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**Controlling Corporate Social Responsibility with
Management Control Systems:**

A study of four companies in Sweden

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ABSTRACT

Title: Controlling Corporate Social Responsibility with Management Control Systems: A study of four companies in Sweden

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Keywords: Management Control System, MCS, MCS package, Corporate Social Responsibility, CSR

Purpose: The purpose of this study is to examine and contribute with some practical insights on how Management Control Systems (MCS) can be used by companies to control their Corporate Social Responsibility (CSR).

Methodology: A qualitative research method has been used to collect data. Data was collected through semi-structured interviews with four different companies in the food industry and in the construction industry. The empirical data was used to analyze how companies use MCS to control CSR.

Theoretical framework: The empirical data will be analyzed by using the framework by Malmi and Brown (2008). Malmi and Brown (2008) are studying four decades of MCS research, resulting in a package of MCS, making it a comprehensive analytical tool. The MCS package includes administrative controls, planning controls, cultural controls, cybernetic controls and reward and compensation controls.

Conclusion: The control systems in the MCS package can be used to control the employees' behavior. Administrative controls are used to engage the entire organization in CSR. Planning controls are used to ensure that the entire organization is working in the same direction. Cultural controls are used to communicate and create a commitment to CSR throughout the entire organization. Cybernetic controls are used to control performance in CSR. Reward and compensation controls are used to control and motivate employees to be socially responsible.

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We sincerely hope that you appreciate this study and find it interesting and inspiring. Hopefully, it can inspire others to continue research in this field.

LUND, 24 May 2016

Sincerely,

Marina Jelcic

Camilla Nordahl

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1 INTRODUCTION

1.1 Background

Sustainability is a promise of a more just and wealthy world, where “the natural environment and our cultural achievements are preserved for generations to come” (p. 130). Corporate sustainability is management's attempt to move towards the goal of sustainability (Dyllick & Hockerts, 2002). The economic, environmental and social well-being is highly influenced by companies, which makes corporate sustainability particularly important for a long-term sustainable development (Schaltegger, Bennett & Burritt, 2006). Corporate Social Responsibility (CSR) is an emergent trend in our contemporary society and is expected by the community in which a company operates. CSR is a concept on a voluntary basis where businesses consider social, economic and environmental concerns in their operational work. By being socially responsible a company can receive a competitive advantage (European Commission, 2001).

Sustainability reporting is escalating as the demands for information about companies' impact on environment and society are increasing among different stakeholders (Kloviene & Speziale, 2014). In 2005, 64 % of the 250 largest companies worldwide published sustainability reports which in 2015 had increased to 92 %. The same survey from KPMG also showed that 73 % of 4 500 companies surveyed among 45 countries disclosed sustainability information in 2015, which is an enormous increase from 41 % in 2005 (KPMG, 2015). Not only is the reporting on sustainability increasing radically but also the quality of the information. The disclosed information is becoming more comprehensive, long-term and focuses more on how organizations' practices have an external impact (Pounder, 2011). Sustainability reporting can be used as a synonym to CSR as well as Triple Bottom Line (TBL). Global Reporting Initiative (GRI) are pioneers on sustainability reporting and issue standards on how to disclose social, environmental and economic performance (GRI, n.d.), which are those included in the TBL (Elkington, 1997).

1.2 Problem specification

Some people are critical to CSR, as they believe that it has failed to deliver, both for the society as a whole as well as for the companies. These people believe that CSR has failed to connect with the external world and that companies should focus their attention on trying to integrate external engagement into daily operations (Browne & Nuttall, 2013). Gray (2010) is critical to how CSR disclosures seldom are a part of the daily agenda and seldom are gathered

in a planned manner. Concepts such as Environmental Management Accounting (EMA) and Eco-control have been introduced to the research landscape as an attempt of integrating environmental issues with companies' operations (Burritt, Hahn & Schaltegger, 2002; Henri & Journeault, 2010).

However, the studies on EMA and Eco-control have not investigated how internal Management Control Systems (MCS) can be integrated with environmental efforts or how companies use MCS to support CSR within an organization. This might be a way to incorporate the external world with organizations CSR efforts and ensuring that the planned results conform to the actual results. Already in the 90s, the idea of using MCS to influence strategic processes was introduced by Simons (1990). A strategy can shape a MCS by changing it in order to match changes in a strategy, but MCS might also be used to implement and shape strategies (Kober, Ng & Paul, 2007). This indicates that MCS are central in strategy implementation and can be useful when implementing a CSR strategy (Epstein, 2008).

However, according to Riccaboni and Leone (2010), research regarding how MCS support the implementation of CSR in practice is limited. Gond, Grubnic, Herzig and Moon (2012) studied the integration of MCS and sustainability control systems (such as Eco-control) to implement sustainability within the organizational strategy. Arjaliés and Mundy (2013) studied the 40 largest companies in France, using a similar framework as Gond et al (2012). Both studies used Simons' (1995) levers of control framework to investigate how MCS can be integrated with CSR. However, the study by Gond et al (2012) has only contributed with a framework without any empirical evidence, and the study by Arjaliés and Mundy (2013) lack in-depth understanding since the study was provided by surveys. Kerr, Rouse and Villiers (2015), on the other hand, build their study on the study by Arjaliés and Mundy (2013), but they provide in-depth studies of three companies in New Zealand.

This paper will contribute to the field of integrating MCS with CSR by using the framework by Malmi and Brown (2008), which studies MCS as a package. Simons (1995) levers of control, that has been integrated with CSR in the earlier studies (Gond et al, 2012; Arjaliés & Mundy, 2013; Kerr et al, 2015), are also viewing MCS as a package. What differs in Malmi and Brown's (2008) study is that they are taking a wider approach by studying four decades of MCS research. This resulted in a framework with a package of controlling tools that can be used to analyze how managers control organizational behavior. They clearly distinguish between control systems and decision-support systems and exclude the latter. As the design of

MCS has developed from when it was first presented more than thirty years ago, the MCS by Malmi & Brown (2008) includes more contemporary tools.

1.3 Research question

The two industries studied in this paper are the food industry and the construction industry. These two industries are of high importance and have a major impact on the environment, the society and the economy which makes them relevant to study from a CSR perspective. By investigating these two exposed industries our aim is to answer the question;

How are Management Control Systems used to control Corporate Social Responsibility?

1.4 Purpose

This paper will investigate four companies in the two different industries in order to get a more in-depth understanding of the use of MCS in the context of CSR. The purpose of this study is to provide the reader with an in-depth understanding and an analysis of how companies in the food and construction industry can use MCS to control their CSR internally. The purpose is not to contribute with generally applicable answers, but with practical insights of how companies can use MCS to control CSR.

2 METHODOLOGY

The method section begins with describing the choice of research method. Furthermore, the objects of study are presented and a motivation for why these objects of study have been chosen. Further, the procedure for data collection is described. Thereafter, it is explained in detail how the interviews proceeded and the method section is concluded with thoughts regarding the validity and reliability of the study.

2.1 Research approach

There are different strategies that can be used to collect data. Data collection can be done either through a quantitative research, a qualitative research or by combining both methods (Jacobsen, 2002). Due to our research question, the data collection will be executed through a qualitative research method, where the major part of the data is collected by interviews since this method, according to Bryman and Bell (2007), will allow us to deeper investigate and understand our issue and provide us with descriptive details. The aim of the study is not to find generally applicable answers but to create a deeper understanding of the chosen subject. If our aim instead would have been to find generally applicable answers, a quantitative approach would have been preferable since it allows more generalizations of the studied subject (Bryman & Bell, 2007). Malmi and Brown (2008) believe it is necessary to interview people when studying the control package in order to ensure good quality of the collected data and they are of the viewpoint that questionnaire surveys are not valid enough. In addition to the information received from the interviews, we have also been using secondary data about the studied companies. See section 2.3 for more information about collection of data.

The thesis will be based on an inductive approach. There are two main research approaches, namely inductive and deductive approach (Bryman & Bell, 2007). By studying the reality and then compile and systematize the data collected, an inductive approach, going from empirical to theory, has been used (Jacobsen, 2002). The deductive approach means that the researcher starts off by looking at previous theory, set hypotheses that are then tested through empirical studies (Bryman & Bell, 2007). This study is thus having an inductive approach, going from empirics to theory with the intent to understand what MCS that can be useful to control that the company takes social responsibility. With the inductive approach, we will clarify what MCS that is used, and then analyze it to existing theory by Malmi and Brown (2008).

2.2 Objects of study

2.2.1 Choice of industry

This paper is studying two companies within the food industry and two companies within the construction industry. There are many reasons for studying CSR within the food industry. Firstly, the food industry depends on and affects physical resources, human resources, and natural resources. Secondly, consumers have high demands on the food industry and its impact on, for example, waste and water use (the environment), working conditions (social) and animal welfare. Thirdly, the supply chain in the food industry is complex. If the supply chain consists of a mix of large and small companies there may be conflicts relating to the degree of CSR involvement (Hartmann, 2011). Companies within the food industry can achieve a wide range of long-term benefits by improving their CSR efforts (Kong, 2012). Organizations within the food industry face CSR issues such as food safety, alcohol abuse, fatness and so forth and consumers expect them to take social responsibility (Cuganesan, Guthrie & Ward, 2010). According to Kong (2012), the most attention regarding CSR issues in the food industry is given to food safety. Taking a clear stand against environmentally hazardous substances in products often appear in the food industry.

The construction industry is characterized by many companies involved in the process, by high labor intensity where it is common that the employees have short-term contracts and work seasonally and where competition for the lowest price is fierce in the market. Taking social responsibility is the most important issue in this sector in order to promote good quality of work. CSR actions in the construction industry focus on the social part where health and safety are improved but also on the environment in terms of building sustainable and eco-compatible houses. The construction industry is one of the largest industry in Europe and thus also the largest industrial employer (Martinuzzi, Kudlak, Faber & Wiman, 2011).

2.2.2 Choice of companies

The study in this paper will be limited to studying four companies in Sweden. One of the studied companies within the food industry is Arvid Nordquist, distributors of food, coffee, wine and beer. It is a large company operating in the Scandinavian countries, with its headquarter in Sweden. They consider themselves being highly involved in CSR and they have a vision and a goal that by 2020 being associated with sustainability (Arvid Nordquist, n.d.⁴; 2015a; 2015b). The other company studied within the food industry is Svensk Cater which is a full-range wholesaler to Swedish catering firms and restaurants. They have an expressed food safety policy and a focus on environmental issues.

The two studied companies within the construction business are NCC and Veidekke. NCC is listed on Stockholm Stock Exchange while Veidekke is listed on Oslo Stock Exchange, but this paper will only study Veidekke in Sweden. Since both are operating within the construction industry, they have a major impact on the environment, society and economy. Both companies are stating that they are taking these issues highly into account and are taking CSR actions. In the published information about the companies they clearly announce how they have integrated CSR into their operations. The CSR at Veidekke is said to be a well-integrated part of their corporate culture and they are following GRI standards for their sustainability report as well as ISO 26 000 (Veidekke, n. d.³). At NCC, the whole company is surrounded by a vision of providing sustainable solutions to their customers (NCC, n. d.¹), which are ensured through a recently developed internal sustainability framework as well as compliance with external standards such as GRI (NCC, 2015).

