 50-60
   - >60
   - Prefer not to answer

3. KA Location
   - Brazil
   - Canada
   - China
   - France
   - Germany
   - Hungary
   - India
   - Japan
   - Mexico
   - The Netherlands
   - Norway
   - Poland
   - Russia
   - Slovakia
   - South Korea
   - Spain
   - Sweden
   - UK
   - USA

4. Functional Area
   - Administration
   - Aftermarket
   - Finance/Accounting
   - Human Resources
   - IS&T
   - Logistics
   - Maintenance
   - Management
   - Production
   - Program/Project Management
   - Purchasing
   - QAHSE
   - R&D/Engineering
   - Sales & Marketing
   - Other
Corporate Responsibility (CR)

5. How much do You agree with the following statements? Please indicate how strongly You agree or disagree with each by putting a tick next to your choice on the following scale:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat disagree</th>
<th>Neither agree nor disagree</th>
<th>Somewhat agree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am familiar with the term Corporate Responsibility (CR)</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>I believe that CR is essential to long-term profitability</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>It is important for me to work at a corporation that practices CR</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>I have a positive attitude towards KA's CR program</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>I would like to engage more in KA's CR program</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>I prefer to engage in social and environmentally responsible activities outside work</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>I feel encouraged to be socially and environmentally responsible at work</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>I see the connection between my daily work and KA's CR program</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>I believe the intent of KA's CR program is genuine and credible</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>I am willing to put in required effort to make KA successful</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>It is important to me what outsiders think of KA</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>I prefer to work at KA above other organizations</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
</tbody>
</table>
6. Do you have any further ideas/suggestions on how we at KA could strengthen our CR programs? If so, how?

7. Would you like to engage in CR at work? If so, in what way?

Most Important Aspects to the Employee

8. Below you are provided with a number of aspects related to CR. Please choose 10 of the aspects that you perceive as most important to you.

- Improving access to information and training related to our Code of Conduct
- Providing our stakeholders (such as suppliers) access to our compliance reporting mechanism
- Maintaining solid financial performance
- Considering social, environmental and economic risks in business decisions
- Satisfying our customers in a measurable way
- Measuring positive economic impact in local communities
- Designing sustainable products that minimize environmental impact at use or end of life
- Designing products that enhance the driving experience (safety and comfort)
- Providing product innovations that get ahead market and customer needs
- Encouraging all KA employees to promote their innovative ideas
- Protecting our intellectual property
- Assuring the protection of our business partners’ information
- Maintaining the privacy of employees’ personal information
- Sharing our technical knowledge to be used for the greater good
- Guaranteeing product safety
- Providing adequate product information (disclosure of risks and hazardous materials)
- Minimizing use of hazardous materials in the manufacture of our products
- Reducing greenhouse gas emissions from our manufacturing
- Reducing water use in the manufacture of our products
- Reducing waste of our manufacturing footprint
- Complying with environmental regulations
- Requiring environmental performance improvement in the supply chain
- Providing career development and training opportunities
- Assuring equal opportunity for all employees
- Fostering a diverse and inclusive workforce
- Allowing employees freedom of association and collective bargaining
- Assuring the occupational health and safety of our employees
- Ensuring the security of our employees and facilities
- Purchasing products and services from minority-owned suppliers
- Proactively managing supply chain disruptions and risks
- Implementing socially responsible sourcing initiatives (e.g. conflict minerals)
- Preventing the use of child- and forced labour practices throughout the supply chain
- Preventing corruption in the supply chain
- Training employees to better identify and report human rights issues when selecting suppliers
- Promoting community engagement and volunteering
- Promoting dialogue related to CR with stakeholders (such as suppliers, employees, customers etc)
9. Please allocate a total of 100 points among the different aspects so that your allocation reflects the relative importance you attach to each. The more points an aspect receives, the more important it is.

Most Important Aspects for Sustainable Business Success in the Long Run

10. In this question, please choose 10 of the aspects that you perceive as most necessary to achieve sustainable business success in the long run.