The reason for choosing companies within the food industry and the construction industry was because these industries highly affect the environment and society. When searching for companies to study within the food industry and construction industry, it was highly important that they had an explicit focus on CSR. The interest of studying these companies increased after reading about how the companies worked with CSR issues on their web pages and in their annual reports. However, it is hard to determine whether the companies actually exercise CSR or if it is just superficial window dressing actions. Therefore, this research is of relevance in order to demonstrate how these companies actually work with CSR and how MCS can be used to control their CSR internally.

2.2.3 Choice of respondents

One individual from each company will be interviewed for the study. Choosing the right individuals, assuring both that they are representing the whole company in which they are working and assuring truthful answers has been of high importance. Therefore, the individuals were provided with an in-depth description of the study and some questions regarding CSR and their MCS in order to test their knowledge in the field. According to Bryman and Bell (2007), it is preferable to test the respondents' knowledge in the field by asking some questions regarding their awareness of these issues. The most important part of our search for respondents was that they should be able to provide us with the information needed for our analysis. These requirements ended up with that the different respondents were holding different positions within the companies, but all of them had comprehensive knowledge about the CSR and MCS at their companies.

Jörn Ek will represent Arvid Nordquist. He is currently working as a Communication Manager, as well as sustainability manager for the wine and beer department. He has sufficient knowledge about the company and their CSR to represent the whole company since he has worked at Arvid Nordquist for 20 years and for 10 years at the current position (Ek, personal communication, 19 April 2016). Fredrik Stigen is the Head of Environment and Quality at Svensk Cater and is responsible for the CSR for the whole company. He has worked at Svensk Cater since 1999 but has been the Head of Environment and Quality for eight years (Stigen, personal communication, 4 May 2016). The representative at Veidekke is Terje Håkansson who is the Head of Strategy and Business Development at the department Veidekke Industrial. He has worked for Veidekke for eight years and as the Head of Strategy and Business Development for two years. In 2015, he became responsible for the CSR at Veidekke Industrial, but his answers to our questions apply to the entire Veidekke in Sweden (Håkansson, personal communication, 19 April 2016). At NCC, Christina Lindbäck (Senior Vice President Corporate Sustainability) will be interviewed. As her title reveals, she is responsible for the CSR at NCC and is part of the Group Executive Board. She has worked at NCC for over five years and became the head of the CSR in 2012. Before that she worked merely with environmental issues, as a Head of Environment (Lindbäck, personal communication, 19 April 2016).

2.3 Collection of data

The qualitative approach requires a collection of primary and secondary data, which serves as empirical data. The primary data were collected through interviews based on the framework by Malmi and Brown (2008). Secondary data was collected mainly from annual reports, sustainability reports and from the companies' web pages. Since neither Arvid Nordquist nor Svensk Cater are listed, their public information is limited. We received some material by Ek at Arvid Nordquist, which partly has been used in the paper. Specifically, we received an updated sustainability report from 2015 (the report from 2014 is published on their web page) and an annual review from 2015. The public information by Svensk Cater was restricted to the information on their web page. NCC and Veidekke are two public listed companies which mean that there was a great deal of information published on their web page and they are disclosing both annual reports and sustainability reports.

The collected information was then used to analyze the companies' control package by using the framework by Malmi and Brown (2008) and subsequently served as a tool helpful to

answer our research question. The procedure for the collection of primary data is further described in section 2.4.

A selection of available literature relevant to our research question is presented in the theoretical framework section. Basically, the whole paper is based on the framework by Malmi and Brown (2008). The MCS package by Malmi and Brown (2008) is based on a decade of research within the MCS field which means that the article mostly has been used as a secondary source. However, the framework by Malmi and Brown (2008) is well-known as well as the theories used in the framework. Moreover, it is a peer reviewed article and well-noticed in our business education.

We took the opportunity to use the current literature on how MCS can be integrated with CSR. More particularly, the theory part about Malmi and Brown's (2008) framework has been complemented with the studies by Gond et al (2012), Arjaliés and Mundy (2013) and Kerr et al (2015) in order to investigate the findings from already existing studies on the subject. This has been possible because these articles have used Simons' (1995) levers of control in their analysis, which have similarities with Malmi and Brown's (2008) control package. Furthermore, these articles are peer reviewed which increases the reliability of this study.

Regarding additional information and theories, scientific articles have been our primary knowledge acquisition source. These scientific articles have as well been retrieved from databases where the articles have been peer reviewed by researchers in the same field before being published. As far as possible, we have tried to use sources that are up-to-date and not too old and outdated, which we believe we have managed in a good manner.

2.4 Interview method

The interviews have been done in person at their head offices and through semi-structured interviews based on the interview guide found in Appendix 1. The interviews were held at their offices since we wanted the respondents to feel comfortable, which they most likely do at their workplace. Semi-structured interviews were held since it makes the interview occasions more flexible and thus allows for the respondents own perspective to be discussed (Bryman, 2008). The interview guide has been generally used for all the interviewed companies and represents the main questions regarding the MCS package in relation to CSR. We have proceeded from the interview guide but complemented it with some additional questions for the specific companies.

While we collected the theory on the subject, questions which we wanted to ask appeared in a natural manner. The interview guide has thus emerged during the work of the study. Before the interviews took place, we e-mailed the interview guide to the respondents which created good discussions during the interview sessions. Semi-structured interviews made it possible for us to deviate from the specific interview guide, contributing to a more open dialogue between us and the respondent and leaving no questions unanswered. The interviews were recorded in order to spend less focus on taking notes and more focus on the respondent and following up interesting points made. In this way, we could provide the respondent with the attention needed and assimilate the information received.

The time frame for the interviews was set to approximately one hour. All of the respondents were informed that the paper will be published and that the information received from them will be public. Since the interviews were restricted by time, we had to be well prepared. We spent the days before the interview reading about the companies and their work with CSR, to assure sufficient knowledge about the companies during the interview sessions. This also made it possible to ask questions about the information received from the secondary data about the companies.

After the interviews, we were provided with material that some of the respondents were showing us during the interviews. Moreover, the respondents received a summary of the interview in order to ensure that our interpretations of the respondents' answers were correct. The respondents were informed that we welcomed any revision. We received some comments from the respondents at Veidekke, Arvid Nordquist and Svensk Cater which we took into account and adjusted.

We felt that the respondents had various individual assessments of what cultural controls meant to them. To get an even better response to the questions regarding cultural controls and how they are used to control the CSR on the various companies, it would be preferable to interview even more people in the company or make an observational study. This is to ensure that the answers given were responses common to the entire company. Unfortunately, we had no opportunity to interview more people or make an observational study, due to the limitation of time, and this is the main restriction in this study.

2.5 Internal and external validity

The validity of a study is usually divided into internal validity and external validity. The internal validity is considered high when a question measures what it intends to measure and

vice versa. Given that we have used a qualitative research with close proximity to the object of study and given that the respondents had the possibility to revise the information from the interview sessions, the internal validity is considered high. The internal validity is also considered high since the respondents had the opportunity to respond freely and we did not have to base their answers on given response options (Jacobsen, 2002).

External validity describes the extent to which the results of the study are generalizable. Case studies and only a few studied companies can reduce the external validity (Bryman & Bell, 2007). The external validity of the study is considered lower since our purpose was not to generalize the findings, yet to contribute with insights on how MCS can be used to control CSR within a company. If we instead had made a comprehensive quantitative survey, with a larger sample, it would have been possible to obtain results applicable in other contexts and to other companies.

2.6 Reliability of the study

Reliability refers to replicability of the study meaning that it must be possible to generate the same results if the study is performed under the same conditions another time (Jacobsen, 2002). According to Bryman (2008), qualitative studies may contain subjective interpretations that are difficult to exclude and prevent. For this reason, we have tried to be critical to the material that has been produced. This has been done by thinking actively and asking questions to the respondents. Before the interviews started, the purpose of the study was described and the respondents were given an opportunity to ask questions regarding the interview. This with the aim of creating reliance, which Jacobsen (2002) consider important.

We have tried to have a critical stance of the sources and selected sources with care. Thus, we believe that the conclusions we have drawn can be considered reliable. Furthermore, we have done our best not to misinterpret or distort the information gathered, as we have had the intention to create a reliable study. To avoid distortion of gathered information, we have accurate listened through the recorded interviews and allowed the respondents to revise any of the text.

3 THEORETICAL FRAMEWORK

Section three starts with a description of CSR and its development over time, followed by a description of the Triple Bottom Line in order to get an overview of the concepts. Further, the MCS package by Malmi and Brown (2008) is presented and described extensively. Lastly, this section ends with a brief summary on how the MCS package is recognized in previous studies.

3.1 Corporate Social Responsibility

During the years, KPMG has managed to carry through a couple of surveys providing us with a review of a clearly increasing global trend in CSR reporting (see Figure 1). G250 stands for the world's 250 largest companies which for the last five years have fluctuated between 90 to 95 %, which highly depends on changes in the G250 list. The N100 survey group includes the top 100 companies in each of the 45 countries surveyed (KPMG, 2015).



Figure 1. Trends in CSR reporting (KPMG, 2015)

There are many definitions of CSR but despite the fact that the definitions vary, it is most often described as actions taken by an organization beyond what law requires. McWilliams and Siegel (2001) describe CSR as actions beyond legal duties by organizations in order to do something that is good for society, community, the environment and their employees. Only following the law does not automatically mean being socially responsible.

Internal CSR practices related to the social dimension mainly involves employees, such as investments in health and safety and human capital. The environmental dimension internally is mainly managed through the use of natural resources in production. CSR should not only be communicated internally but also externally by involving various stakeholders such as business partners, suppliers and customers. By working closely with the entire supply chain costs can be reduced as well as the quality can be improved (European Commission, 2001).

There might be different reasons why companies disclose CSR information and why CSR has become such an important management concept. It has for a long time been argued that CSR benefits the long-term profitability of a business (Davis, 1973) and that companies gain competitive advantages by being socially responsible (European Commission, 2001). Moreover, Matten and Moon (2008) argue that coercive isomorphisms such as governmental strategies and initiatives have a major impact on the spread of CSR, particularly in Europe. Bodies such as OECD and GRI might also be seen as isomorphisms, but in contrast to mandatory initiatives by governments, these are self-regulated and voluntary initiatives mostly seen as codes of conduct. Environmental standards such as ISO 14000 are also seen as isomorphisms issuing CSR policies.

Mimetic processes are another reason for the spread of CSR. Particularly, businesses believe that their operations are considered legitimate only if they are seen as “best practices”. For that reason, there is an increasing trend among companies in Europe where they are joining business coalitions for CSR and CSR training programs where they can learn how to develop best CSR practices. What might be considered as legitimate organizational practices are often influenced by standards set by normative pressures, such as educational and professional authorities. Leading business schools or institutions for higher education show an increasing trend in including CSR in parts of their business educations (Matten & Moon, 2008).

Even though there is evidence that coercive isomorphisms, mimetic processes and normative pressures have increased the spread of CSR, there is critique that CSR is not recognized in daily operations (Browne & Nuttall, 2013; Gray, 2010). EMA and Eco-control are two concepts that were introduced as an attempt of integrating CSR with companies operations. EMA has been explained in different ways. One way of describing it is that it includes monetary accounting. It has also been explained as including both monetary and non-monetary accounting (Burritt et al, 2002). Eco-control is seen as a part of EMA and a way of measuring, controlling and disclosing environmental performance (Henri & Journeault, 2010).

The importance of integrating MCS with CSR have appeared in more recent studies since MCS have become an important part of controlling a CSR strategy and making sure that it is actually operationalized (Gond et al, 2012; Arjaliés & Mundy, 2013; Kerr et al, 2015). Gond et al (2012) and Arjaliés and Mundy (2013) are using Simons’ (1995) levers of control as an analytical tool to investigate how companies use MCS to manage a CSR strategy. The last written article on the subject is the one by Kerr et al (2015). Specifically, they studied how

companies can integrate sustainability reporting (TBL) with an MCS (Balanced Scorecard) to implement a CSR strategy. Since sustainability reporting may be seen as an external reporting, the authors findings have shown how sustainability objectives, stakeholder accountability, interaction and communication of sustainability measures internally has been improved by integrating sustainability reports with a MCS.

3.2 Triple bottom line

John Elkington developed the TBL in the middle of the 1990s, which basically is an accounting framework including three dimensions of performance; social, environmental and financial. There are difficulties in terms of how to measure the three dimensions, particularly the social and environmental dimensions. Moreover, there is no universally standardized method for how to do the measurement since the measures in every dimension differ among companies, governments and nonprofit organizations. However, for companies, there are some traditionally used measures in each dimension, which are presented below (Slaper & Hall, 2011).

- *Financial measures* are the easiest to measure since they deal with the flow of money. One example of a measure that can be used in the financial dimension is the amount of taxes paid (Slaper & Hall, 2011).
- *Environmental measures* usually incorporate measurements such as sales dollars per kilowatt-hours, use of post-consumer and industrial recycled material, water consumption, the amount of waste to landfill and the amount of carbon emission (Slaper & Hall, 2011).
- *Social measures* could for businesses include measurements of average hours of training/employee and charitable contributions. It could also include safety measures such as safety incident rate and lost workday rate (Slaper & Hall, 2011).

3.3 MCS as a package

There is limited research on the idea of considering MCS as a package. There are several reasons why studying it as a package is preferable. One reason is that MCS should not be studied in isolation since a MCS is a package of different control tools which has to support each other. Studying MCS in isolation might lead to wrong conclusions since the different controls are related and influenced by each other. Moreover, studying MCS as a package may contribute to a better understanding of how to design the package with different types of controls in order to achieve organizational goals and facilitate organizational performance (Malmi & Brown, 2008).

The framework by Malmi and Brown (2008) is built on a clear distinguish between a system for decision-making and a system for control. MCS are mechanisms for directing and controlling employees' activities and/or behavior. If the system is not used by a manager to guide a subordinate's behavior it is not a MCS, but a system to support decision-making. Only managerial activities used to direct employees' behavior may be called management controls. For example, planning is only viewed as a MCS if it is used as a mechanism to create goal congruence. If it is exclusively used to support ex-ante decision-making, it may not be labeled as a MCS (Malmi & Brown, 2008).

By studying four decades of MCS research, Malmi and Brown (2008) developed the MCS package which includes five types of controls; administrative, planning, cultural, cybernetic and reward and compensation controls. See figure 2.

Cultural Controls						
Clans		Values			Symbols	
Planning		Cybernetic Controls				Reward and Compensation
Long range planning	Action planning	Budgets	Financial Measurement Systems	Non Financial Measurement Systems	Hybrid Measurement Systems	
Administrative Controls						
Governance Structure		Organisation Structure			Policies and Procedures	

Figure 2. Management control systems package (Malmi & Brown, 2008)

3.3.1 Administrative controls

In order to control behavior, managers use administrative tools. Administrative control systems help to guide employee behavior by organizing groups and individual, monitoring employee behavior and specifying the tasks to be performed. Administrative controls are divided into three subgroups; governance structure, organization structure, policies and procedures (Simons, 1987, cited in Malmi & Brown, 2008).

The governance structure refers to the composition and structure of the board, but also to different project and management groups. The governance is those who the employees are accountable to. Particularly, it deals with monitoring the employees' behavior. This subgroup of the administrative controls makes it clear what authorizations and obligations the

employees have (Abernethy and Chua, 1996, cited in Malmi & Brown, 2008). For example, Arjaliés and Mundy (2013) found that it is common that companies have a separate department that is responsible for managing the company's CSR. They found that these departments are responsible for formulating, implementing and monitoring the CSR for the whole company and to make sure that the entire company works in a socially responsible way (Arjaliés & Mundy, 2013). It also includes systems which guarantee that the people responsible for the different units meet to synchronize activities. This can, for example, be done by setting up deadlines and creating schedules which in turn will direct employees' behavior. The governance structure may look different in different companies (Abernethy and Chua, 1996, cited in Malmi & Brown, 2008). Moreover, in order to control CSR, it is crucial that there is an interaction between senior managers and operational managers which, as well, can be done by regular meetings (Arjaliés & Mundy, 2013).

Organizational structure can be designed to promote a certain relationship or contact (Abernethy and Chua, 1996; Alvesson and Karreman, 2004; Emmanuel et al, 1990, cited in Malmi & Brown, 2008), depending on if the structure is centralized or decentralized (Mintzberg, 1983). It functions as a control tool since it allows the managers to predict and direct a certain type of behavior (Flamholtz, 1983, cited in Malmi and Brown, 2008). Arjaliés and Mundy (2013) found that approximately 20 % of their studied companies formulated their CSR strategy at the top and then lower levels of the organization were expected to comply with it, making it more top-down managed. They found that approximately 40 % formulated their CSR strategy by involving all departments and discussed with different levels of the organization. Lastly, they found that approximately 40 % the CSR strategy was formulated at higher levels of the organization, but allowing new ideas from lower levels as long as they comply with the common CSR objectives for the entire company. Moreover, Gond et al (2012) argued that a dialogue between the top management and the employees is necessary to control the CSR of the company.

Policies and procedures are rather bureaucratic since it include rules and policies (Simons, 1987, cited in Malmi & Brown, 2008) and also what Merchant and Van der Stede (2007) call action controls, which include constraints on what behavior that is not allowed, what actions to be responsible for and pre-action reviews (cited in Malmi & Brown, 2008). Policies and procedures can as well be related to Simons' (1995) boundary system which commonly is defined as code of conducts and internal guidelines that might be related to some of the various voluntary regulations (Kerr et al, 2015; Arjaliés & Mundy, 2013).

3.3.2 Planning controls

Planning should be included in the MSC package when it is functioning as a tool for creating goal congruence and when it is used to make the employees feel committed to the plans. If the only purpose of the planning is to support ex-ante decision-making, it should not be included in the MCS. Planning allows companies to control in advance. This by first setting up goals for the various departments and then control the behavior. By planning in this manner, employees can easily know what is expected of them and what goals that has to be achieved. Furthermore, planning allows companies to align various departments and various objectives with the organization's overall goals. This is done by controlling the activities that take place in the different departments. Planning is further divided into *action planning* and *long-range planning*. Actions and goals for action planning are most often a period less than one year, whilst long-range planning is for medium and long-range which thus makes the goals more of a strategic manner (Malmi & Brown, 2008).

In one of the studied companies in the article by Kerr et al (2015), planning was essential for implementing a CSR strategy. For example, they stated how the company translated key objectives to specific action plans and even more specific further down in the organization, which basically ended up in job descriptions that had to be performed.

3.3.3 Cultural controls

Culture is a control system when it is used to influence employees' behavior. Malmi and Brown (2008) have identified three types of cultural controls; value-based controls, symbol-based controls and clan controls.

Value-based controls are described as Simons' (1995) belief system, which includes values and direction communicated by management aiming at subordinates to adapt to (cited in Malmi & Brown, 2008). The belief system can be used to create a gathered commitment to companies CSR objectives throughout the entire organization (Arjaliés & Mundy, 2013). For example, in the study by Kerr et al (2015), they showed how organizational values included commitment to environment and safety. Values such as "caring for the environment", "meeting people's needs now and in the future", "fairness", "future generations" and "balance" were communicated in the organizations studied by Kerr et al (2015). Organizations may recruit individuals with values that match organizational values. Individuals may also be socialized by changing their values to match organizational values. However, they can also adapt to the values even if they do not comply with them personally

(Malmi & Brown, 2008). It could also be done by communication tools, training and/or by establishing strategic CSR plans (Arjaliés & Mundy, 2013).

Symbol-based controls are described by Schein (1997) as organizational visible expressions, for example, workspace design such as open plan office and dress codes (cited in Malmi & Brown, 2008).

Clan controls were developed by Ouchi (1979) and are associated with values, culture and traditions that are established through ceremonies and traditions of the clan. Clan controls can serve as a basic control in some organizations. Basically, it relies on a socialization process which provides goal congruence within the clan (cited in Malmi & Brown, 2008).

3.3.4 Cybernetic controls

Malmi and Brown (2008) have identified and included four basic cybernetic controls in the package, namely; budgets, financial measures, non-financial measures and hybrids, including both financial and non-financial measures. In order to include cybernetic controls in the MCS package, it is important not to use it merely to support decision-making. Cybernetic systems are used as a MCS when behaviors are linked to targets and when accountability is established for performance. It is often associated with control (Malmi & Brown, 2008). Normally, the management or those responsible for the CSR are also responsible for reporting CSR performance (Arjaliés & Mundy, 2013). Kerr et al (2015) found that TBL could be used in this manner. They analyzed it using Simons' (1995) diagnostic system and found that performance measures were used diagnostically, i.e. to compare performance with targets. Moreover, Gond et al (2012) observed the importance of measuring CSR activities; otherwise, there is a risk that the CSR activities will be overlooked.

Budgets are used to make a comprehensive performance plan and execute an ex-post evaluation of those plans (Hansen et al, 2003 cited in Malmi & Brown, 2008). As a system for decision-making, budgets are used to integrate processes and resource allocation decisions. However, as a MCS, it is used to plan acceptable levels of behavior and then evaluate the performance against those plans (Malmi & Brown, 2008). In the study by Arjaliés and Mundy (2013), 50 % of the studied companies that used CSR-budgets used it at operational levels.

Financial measures are commonly used to control employees' behavior. Some measures may be related to the budget (Malmi & Brown, 2008), such as return on investment (ROI) and profitability (Ittner and Larcker, 1998, cited in Malmi & Brown, 2008). This cybernetic

control may be related to the financial dimension of the TBL (Slaper and Hall, 2011). According to Kerr et al (2015), some companies might rate the financial dimension as the most important dimension since profit could be seen as a constraint for being socially responsible. However, some of the studied companies in the article by Arjaliés and Mundy (2013) noticed the difficulties with measuring the financial outcome of CSR. This was because of the absence of CSR budgets which leads to that the companies might merely focus on performance that is measurable (Arjaliés and Mundy, 2013).