- Improving access to information and training related to our Code of Conduct
- Providing our stakeholders (such as suppliers) access to our compliance reporting mechanism
- Maintaining solid financial performance
- Considering social, environmental and economic risks in business decisions
- Satisfying our customers in a measurable way
- Measuring positive economic impact in local communities
- Designing sustainable products that minimize environmental impact at use or end of life
- Designing products that enhance the driving experience (safety and comfort)
- Providing product innovations that get ahead market and customer needs
- Encouraging all KA employees to promote their innovative ideas
- Protecting our intellectual property
- Assuring the protection of our business partners’ information
- Maintaining the privacy of employees’ personal information
- Sharing our technical knowledge to be used for the greater good
- Guaranteeing product safety
- Providing adequate product information (disclosure of risks and hazardous materials)
- Minimizing use of hazardous materials in the manufacture of our products
- Reducing greenhouse gas emissions from our manufacturing
- Reducing water use in the manufacture of our products
- Reducing waste of our manufacturing footprint
- Complying with environmental regulations
- Requiring environmental performance improvement in the supply chain
- Providing career development and training opportunities
- Assuring equal opportunity for all employees
- Fostering a diverse and inclusive workforce
- Allowing employees freedom of association and collective bargaining
- Assuring the occupational health and safety of our employees
- Ensuring the security of our employees and facilities
- Purchasing products and services from minority-owned suppliers
- Proactively managing supply chain disruptions and risks
- Implementing socially responsible sourcing initiatives (e.g. conflict minerals)
- Preventing the use of child- and forced labour practices throughout the supply chain
- Preventing corruption in the supply chain
- Training employees to better identify and report human rights issues when selecting suppliers
- Promoting community engagement and volunteering
- Promoting dialogue related to CR with stakeholders (such as suppliers, employees, customers etc)

11. Please allocate a total of 100 points among the different aspects so that your allocation reflects your perceived importance for sustainable business success in the long run. The more points an aspect receives, the more important it is.
Appendix 2.2 Interview Guide

Interview Guide: Managers
Position/work activities:
Age:
Tenure:

1. In what ways do you believe that Corporate Responsibility (CR) can affect a company? Positive? Negative?

2. Do you believe that a commitment to Corporate Responsibility affects how employees feel about/perceive KA?


4. Do you feel that the CR program lives up to your expectations? Or did you expect anything else?

5. Do you believe that CR can be used as a tool for involving employees into the corporation’s core strategies?

6. How do you believe that the CR program should be communicated more throughout the company? Can it truly be embedded into the corporate culture?

7. Do you believe that you and your colleagues are involved in the CR program(s) at the moment?

8. What aspects of CR do you perceive as most important, and why? Do you agree with priorities on Materiality Matrix?

9. Do you have any suggestions on how these KA’s Material Aspects could be implemented in the best possible way?

10. Where would you state that you engage in socially responsible activities the most: at work or outside work? Would you like to engage more in CR at work? If so, in what way?

11. Do you believe that you as a manager can affect your co-workers to be more motivated towards CR? If so, how?

12. How much time do you feel is suitable to dedicate to CR activities at work?

13. Any questions?
## Appendix 3. Interview Results

### Spreadsheet of the Interview Results

<table>
<thead>
<tr>
<th>Position</th>
<th>Age</th>
<th>Gender</th>
<th>Location</th>
<th>Education</th>
<th>Position</th>
<th>Did you know about it?</th>
<th>How is experience, more physical involvement?</th>
<th>All</th>
<th>Leadership and skills</th>
<th>Education/Training</th>
<th>Time worked</th>
<th>Most important aspects</th>
<th>Implications/Considerations</th>
<th>How to Be Communicating?</th>
<th>How will you communicate this?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Development Manager, Purchasing</td>
<td>4</td>
<td>M</td>
<td>Sweden</td>
<td>Positive</td>
<td>Yes</td>
<td>Should do more</td>
<td>Yes</td>
<td>No</td>
<td>Innovation, sustainable sourcing, community engagement</td>
<td>Self-implementations, supplier assessment</td>
<td>No</td>
<td>How to communicate with others</td>
<td>Outside work (involves more travel); Work more; Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Global IT Director, Plant Manager</td>
<td>18</td>
<td>M</td>
<td>Sweden</td>
<td>Positive</td>
<td>Yes</td>
<td>Did, know more</td>
<td>Yes [not knowing]</td>
<td>Yes</td>
<td>Integrity, trust, human rights, excellence, safety, risk management</td>
<td>Collaboration, employee communication</td>
<td>No</td>
<td>How to communicate with others</td>
<td>Outside work (involves more travel); Work more; Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Commercial Strategy Manager</td>
<td>25</td>
<td>F</td>
<td>Germany</td>
<td>Positive</td>
<td>Yes</td>
<td>New, should do more</td>
<td>Yes [not knowing]</td>
<td>Yes</td>
<td>KAI, local activities</td>
<td>Product development, work energy, communication through local management, gain for local management</td>
<td>Both, N/A.</td>
<td>No</td>
<td>No more help from other people</td>
<td>Yes</td>
<td>Hard to say.</td>
</tr>
<tr>
<td>Engineer</td>
<td>35</td>
<td>F</td>
<td>USA</td>
<td>Positive</td>
<td>Both</td>
<td>Do not know about it</td>
<td>No (less)</td>
<td>No</td>
<td>All</td>
<td>LEARNER and TALENT</td>
<td>At least two activity per month</td>
<td>Yes</td>
<td>At least two activity per month</td>
<td>Outside work (takes longer); Work more; No</td>
<td>No</td>
</tr>
<tr>
<td>Education Technicians</td>
<td>22</td>
<td>M</td>
<td>Sweden</td>
<td>Positive</td>
<td>No (location)</td>
<td>Do not know about it</td>
<td>Yes [not knowing]</td>
<td>No</td>
<td>Leadership and skills</td>
<td>Leadership education</td>
<td>At work, work more?</td>
<td>Yes</td>
<td>To an extent, supporting charities (e.g., one year)</td>
<td>Outside work (involves more travel); Work more; Yes</td>
<td>No</td>
</tr>
<tr>
<td>Project Manager</td>
<td>15</td>
<td>M</td>
<td>Sweden</td>
<td>Positive</td>
<td>Yes</td>
<td>It is dirty</td>
<td>Yes [not knowing]</td>
<td>No</td>
<td>Integrity and ethics</td>
<td>Choose a couple of countries to focus on; support those plants</td>
<td>No</td>
<td>Yes [not knowing]</td>
<td>No more help from other people</td>
<td>Outside work (involves more travel); Work more; Yes</td>
<td>No</td>
</tr>
<tr>
<td>Environment, Responsible Facility Manager</td>
<td>4</td>
<td>M</td>
<td>Sweden</td>
<td>Positive</td>
<td>Yes</td>
<td>Do not know but work</td>
<td>Not really</td>
<td>No</td>
<td>Pal conditions, data collection, environmental training, top post positions (e.g., CEO, sustainable business)</td>
<td>Communication for different location</td>
<td>No</td>
<td>Yes [not knowing]</td>
<td>Communication for different location</td>
<td>Outside work (involves more travel); Work more; Yes</td>
<td>No</td>
</tr>
<tr>
<td>Process Manager</td>
<td>45</td>
<td>M</td>
<td>Poland</td>
<td>Positive</td>
<td>Yes</td>
<td>Do not know about it</td>
<td>Yes [not knowing]</td>
<td>No</td>
<td>Environmental topics, resource management, energy consumption, green materials</td>
<td>Outside work (involves more travel); Work more; No</td>
<td>Yes</td>
<td>No [not knowing]</td>
<td>Communication for different location</td>
<td>Outside work (involves more travel); Work more; Yes</td>
<td>No</td>
</tr>
<tr>
<td>Manager for Wood and Paper mill</td>
<td>8</td>
<td>M</td>
<td>USA</td>
<td>Positive</td>
<td>Yes</td>
<td>Did, but the program is new</td>
<td>Yes [not knowing]</td>
<td>No</td>
<td>Integrity and ethics, corporate sustainability, performance, product quality and delivery</td>
<td>Shaping behaviors, environmental values, sustainability, access to the program</td>
<td>No</td>
<td>No [not knowing]</td>
<td>Communication for different location</td>
<td>Outside work (involves more travel); Work more; Yes</td>
<td>No</td>
</tr>
<tr>
<td>Quality Engineer</td>
<td>35</td>
<td>F</td>
<td>USA</td>
<td>Positive</td>
<td>Yes</td>
<td>Do not know about it</td>
<td>Yes [not knowing]</td>
<td>No</td>
<td>Integrity and ethics, corporate sustainability, performance, product quality and delivery</td>
<td>Shaping behaviors, environmental values, sustainability, access to the program</td>
<td>No</td>
<td>No [not knowing]</td>
<td>Communication for different location</td>
<td>Outside work (involves more travel); Work more; Yes</td>
<td>No</td>
</tr>
</tbody>
</table>