Non-financial measures have been increasingly important due to the limitations of financial measures. They may be used to identify drivers of performance (Ittner and Larcker, 1998, cited in Malmi & Brown, 2008). They may also be used to measure other aspects and Malmi and Brown (2008) gives TQM as an example. In the context of CSR, non-financial measures could be used to measure the environmental and social dimensions of the TBL (Slaper and Hall, 2011). Arjaliés and Mundy (2013) found that commonly used non-financial measures were related to accident rate, quality and carbon emission. Measures have been proven to be important for all companies studied by Arjaliés and Mundy (2013) since it increases the visibility of the companies' efforts and employees' behavior regarding CSR.

Hybrid measures include both financial and non-financial measures and in recent years, the Balanced Scorecard (BSC) has become increasingly popular as a MCS (Greenwood, 1981; Kondrasuk, 1981; Ittner & Larcker, 1998; Kaplan & Norton, 1992, 1996a, b, 2001a, b; Malina & Selto, 2001, cited in Malmi & Brown, 2008). The study by Kerr et al (2015) suggests integrating TBL with MCS and has found several advantages of using BSC as a MCS in this context. First, it is more likely that the TBL will be operationalized when it is integrated with BSC. Second, by integrating TBL with BSC broader stakeholder accountability was achieved. Third, TBL can be reformulated into organizational principles by using BSC. Fourth, BSC contributes to communicating the TBL in the organization.

3.3.5 Reward and compensation controls

Reward and compensation systems are used to motivate and increase the performance of the employees by linking rewards to control *effort direction* (what assignments employees pay attention to), *effort duration* (how much time the employees spend on the assignment) and *effort intensity* (how important the assignment is for the employees). They are often linked to cybernetic controls, but can also be linked to other things, such as retaining employees and encourage cultural control (Flamholtz et al, 1985; Bonner and Sprinkle, 2002, cited in Malmi

& Brown, 2008). Compensation plans can be important to encourage the managers to improve their performance in CSR activities (Arjaliés & Mundy, 2013). Arjaliés and Mundy (2013) found that companies linked only a small part of the performance in CSR to compensation programs for managers and that not all managers were part of this compensation program. They found that the part of CSR that the managers were rewarded for had a financial impact on the company. Those companies that did not include compensation programs for CSR claimed that their CSR was reflected in the financial outcome which the employees were rewarded for, or they just did not prioritize CSR enough.

3.4 MCS package in previous studies

As has been mentioned before, there are previous studies on how to integrate MCS with CSR. These studies have used Simons' (1995) levers of control as an analytical tool. In figure 3 you will find a summary of how the control tools in the MCS package have been recognized in previous studies. The previous studies will be helpful when analyzing the empirical data from the studied companies. The previous studies will also strengthen our conclusions.

MCS	Previous studies
Administrative controls	
Governance structure	Common with separate departments responsible for controlling CSR (Arjaliés & Mundy, 2013). Interaction between the senior managers and operational managers essential for controlling CSR (Arjaliés & Mundy, 2013).
Organizational structure	CSR can be top-down managed. CSR can be managed by involving all departments and the different levels of the organization. CSR can be managed at the top, with certain involvement from lower levels in order to ensure commitment to the common CSR objectives (Arjaliés & Mundy, 2013). Open dialogue between top management and employees are essential for controlling CSR (Gond et al, 2012).
Policies and procedures	Boundaries such as code of conducts, internal guidelines, voluntary regulations (Kerr et al, 2015; Arjaliés & Mundy, 2013).
Planning controls	Planning essential for implementing CSR strategy. Key long-term plans translated into action plans and job descriptions (Kerr et al, 2015).
Cultural controls	
Value-based controls	Value-based controls used to create gathered commitment to CSR by communication tools, training or CSR plans (Arjaliés & Mundy, 2013). Organizational values can include CSR aspects (Kerr et al, 2015).
Symbol-based controls	No previous studies
Clan controls	No previous studies

Cybernetic controls	
Budgets	CSR budget used at operational levels (Arjaliés & Mundy, 2013).
Financial measures	Financial measures important since profit is essential for being socially responsible (Kerr et al, 2015). However, companies have found it difficult to measure the financial outcome of CSR (Arjaliés and Mundy, 2013).
Non-financial measures	Non-financial measures increase the visibility of CSR (Arjaliés & Mundy, 2013).
Hybrid measures	Kerr et al (2015) have studied how BSC can be integrated with TBL.
Reward and compensation	Reward and compensation linked to limited parts of the CSR and parts related to financial outcomes. Reward and compensation linked to a limited number of managers (Arjaliés & Mundy, 2013).

Figure 3. Summary of how the MCS package is recognized in previous studies

4 ABOUT THE COMPANIES

This section presents overall information about the four different studied companies, in order to understand what kind of company they are, the size of the company, in what industry they operate, what they manufacture or distribute and when they were established.

4.1 Arvid Nordquist

The story of Arvid Nordquist started in 1884 as a delicatessen in Stockholm. The third generation family owned company is a leading distributor of food, coffee, wine and beer acting within the food industry in the Scandinavian countries (Arvid Nordquist, n. d.¹). They are distributing known food brands such as Tabasco and Sun-Maid, but they also have a wide range of international wine and beer brands. Moreover, they are producing their own coffee and tea brand named after the company (Arvid Nordquist, n. d.²). In January 2016, they entered a collaboration with Kellogg's which made them responsible for sales and distribution of products by Kellogg's within the Swedish market, which also includes Pringles (Arvid Nordquist, n. d.³).

Arvid Nordquist is a family owned company with roughly 200 employees and a turnover in 2015 of approximately SEK 2 billion (Ek, personal communication, 19 April 2016). Since their turnover is exceeding EUR 50 million and their balance sheet total is exceeding EUR 43 million, Arvid Nordquist is classified as a large company (European Commission, 2015).

Arvid Nordquist has a clear focus on sustainability issues, acknowledged on their web page;

“Sustainability for Arvid Nordquist means taking responsibility for the environment, people and economy within our own organization as well as in our value chain and in our surrounding community” (Arvid Nordquist, n. d.⁴).

Their objective is to offer organic, fair trade and sustainability certified products to their customers. They want to be a good employer and a good global citizen (Arvid Nordquist, 2015a). During the last years, Arvid Nordquist has managed their business by different sustainability certifications. Basically, their aim is to invest in products with sustainability certifications, which they believe will contribute to UN's global sustainable development goals. Among all the sustainability certifications used at Arvid Nordquist's products, 18 are related to 10 of UN's 17 global goals (Arvid Nordquist, 2015b).

4.2 Svensk Cater

Svensk Cater is a full-range wholesaler to the Swedish catering and restaurant industry and operates within Sweden, with 20 local offices. Svensk Cater is fully owned by Euro Cater A/S which comprises both Svensk Cater and Dansk Cater. Svensk Cater has a turnover of SEK 3.5 billion with approximately 700 employees. According to the guidelines by European Commission (2015), Svensk Cater is classified as a large company. With a product range of over 52 000 products, they serve almost 14 000 customers annually. They offer both well-known international brands as well as local products from nearby producers, partly for environmental reasons because shorter distances benefit the environment (Svensk Cater, *n. d.*¹).

At the time of writing, Svensk Cater is working on the implementation of the Food Safety Management System, built on the requirements of ISO 22000 standards (Euro Cater, *n. d.*). They have yet three offices left to certify (Svensk Cater, *n. d.*²).

4.3 Veidekke

Veidekke operates in the construction and property development business and works with the development of construction, infrastructure and housing. Veidekke is Scandinavia's fourth largest company within the construction industry with a turnover of approximately NOK 25 billion (~SEK 30 billion) in 2014 and approximately 7 000 employees (Veidekke, *n. d.*¹). Veidekke is listed on Oslo Stock Exchange since 1986 (Avanza, 2016). Veidekke's employees together own 20 % of the company and it is an explicit goal of Veidekke that the employees should own shares in the company (Veidekke, *n. d.*¹).

Veidekke has three business areas in Sweden; Construction, Industrial and Property Development. *Veidekke Building Construction* is focusing on building construction and civil engineering, particularly the construction of public buildings such as commercial buildings and schools. Civil engineering involves projects such as transport, hydropower and wind farms. *Veidekke Industrial* is involved in asphalt operations and in the operation and maintenance of public roads. *Veidekke Property Development* focuses on acquiring land and properties and developing them into residential buildings (Veidekke, 2015a).

The company started with road surface in Norway already in 1936 and has since then expanded its operations and increased its geographical area. In addition to Norway where they have their registered head office, they also operate in Sweden and Denmark (Veidekke, *n. d.*¹). Both in Norway and Denmark they operate nationwide, but in Sweden, they only

operate in central regions such as Stockholm, Gothenburg, Malmö and Helsingborg (Veidekke, 2015a).

One of Veidekke's principles is CSR, which is also an important part of the corporate culture. Veidekke's CSR covers issues such as occupational health and safety, environmental protection, ethics and anti-corruption (Veidekke, 2015b). Veidekke has clear internal guidelines because they often end up in situations that are on the boundary between legal business and illegal corruption and on the boundary between safe work and endangerment of safety. They strive to keep up with global changes and development of rules and attitudes in society (Veidekke, 2014).

Veidekke uses GRI (version G3.1 of the standard) as a framework for the reporting of corporate responsibility, which they have done since they began to disclose information about their CSR in 2005. The company complies with the international standard ISO 26000 and follows up all parts of this standard in their work with CSR (Veidekke, n.d.³). Due to the increasing demands customers place on climate and sustainability, Veidekke has now solid knowledge of the most common certification standards such as Svanen, LEED, Green Building, BREEM and Miljöbyggnad. The business area Veidekke Construction has the major environmental impact since its operations cause large amounts of carbon emissions and transports. The other major impact Veidekke Construction has on the environment comes from machines. They have decided to comply with the latest directives regarding the age of machines and requirements for oils and fuels (Veidekke, n.d.⁴).

4.4 NCC

NCC is the third largest construction and property development company in Sweden with a market share of 5 % in the Nordic region, which is also their home market. In 2015, the Group had a turnover of SEK 62 billion and approximately 18 000 employees (NCC, n.d.¹). They are a multinational company listed on Stockholm Stock Exchange (OMX Stockholm, Large Cap) and were founded by the investment company Nordstjernan (NCC, n.d.³).

They are operating within four business areas; industrial business area, construction and civil engineering business, property development business area and housing. They construct buildings, roads, facilities, civil engineering structures as well as other infrastructures. The *industrial* business area is mainly focused on stone aggregates and asphalt production. The *construction and civil engineering* business are conducted in the two separate business areas *NCC Infrastructure* and *NCC Building*. The infrastructure business area works on designing,

constructing and producing infrastructure projects. NCC's largest business area, NCC Building, builds residential buildings and offices, as well as public and commercial buildings such as schools, hospitals and stores. The *property development* area develops and sells sustainable logistics, retail and office properties in growth markets. NCC *Housing* which develops houses is still part of NCC but is since 1st of January 2016 a separate and independent company (NCC, n. d.²).

Their engagement in CSR is acknowledged in their vision; “*We shall renew our industry and provide superior sustainable solutions*” (NCC, n. d.¹). Their sustainability report is prepared in accordance with the GRI G4 Core guidelines. They choose what sustainability issues are the most important by internal analyses of their strategic issues, by societal drivers and stakeholders also have a say in the matters. Since NCC is one of the leading companies in the construction industry, they have chosen to actively focus on their CSR work. The efforts are focused on climate and energy, on material and waste, on occupational health and safety and on ethics and compliance (NCC, 2015).

4.5 Company overview

Industry	Company	Turnover	Staff members	Listed
Food industry	Arvid Nordquist	≈SEK 2 billion	≈200	Not listed
	Svensk Cater	≈SEK 3.5 billion	≈700	Not listed
Construction industry	Veidekke	≈SEK 30 billion	≈7 000	Oslo Stock Exchange
	NCC	≈SEK 62 billion	≈18 000	Stockholm Stock Exchange

Figure 4. Company overview

5 EMPIRICAL FINDINGS

In this chapter, the findings from the interview sessions are presented. The empirics from each company are divided into the different control systems described by Malmi and Brown (2008). Absence of discussion of a certain control system means that the specific company is not using that tool to control CSR.

5.1 Arvid Nordquist

5.1.1 Administrative controls

Arvid Nordquist's senior management team includes a senior sustainability manager named Peter Dannqvist. However, the responsibility is not allocated to only Dannqvist, yet everybody in the team is highly involved and engaged in the issues related to CSR. Dannqvist has his own team, including sustainability managers for each business unit and Ek is one of them. All employees have to fulfill a CSR related education when they start working at Arvid Nordquist. The sustainability managers of each department is responsible to follow up and ensure that the employees follow the rules, guidelines and goals set by the senior management team. The purpose of the CSR related program is to create an awareness of CSR among the employees already from the start (Ek, personal communication, 19 April 2016).

Quarterly, the senior management team has a formal meeting dedicated to CSR issues. They discuss their future plans and set up deadlines regarding when the plans should be fulfilled. Whether the plans have been achieved or not is discussed in the next meeting regarding their sustainability work. They check how well they have performed in relation to the goals and what problem areas they are facing (Ek, personal communication, 19 April 2016).

The product managers are the core functions of the business since they are having contact with both producers and customers. Arvid Nordquist is highly dependent on the entire value chain in order to achieve their long-term goals regarding CSR. To ensure that the whole value chain is taking CSR issues into account, the product managers are central. The sustainability managers communicate information to the product managers, who in turn distribute this information to producers and customers in the value chain. In this manner, decentralization is important as they are in constantly need to have a dialogue within the company in order to ensure that everybody, especially the product managers, are aware of the importance of CSR, so they can pass it on in the value chain (Ek, personal communication, 19 April 2016).

Arvid Nordquist has specific rules and policies linked to CSR issues. For example, they follow an anti-corruption policy that is based on the foundation "Institute against bribes" which sets up ethical rules for how to run the business. Ek believes that corruption is a huge problem which has to be considered. Since they are dependent on external partners and work in collaboration with others, they have to be careful not to be involved in this kind of issues. It is of great importance *who* performs the third-party certification (independent organization reviewing the manufacturing process). This to ensure that it is a fair certification without bribe since it is common that producers pay an amount of money to get the certification even though they do not comply with the rules required to become certified (personal communication, 19 April 2016).

Moreover, most of the policies are integrated into the Code of Conduct, such as an environmental policy, a food safety policy and an occupational health and safety policy. Regarding the food safety policy, they have hired external consultants with an expertise in the area since it is a comprehensive and demanding area (Ek, personal communication, 19 April 2016).

5.1.2 Planning controls

In 2014, the company decided to focus more attention on CSR. Their vision is to be associated with sustainability (Arvid Nordquist, 2015b). Therefore, they hired consultants who charted the entire process from production to sales. By understanding where their greatest impact on the environment is, they could also understand what opportunities they have to influence their operations in the right direction. They have identified the main areas that they work with and have set up long-term goals to be met by 2020 (Ek, personal communication, 19 April 2016).

These long-term goals can be found on their web page;

- They shall have at least 80 % certified products, whereof coffee should be 100 %, wine and beer 75 % and food 50 %.
- At least 50 % of the business shall be fossil-free, where the biggest challenge lies in inward deliveries since it is hard to control what type of transport and fuel is used by the suppliers.
- 100 % of their major suppliers shall be audited, in order to ensure good performance on sustainability issues.

- 90 % of their customers, suppliers, coffee consumers and employees shall associate them with sustainability, which is their vision (Arvid Nordquist, 2015b).

The long-range plans are further broken down into action plans at each business unit (Ek, personal communication, 19 April 2016). However, to achieve these goals, Arvid Nordquist is dependent on other actors such as their suppliers, customers and other partners, and how they are handling sustainability issues (Arvid Nordquist, 2014). An important part of the action plans is, therefore, to work with suppliers so they are 100 % audited. This applies to all business units. The action plans are mainly about having an open dialogue with the entire value chain and ensure that everyone are dealing with CSR issues. This is also important in order to achieve 80 % certified products. In order to make 50 % of the business fossil-free their action plans are, for example, to make the roastery fossil-free by using biogas (which will be actualized in 2017), recycling waste heat and obtaining solar cells. Also, they want all their cars to be electric and the transports to the customers to be fossil-free. Lastly, in order to be associated with sustainability their action plans have been, for example, to establish a communication strategy, which can be indicated by the fact that they from 2015 are publishing their CSR report externally (Ek, personal communication, 19 April 2016).

5.1.3 Cultural controls

Ek believes that the majority of the employees are highly involved in the CSR and it is a value people at Arvid Nordquist would like to associate themselves with. The involvement might be an effect of the CSR related education the employees get when starting at Arvid Nordquist. Ek also believes that the reason that many people want to work at the company is because they have come a long way in these matters. An example of that the employees care about CSR is that when Arvid Nordquist achieved a 100 %-certification of their coffee two years ago, it was not just the managers who were happy but the entire company. Similarly, if a wine sort becomes organic, they ensure that all employees in all departments get to know this. Ek also believes it is important to recruit those who are interested in CSR related issues since it signalizes cleverness and commitment by the whole company. Moreover, in recent time they have also observed that people interested in working for Arvid Nordquist are those with certain values related to CSR (personal communication, 19 April 2016).

Their 100 %-certified coffee was not only communicated externally but also internally by breaking it down into understandable meaning for the employees. They embody this by explaining to the employees that it, for example, means that they are planting 110 000 trees

per year in Nicaragua. This is in order to make it more concrete and quantifiable. In fact, they try to concretize all the organizational goals into understandable meaning for the employees (Ek, personal communication, 19 April 2016).

All employees meet a few times a year and CSR related issues are always on the agenda. They also have generous grants to employees regarding the right to work-out during working hours and that kind of activities (Ek, personal communication, 19 April 2016).

5.1.4 Cybernetic controls

Arvid Nordquist is using budgets to calculate costs related to CSR, which they follow up quarterly. The costs are allocated merely to PR and consulting expenses. Other CSR related costs, such as product development, are not included in the CSR budget. Instead, the different business units are considering these types of costs in their budget. They do not anticipate any revenues since they believe that these numbers would be too hypothetical because the revenues are difficult to predict. They are a profit making company and they do of course expect to benefit from their work with CSR also financially, at least on a long-term basis, but they are not including revenues from CSR in the budget. They do, however, use financial measures for the profitability, but it is not directly related to CSR (Ek, personal communication, 19 April 2016).

Non-financial measures are used to measure the congruence with the long-term goals, which are basically related to environmental issues. The certifications ISO 9000 and ISO 14000 are actively followed up with the guidance of a hired consultant and these standards include social measures such as occupational health and safety and food safety. Annual revisions are done after having checked where there have been deviations. In general, there is a question of very small deviations which are often positive and, according to Ek, the deviations may be because the targets have not been sufficiently high (personal communication, 19 April 2016).

Moreover, if negative deviations appear, actions are taken to prevent them from happening again. For example, if there has been a safety deviation in the roastery, the local manager will gather the employees and go through the regulations. In this way, they use their non-financial measures to control the employees' behavior (Ek, personal communication, 19 April 2016).

5.2 Svensk Cater

The CSR concept is something Svensk Cater recently started to focus wholeheartedly on. Previously they focused their attention merely on environment and quality but now they will

also include social aspects. Stigen is responsible for building up a new control system for CSR.

Svensk Cater sees themselves as a major player in the community, with a focus on delivering food with good quality. It is important that this is done in a good way for both the environment and the employees and this is the reason why they are certified with ISO 14001, ISO 22000, MSC, KRAV and Council Regulation (EC) No 834/2007 on organic production and labeling of organic products.

5.2.1 Administrative controls

Fredrik Stigen is part of the top management at Svensk Cater. He works closely with the people who are responsible for CSR at Dansk Cater and the parent company Euro Cater and together they try to find solutions and areas of improvement. In collaboration with Dansk Cater, Euro Cater and the management team at Svensk Cater, Stigen set up goals to be achieved at Svensk Cater. Together with the local offices he builds up local actions plans for how they can achieve these goals. Each office has appointed representatives who are functioning as Stigen's right hand. For example, environmental representatives, safety representatives and self-control representatives who handles issues regarding quality and food safety. These representatives meet quarterly in a team together with the management. The representatives ensure that the CSR work is done and is progressing at each local office (Stigen, personal communication, 4 May 2016).

Moreover, the various managers in the top management team are working with CSR issues to the extent where it is possible. For example, the purchasing manager is working on building routines for how they can reduce transport distances and so forth. Twice a year, the top management team at Svensk Cater meets and presents their different areas and CSR is closely discussed among them. Stigen also meets the people responsible for CSR at Dansk Cater and Euro Cater and goes through the work with CSR at the various local offices. In this way, they can ensure that they actually do what they say they are doing. Also, Stigen is responsible for informing the Board about his work and prosperities regarding their CSR during the past year (personal communication, 4 May 2016).

- "*We work centrally but decentralized.*" This means that they have a central function, where Stigen is working and the different local offices are treated as independent businesses. Those who sit centrally functions more as a supportive function and look at the opportunities for each local office (Stigen, personal communication, 4 May 2016).

They have a plethora of different policies at Svensk Cater which is decided by the management team, for example, personnel policy, occupational health and safety policy, diversity policy, food safety policy, environmental policy and car policy (Stigen, personal communication, 4 May 2016). The food safety policy follows the official requirements, laws and the requirements according to safety that is agreed upon with customers. All employees receive education and training in order to make sure that the work they perform is in line with current food safety policy, to show high environmental awareness and to consider suggestions for environmental improvements from employees. The impact of this initiative is regularly evaluated. Svensk Caters environmental policy is to constantly work to improve the environmental aspects and reduce pollution. Environmental issues are something they talk openly about with all the various stakeholders (Svensk Cater, n. d.²).

Their various policies should reflect a summary of what they are working with. The different policies are controlled every year with external and internal auditing. They have a Food Safety Management System with the intention to ensure good quality of the food they deliver. The management system is digital and used internally in the form of automatic controls where the employees have to carry out random sample controls of the products. Another routine may be that they will have to arrange a meeting which thereafter has to be reported in this digital management system (Stigen, personal communication, 4 May 2016).

5.2.2 Planning controls

“Working with CSR issues should not be something you do just because it is trendy, without knowing why you are actually doing it.” (Stigen, personal communication, 4 May 2016)

Right now they are in a stage where they investigate what they can do in the future. They work actively with CSR but they have no long-term goals at the moment. An example of a previous long-term goal was to reduce electricity consumption by 10 % within 5 years. This goal was broken down into action plans at each local office. The action plans could look different since each local office has different opportunities. Stigen worked supportively with the different local offices and together they reached solutions for how to achieve the goal. They managed to fulfill this goal and they are now waiting to find out what the next long-term goal should be. Proposals have been presented; however, decisions have not yet been made since they still are in the introduction phase of the new CSR concept. For example, they want to actively work with reducing the carbon emission and food waste and increase the sales of sustainable products. Moreover, they want to continue working with reducing the electricity

consumption, with optimizing the transports, with diversity and with reducing the number of sick leave (Stigen, personal communication, 4 May 2016).

Right now they are working on finding a better way to compile their work with CSR. They want to combine it into one big report. They have hired consultants to help them work with this plan. Stigen does not believe that there are risks that people go different ways as a result of that they currently do not have any long-term plans. This is because there are policies which cannot be postponed (personal communication, 4 May 2016).

5.2.3 Cultural controls

Due to the fact that they work very locally and differently at the various offices, CSR cannot be reflected in one common corporate culture. In the various policies, however, there are some keywords, such as "decrease the use of resources", "ensure good quality of the delivered food to our customers" and "caring for employees" that reflects the corporate culture.

All employees starting working at Svensk Cater have to participate in an education program. They have various education materials regarding CSR suited to whether they start working as a driver, with purchase or with economics for example. The challenge is that all employees have different understanding of CSR and different conditions, and they have to ensure that the employees know why they actually work in a responsible way and how they contribute to the society by working in a responsible way (Stigen, personal communication, 4 May 2016).

Stigen believes that communication of all forms is the most important tool to improve and control the work with CSR. Communication can be done with the help of policies, education and training and planning for example. Humility to the employees is also important according to Stigen. Forcing information that is difficult to understand to another person is not a good way to improve the work with CSR. Real understanding of CSR and by explaining the background to why they have to work in a certain way requires humility and communication from the management (personal communication, 4 May 2016).

5.2.4 Cybernetic controls

So far, they have no specific item in their budget at a central level that is related to CSR as they are still in the startup phase with the new concept of CSR. They have mostly worked with CSR in the form of goals. However, each local office has its own budget and works independently from the others but no office has an item that is clearly related to CSR. Instead, the costs that are related to CSR are integrated into other items (Stigen, personal communication, 4 May 2016).

They have been environmentally certified for many years. According to Stigen, the hard part is that much of the environmental work has a long-term perspective, but there is a need to demonstrate measurable economic results quickly. For example, when they worked to reduce the electricity consumption, it took almost a year before they could see why they spent their money on this and how it benefits the environment (personal communication, 4 May 2016). In order to reduce their negative effect on the environment, for example by reducing the carbon emissions, they regularly measure and record their impact on the environment (Svensk Cater, n. d.²). However, as has been mentioned before, they have just started working with the new concept and are looking for a good way of compiling the work with CSR. They have ambitions to measure the performance using the TBL and more precisely to create measures for the work with CSR in all the three dimensions.

For example, in order to measure their work with minimizing the electricity consumption they use "Electricity consumption per sales". To measure their optimization of transports they measure "Number of miles per cost". As mentioned before, they are currently in the process of finding measures for the rest of the plans regarding CSR. They are continuously using non-financial measures to control why it has become as it has become. For example, if they have a high rate of sick leave, why is it like this and how can they minimize it (Stigen, personal communication, 4 May 2016)?

The outcome from CSR may as well be reflected in the profitability of the firm since their commitment to CSR is highly related to their economic success. The different measures are communicated at each local office and on the various departments at the local offices (Stigen, personal communication, 4 May 2016).

5.2.5 Reward and compensation controls

Svensk Cater has bonus and reward system linked to each office and the various offices economic success. What results the various offices show is an end product of all the different parts, where CSR and environmental aspects are highly involved (Stigen, personal communication, 4 May 2016).

5.3 Veidekke

5.3.1 Administrative controls

The Board of Directors and the corporate management are responsible for the CSR at Veidekke. The Group Director Hege Schøyen Dillner is primarily responsible for the CSR and is together with the corporate management and the Board managing the CSR. According

to Håkansson, Veidekke has a history of being decentralized. This means that not all decisions must go through the Board and the corporate management; there is a certain freedom. Some frames are set by the Board and the corporate management, but then it is up to the various business units to live up to these ambitions. In Sweden, Håkansson is responsible for the CSR at Veidekke Industrial, while his colleague Johan Alte is responsible for the CSR at Veidekke Building Construction and Property Development. They meet on a regular basis to discuss CSR issues and areas of improvement related to CSR (personal communication, 19 April 2016).

The role of the corporate management is to find common needs among the Group and thereafter set goals and requirements. The Board of Directors and the corporate management set ethical guidelines that apply for the whole Group in order to direct behavior in the operational work (Veidekke, 2015b). The ethical guidelines are used as a framework for how to act ethically and socially responsible. The guidelines are also used to direct behavior in collaboration with external partners. Specifically, everyone that works for or with Veidekke has to act ethically and is socially responsible (Veidekke, 2014). The ethical guidelines are further described in Figure 5. Together with the goals of the Group; operational initiatives are implemented within the different business units. As long as the managers follow the core values and regulations they have freedom to make decisions on their own (Håkansson, personal communication, 19 April 2015).

Håkansson believes that they are taking social responsibility, and they see themselves as a major player in society. They are building the society and thus want to influence the debate and play their part. They therefore also have some rules and policies related to CSR. All their buildings they build on their own are certified in accordance with, for example, Svanen, Miljöbyggnad and BREEM. They follow specific guidelines such as UN guidelines and the internal ethical guidelines that are communicated by the top management. Involvement is a guiding star which they want to be characterized with. Involvement means that they work together with their employees, but also with the customers, suppliers and society at large. They have a number of activities such as kick-off meetings, planning, knowledge management and much more. Especially in the early stages they talk a great deal about CSR (personal communication 19 April 2016).

Ethical guidelines	
<i>Openness, dialogue and notification</i>	Veidekke encourages an open culture with an open dialogue and has a notification procedure that reports all irregularities that do not comply with the Norwegian Working Environment Act.
<i>Occupational health and safety</i>	Veidekke has a zero-injury goal, which indicates a focus on safety among employees. They do not tolerate bullying and abuse and are encouraging respect and politeness.
<i>Environment</i>	Veidekke has a goal to have the best environmental practices. During the whole lifecycle of a project, they have a promise to address environmental issues.
<i>Market and competition</i>	Veidekke is not complying with unlawful collaborations and are not performing any illegal influences of markets. They are complying with the competition legislation.
<i>Anti-corruption</i>	Veidekke is not complying with any form of corruption.
<i>Undeclared work</i>	Veidekke is strongly against undeclared work and are contributing to the minimization of undeclared work
<i>Fraud</i>	Fraud is not tolerated at Veidekke. The employees shall be honest and fair to the company, customers, suppliers and partners
<i>Conflict of interests</i>	The employees are expected to be loyal to the company, the company's interests as well as with the law and regulations.
<i>Business hospitality, customer care, travel and gifts</i>	The employees at Veidekke are allowed to arrange social gatherings, meals or entertainment on behalf of the company, only if the activity is clear professional and related to the business.
<i>Inside information</i>	No trades or advises on trading in Veidekke's shares based on inside information are allowed.
<i>International agreements</i>	Veidekke has promised to work for improvements in the working environment, labor relations, health and safety. They support ILO Declaration on Fundamental Principles and Rights at Work. Moreover, they support UN human rights convention.

Figure 5. Veidekke's ethical guidelines (Veidekke, 2014)

5.3.2 Planning controls

Veidekke has the ambition to be a leader in the reduction of greenhouse gas emissions within the construction industry (Veidekke, 2015b). According to Håkansson, after the Paris climate meeting in December 2015, long-term plans were introduced to gradually reduce their greenhouse gas emissions by 3-5 % per year. It is up to the various business units to find their way to gradually reduce their climate impact. This is presented in figure 6. The department where Håkansson is responsible, they are working to achieve this goal by seeking to reduce material consumption and use environmentally certified engines in the machines (personal communication, 19 April 2016).

Area	Our ambitions	Main target for 2015	Target achievement 2015	Targets for 2016
The environment and climate change.	Veidekke shall be a leader in our industry within reduction of greenhouse gas emissions and protection of the environment.	Specify measurable goals for environmental impact reductions and greenhouse gas emissions.	Veidekke has cemented its environmental ambitions by committing to operate in accordance with the UN's two-degree target.	To ensure that operations are conducted in line with the two-degree target, all the units are now working to define concrete measures.

Figure 6. The environment and climate change (Veidekke, 2015b)

In addition to the environmental long-term goals, Veidekke also has objectives regarding occupational health and safety which is also one of the ethical guidelines (Veidekke, 2014; Veidekke 2015b). See figure 7.

Area	Our ambitions	Main target for 2015	Target achievement 2015	Targets for 2016
Occupational health and safety	Priority 1: Zero serious injuries Priority 2: Prevention of three out of four injuries	Increase the safety work to attain the goal of zero serious injuries.	<ul style="list-style-type: none"> All Veidekke's units have started work on implementing the six prerequisites for attainment of the goal. The number of serious injuries was reduced by 37% from 2014 to 2015. The total number of injuries was reduced by 22% from 2014 to 2015. 	Specify more detailed measures in all the units with a view to achieving the goal of zero serious injuries.

Figure 7. Occupational health and safety (Veidekke, 2015b)

Moreover, in line with the ethical guideline regarding undeclared work, Veidekke is also considering the economic dimension in CSR by ensuring that their suppliers pay taxes properly (Håkansson, personal communication, 19 April 2016). They have a long-term goal to contribute to the minimization of undeclared work (Veidekke, 2014).

5.3.3 Cultural controls

Veidekke has created a compass which they call the “Veidekke House”. The Veidekke House is used both internally and externally to communicate Veidekke’s vision and values. The Veidekke House describes who the Veidekke-people are, what they stand for, how they work and how they handle questions about ethics and morality and should imply for everybody that works for and with the company (Veidekke, n. d.²). According to Håkansson, they are a value based company and all employees are aware of the values in the Veidekke House. It is important that those who are employed have traits that are well suited to Veidekke's way of doing business and its culture. The values and visions at Veidekke have not always been highly focused on CSR, but the focus is increasing (personal communication, 19 April 2016). The values in the Veidekke House are described below.

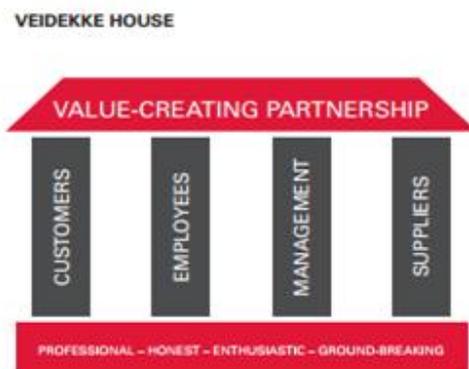


Figure 8. The Veidekke House (Veidekke, 2015b)

- *Professional* deals with how to act ethically, legally and respectfully. It is a promise by Veidekke to provide their colleagues, customers and partners with the best advice.
- *Honest* deals with openness and loyalty. It is a promise by Veidekke to follow the law and societal norms.
- *Enthusiastic* means that Veidekke is engaged in what they do and are actively seeking profitable solutions.
- *Ground-breaking* is about providing the company with new thinking, ambitious goals, new working methods and be the leading company in the industry (Veidekke, 2014; 2015b).

According to Håkansson, they have very clearly expressed values at Veidekke. Ethical guidelines and continuous training are very important due to the fact that the construction industry previously has done a great deal of ethical transgressions. They have zero tolerance for people who do not follow agreements. If someone sees that there is an ethical violation, they have a whistleblowing system and violations shall be reported to the Ethics Council. Whether employees can be sanctioned depends on how big the violation is, but there is an order which says that employees are entitled to one verbal warning and then two written warnings (personal communication, 19 April 2016).

A new initiative by the Board is that every employee has the opportunity to take two days off per year to work with helping refugees or other CSR activities. This is not externally promoted, but the aim is to build an internal proudness. Håkansson believes this will help employees feel greater pride for the company (personal communication, 19 April 2016).

5.3.4 Cybernetic controls

Veidekke has a budget that includes different cost items of CSR, but the budget is not "earmarked" CSR. The costs allocated to CSR have increased in recent years. They have, for example, employees working full-time to control their suppliers. They do not, however, quantify the business benefits of working with CSR in the form of revenues (Håkansson, personal communication, 19 April 2016).

As previously mentioned, the responsibility for how to contribute to reducing the climate impact is allocated to each business unit (Håkansson, personal communication, 19 April 2016). This is also stressed in the CSR report from 2015. Since the business units differ, they have to adopt different approaches. This also leads to the use of different measures (Veidekke, 2015b). They have, however, non-financial measures that are common for the entire

organization. These are measures related to the environmental dimension, where they two to three times a year follow up their environmental impact and carbon emissions. Previously, they were only required to report the company's own emissions, now they are also reporting the emissions for the whole value chain (Håkansson, personal communication, 19 April 2016)

With reference to one of the ethical guidelines and the long-range plans, Veidekke has a zero-injury goal that is controlled by a social measure as number of accidents per hundred thousand working hours (Håkansson, personal communication, 19 April 2016).

In addition to the environmental and social measures, Veidekke is also considering financial measures related to the ethical guideline about undeclared work. They are monitoring undeclared work by following up wages of the employees, both at Veidekke but also at their suppliers. This ethical guideline is especially important because more and more foreign labor is offered. Moreover, they are using basic financial measures such as profitability of the firm (Håkansson, personal communication, 19 April 2016).

5.3.5 Reward and compensation controls

There are individual bonus systems connected to CSR. For example, the manager will receive a bonus if there has been a reduction in the number of accidents. The bonus system applies to the different managers (Håkansson, personal communication, 19 April 2016).

5.4 NCC

In the Annual Report from 2015, NCC has added a Sustainability Framework. The intention with the framework is to decrease the negative impact on the environment and on society and at the same time increase the value for the stakeholders (NCC, 2015).



Figure 9. NCC's Sustainability Framework (NCC, 2015)

The framework was recently developed and is still in progress but the aim is to capture what sustainability means for NCC, based on the three dimensions; economic, environmental and social. Specifically, the framework shows what parts of the framework NCC can influence and contribute to the most, as well as in which parts they have the most negative impact through their operations (Lindbäck, personal communication, 19 April 2016).

The environment is a dimension that is highly exposed to their operations, but at the same time, the environment is the dimension NCC can influence the most (*climate and energy; materials and waste*). The social dimension is particularly important for NCC since the construction industry is a risky workplace and their aim is to create a safe and sound working environment (*health and safety*), but the *social inclusion* is also relevant in this aspect. The *compliance* function is a backbone for the whole framework because an absence of compliance will label them as an untrusted business partner. The *portfolio performance* is the outcome of the other five parts of the framework and represents the sustainable products and services offered (for example, green asphalt) (Lindbäck, personal communication, 19 April 2016).

5.4.1 Administrative controls

The Group Director is responsible for the CSR at NCC, but the assignment is allocated to Lindbäck who is in charge for the CSR for the whole Group including all business units. She has her own team that is directly below her, including one corporate compliance officer who

is responsible for the Code of Conduct and the compliance function, one person who is responsible for monitoring and measurement, one person responsible for the sustainable business development and lastly one person responsible for communication. The parent company, Nordstjernan, play an active role in the corporate management, functioning as a great support for the Group. Nordstjernan, as well as NCC, are very proactive and have intentions of operating for at least 100 more years. This indicates a long-term focus and according to Lindbäck, they are aware of their long-term responsibility (personal communication, 19 April 2016).

Meetings related to CSR are held on a regular basis. It could be meetings with the CSR team at Group level, meetings with all the Group members or meetings with all the sustainability managers at NCC (Lindbäck, personal communication, 19 April 2016).

Lindbäck has a functional responsibility which practically means that she is responsible for CSR for the whole Group. The CSR is not centralized to Lindbäck and her team, but each business unit has their own sustainability manager, which have autonomy to act in their own ways as long as they comply with the limitations set by her and her team. The principles and the goals are common for the whole Group, but the way the sustainability managers work at each business unit may differ. This makes them rather decentralized. It is important for all the managers at NCC, not only for the sustainability managers, to consider sustainability in their work. According to Lindbäck, sustainability is becoming more and more incorporated in everything they do at NCC (personal communication, 19 April 2016).

Moreover, all the 180 managers at NCC are required to communicate CSR issues to their business units. NCC has different policies regarding CSR such as an occupational health and safety policy, an environmental policy and a diversity policy. All managers are required to communicate the content of the policies to their units (Lindbäck, personal communication, 19 April 2016). Moreover, they have a Code of Conduct and all managers are responsible to inform employees and business partners about the content of the Code and inform them that they have to follow the regulation (NCC, n. d.⁴). All the managers will also be educated in the newly developed Sustainability Framework and will afterward be required to communicate it to their units. Furthermore, all managers at the various business units have the sustainability managers at their disposal that can assist them and work at a more operative basis with the implementation of the policies and the Sustainability Framework (Lindbäck, personal communication, 19 April 2016).

5.4.2 Planning controls

NCC has long-range goals regarding CSR, particularly a health and safety target and an environmental objective that they are aiming to achieve by 2020. Regarding the health and safety target, their vision is to have zero accidents at work and their target by 2020 is to reduce the number of accidents with 50 %, compared to the outcome of 2015. The environmental objectives are to reduce their climate impact by minimizing the carbon emissions from their operations with 50 % by 2020, compared to 2015 (NCC, 2015; Lindbäck, personal communication, 19 April 2016). Furthermore, they will in the near future present targets for the growth of the portfolio performance in their Sustainability Framework (Lindbäck, personal communication, 19 April 2016).

Lindbäck also talked about their plans to break down their long-range plans and concretize them into action plans for each business unit. In this way, the different business units will be guided towards the long-range goals and the management will acknowledge engagement by the whole organization. Lindbäck will not be the only one responsible for communicating the long-range plans and the action plans to the organization, but also the different sustainability managers at the different business units, which Lindbäck believes will create commitment throughout the whole organization. They have had long-term CSR plans before but have not concretized them into action plans as it will be after breaking them down at the different business units (personal communication, 19 April 2016).

5.4.3 Cultural controls

The corporate vision; “*We shall renew our industry and provide superior sustainable solutions*” (NCC, n.d.¹), is the base for the cultural controls at NCC (Lindbäck, personal communication, 19 April 2016). Moreover, the values are of high importance and a precondition to achieving the vision (NCC, 2015).

- Honesty. They are honest to themselves and their stakeholders. They ensure that their stakeholders always can rely on them. Lastly, their business is conducted in a correct and responsible way.
- Respect. Diversity is valued and everybody shall be treated respectfully. Cooperation is important, others’ opinions are respected and they stand behind every decision made. Moreover, all the resources are used with care.
- Trust. They trust each other, are forthright and clear. They are engaged in and strive for high standards of quality, ethics and sustainability.

- Pioneering spirit. They are initiative, proactive and full of energy. They are innovative and strive for new ways of thinking and working. The development is driven in collaboration with its stakeholders (NCC, 2015).

These values deal with creating trust, transparency and honesty which is very much in line with CSR, according to Lindbäck. NCC want to be seen as a competent business partner, which makes it important to control the entire organization with values, to show everybody that NCC is trustful and responsible (personal communication, 19 April 2016).

In order to ensure that the whole organization is in line with the values, they use the compliance function which includes the Code of Conduct and the NCC Compass. The Code of Conduct is an internal regulation and lays the foundation for how to act at NCC. The Code is adopted by voluntary initiatives and based on UN Global Compact, which sets up the principles and rules for how working conditions, environmental issues, corruption, and human rights should be handled. Since the Code of Conduct has its roots in the values of NCC, it is expected to be followed and understood by all employees (NCC, n.d.⁴). This is ensured by regular training in the fundamentals and the Executive Management Team ensures and follows up compliance with the Code (NCC, 2015).

There is a “tell me”-function in the NCC Compass where employees can report suspected behavior violating the Code (NCC, 2015). Basically, it is a traditional whistleblowing function (Lindbäck, personal communication, 19 April 2016). An employee survey conducted by NCC shows that the employees have increased their awareness of the Code of Conduct (from 67 % to 78 %) since they introduced NCC Compass in 2013. The compliance function within CSR handles any non-adherence to the Code of Conduct (NCC, 2015).

The NCC Compass also includes an “ask me”- function where approximately 50 employees have been educated in, for example, ethical issues, conflict of interest, bribery and corruption. The purpose is that these employees shall be available as consultants for the whole company (Lindbäck, personal communication, 19 April 2016). All the questions that are brought up are documented and followed up in order to develop and clarify uncertainties (NCC, 2015). The “ask me”-function has shown increased activity since its implementation, which Lindbäck believes indicates that the function is useful (personal communication, 19 April 2016).

The sustainability framework, the values and the vision are strong symbols that indicate that NCC takes their CSR seriously. Also, they work actively with certifications such as

Miljöbyggnad, Svanen and BREEM, which are symbols that complement the NCC brand and indicate that they actually work with sustainability (Lindbäck, personal communication, 19 April 2016).

Moreover, they work actively with increasing the consciousness among the employees about the risky working environment. They have “safety weeks” and “awareness days”, where the managers visit the different constructions to reflect upon the safety and to remind the workers about the importance of safety. During the safety weeks, the whole company is involved in for example workshops about how the employees can work more actively with the safety. The workers can also receive guidelines in the so-called “Quiet Book”, which is a book without any written text in order for everybody to understand it. “Time-out” is a function that can be used by the workers when they see that their co-workers do not comply with the safety routines. According to Lindbäck, safety is the main and most important purpose of having the safety weeks and awareness days. This is because they want to ensure that the workers are aware of the risks and to strive for the zero-vision regarding injuries at work (personal communication, 19 April 2016).

5.4.4 Cybernetic controls

Regarding the cybernetic controls, Lindbäck has a CSR budget where she makes room for the different planned projects involving CSR. The money in the budget is primarily exposed to different project developments. The most common items in the budget are investments in the different projects, such as education in CSR, the compliance function and modification of the Code of Conduct. Currently, the budget does not involve any positive outcome from the CSR (personal communication, 19 April 2016).

The performance measurement is conducted at the three dimensions in the TBL. However, they have not announced that they are measuring in accordance with the TBL. The goal is to ensure that all employees are aware of the measures and understand how they can contribute to and affect the goal congruence (Lindbäck, personal communication, 19 April 2016).

The currently used financial measures are, for example, return on equity and profitability. These measures are of importance since they cannot engage in CSR if they do not anticipate any profit. Moreover, Lindbäck talked about their plans to measure the portfolio performance with financial measures, in order to see the positive inflow from the sustainable products and services. According to Lindbäck, it will be possible to measure the portfolio performance by establishing criteria for sustainable products and services in order to compare it with

conventional products and services. In this way, it is possible to compare the revenues from, for example, conventional asphalt and green asphalt. Eventually, they will be able to create a measure indicating that their products and services are heading towards a more sustainable direction. This measure will indicate the outcome from the five other parts of the sustainability framework (personal communication, 19 April 2016).

The non-financial measures that are used are related to the social and environmental dimensions of the TBL. Social measures that are commonly used by NCC is net promoter score (which is connected to customer satisfaction), brand building index, work injury index, lost workday rate, as well as measures regarding “ask me” and “tell me” in the compliance function. Environmental measures mainly include measures around the environmental impact such as carbon emission and energy use (Lindbäck, personal communication, 19 April 2016).

5.4.5 Reward and compensation controls

All the 180 managers have long-term incentive targets that are linked to the safety targets and the work injury rate. However, before the managers receive their rewards, the financial targets has to be achieved, i.e. the profitability. The managers do not receive any rewards if the profitability is not achieved (Lindbäck, personal communication, 19 April 2016).

6 ANALYSIS

How the studied companies use the different MCS to control CSR is analyzed in this section. This is done by linking the collected theory with the obtained empirical data. At the end of the analysis section, a summary of what MCS are used and how the MCS are used are presented.

6.1 Administrative controls

6.1.1 The governance structure

The governance structure may refer to both the structure of the board, but also to the different project and management groups (Abernethy and Chua, 1996, cited in Malmi & Brown, 2008). In the context of CSR, the governance structure refers to those who are responsible for the CSR within the company, most often a separate department of the organization (Arjaliés & Mundy, 2013). A separate department responsible for the CSR has been found at the four studied companies. However, the structure looks different within the companies. For example, Arvid Nordquist has a team consisting of a senior sustainability manager, who also is a part of the corporate management team, as well as sustainability managers at each business unit. The sustainability managers are accountable to the senior sustainability manager and responsible for that all the employees follow the rules and guidelines (Ek, personal communication, 19 April 2016). At Svensk Cater, Stigen is responsible for the CSR at a central level and acts as a unifying force, communicating with the whole Group as well as the local offices (Stigen, personal communication, 4 May 2016). The ownership structure may have a major impact on the governance structure at these two companies. Arvid Nordquist is a family owned company and the fact that the owners are highly involved in CSR issues has an impact on the behavior of the corporate management team and in turn the whole organization (Ek, personal communication, 19 April 2016). Svensk Cater, on the other hand, is part of a Group together with Dansk Cater and the parent company Euro Cater (Stigen, personal communication, 4 May 2016). It is crucial that the entire Group works in the same direction, therefore, collaboration and communication is necessary.

The governance structure at the two companies studied within the construction industry looks quite different from the food industry. For example, the responsibility for the CSR is primarily allocated to the Group Directors at both Veidekke and NCC (Håkansson, personal communication, 19 April 2016; Lindbäck, personal communication, 19 April 2016). This may be because these companies are listed, and the Group Director is normally responsible for the ongoing management. However, the Group Director at NCC has allocated the responsibility

to Lindbäck who, together with her team, work full-time with controlling the CSR and are responsible for the entire Group. Further, Lindbäck communicates goals and requirements to the sustainability managers at each business unit, who are accountable to her (Lindbäck, personal communication, 19 April 2016). At Veidekke, on the other hand, the Group Director sets goals and requirements related to CSR together with the Board and the corporate management team. These goals and requirements are then communicated to the managers responsible for the CSR at the different business units (Håkansson, personal communication, 19 April 2016; Veidekke, 2015b). This difference may be due to the fact that NCC has more than twice as many employees and they need people working full-time to control CSR.

The importance of interaction between senior managers and operational managers, acknowledged by Arjaliés and Mundy (2013), has also been recognized at Svensk Cater where Stigen works closely with the various representatives at operational levels (Stigen, personal communication, 4 May 2016). The governance structure also includes systems where the senior management team or the sustainability team can meet up and synchronize their activities (Abernethy and Chua, 1996, cited in Malmi & Brown, 2008) and according to Arjaliés and Mundy (2013), this is important in order to manage CSR throughout the whole organization. For example, at Arvid Nordquist, the senior management team meets quarterly and discusses their future plans regarding CSR and set up deadlines for those plans (Ek, personal communication, 19 April 2016). This will, in turn, direct the behavior of the employees since they will know *what* and *until when* it has to be done (Abernethy and Chua, 1996, cited in Malmi & Brown, 2008). Svensk Cater, Veidekke and NCC also have meetings dedicated to CSR issues (Stigen, personal communication, 4 May 2016; Håkansson, personal communication, 19 April 2016; Lindbäck, personal communication, 19 April 2016).

6.1.2 Organizational structure

Depending on the organizational structure, different relationships or contacts can be encouraged and managers can direct a certain type of behavior (Abernethy and Chua, 1996; Alvesson and Karreman, 2004; Emmanuel et al, 1990; Flamholtz, 1983, cited in Malmi & Brown, 2008). Arjaliés and Mundy (2013) found that limitations regarding CSR could be set at the top of the organization, but still allow employees at lower levels to come up with ideas. This was also found at the two of the studied companies within the food industry. At Arvid Nordquist, the goals and requirements are formulated by the governance which means that employees at lower levels are having certain limitations they have to comply with. However, Ek stressed the importance of having a decentralized organization because it is important to

have an open dialogue internally to ensure that everybody is involved in CSR (personal communication, 19 April 2016). The importance of having an open dialogue was also stressed by Gond et al (2012). At Svensk Cater, the central office is functioning as a support to the local offices but they also set goals and requirements which have to be obeyed. The local offices are decentralized but have to comply with the goals and requirements (personal communication, 4 May 2016). With this type of organizational structure, a certain type of behavior can be directed to the employees at both Arvid Nordquist and Svensk Cater.

Veidekke and NCC follow similar organizational structure. Guidelines, requirements, values, goals and so forth are set by the top management and the various business units are then responsible to perform in line with them. This means that the managers responsible for CSR at the different business units have a certain freedom to make their own decisions, which makes them rather decentralized (Håkansson, personal communication, 19 April 2016; Lindbäck, personal communication, 19 April 2016). However, the organizational structure at NCC seems to be more severe since all managers are required to communicate CSR issues to their subordinates as well as communicating the different policies and the Code of Conduct (Lindbäck, personal communication, 19 April 2016). The organizational structure at NCC might feel rather strict and top-down managed; however, this might be because they have to manage remarkable more employees than any of the other companies studied in this paper.

6.1.3 Policies and procedures

This control system includes rules, policies and limitations of employees' behavior and actions (Simons, 1987; Merchant and Van der Stede, 2007; cited in Malmi and Brown, 2008). Policies and rules related to CSR have been found at all four studied companies. It has been seen as an important control system in order to guide and direct the employees to act socially responsible. Arvid Nordquist has, for example, an anti-corruption policy, environmental policy, occupational health and safety policy and a Code of Conduct regarding how to act ethically correct. Most of their policies are integrated into the Code of Conduct (Ek, personal communication, 19 April 2016). Svensk Cater has, for example, a food safety policy, occupational health and safety policy, diversity policy and an environmental policy which everybody in the organization receives an education in (Stigen, personal communication, 4 May 2016). Veidekke's employees are obligated to the ethical guidelines which include issues related to, for example, the environment, occupational health and safety, anti-corruption and more. Involvement by all the employees, customers, suppliers and society is important. They have zero tolerance for those who do not follow the guidelines (Håkansson, personal

communication, 19 April 2016). NCC has, for example, an occupational health and safety policy, environmental policy and a diversity policy. Moreover, they have a Code of Conduct which may be seen as a mandatory policy or rule as well as a cultural control as it is rooted in the organizational values (Lindbäck, personal communication, 19 April 2016). All these different policies and procedures set boundaries on the employees, making them accountable to a certain behavior (Arjaliés & Mundy, 2013; Kerr et al, 2015; Merchant & Van der Stede, 2007, cited in Malmi & Brown).

6.2 Planning controls

Planning controls are used to create goal congruence and control employees' behavior in order to secure that they work in line with the organizational goals (Malmi & Brown, 2008). Moreover, almost all the studied companies are following the logic by Malmi and Brown (2008) and have concretized the long-range plans into action plans for each business unit. In this way, the employees will know what is expected of them and in what direction they should work towards. At Arvid Nordquist, the long-range plans and the action plans for each business unit are set by the top management (Ek, personal communication, 19 April 2016). Svensk Cater has currently no articulated long-range plans, but the previously long-range plans have been broken down into action plans at the various local offices. This was done by Stigen and in collaboration with the representatives at each local office (Stigen, personal communication, 4 May 2016). At Veidekke, the long-range plans are set by the Board and the corporate management. Then, it is up to each business unit to build up action plans in accordance with these long-range plans, because each business unit differs and has to adopt different approaches (Håkansson, personal communication, 19 April 2016). At NCC, they have not yet concretized their long-range plans into action plans for each business unit, but they are in progress of doing so. The main purpose is because they want to ensure commitment by all the employees and make the entire organization strive toward the goals that are set by the top management (Lindbäck, personal communication, 19 April 2016). As our findings indicate, all studied companies have or will concretize their long-range plans into action plans, in order to direct the employees' behavior.

6.3 Cultural controls

6.3.1 Value-based controls

The intention of value-based controls is to create commitment to the CSR plans throughout the entire organization. Establishing and communicating CSR plans is a way of creating a commitment to CSR in the whole organization (Arjaliés & Mundy, 2013). As our findings

indicate, value-based controls may look different at different companies. However, this is how reality looks like; no corporate culture looks exactly the same. The organizational values at Arvid Nordquist are highly related to the long-range plans. Basically, everybody who works for Arvid Nordquist have to share the same values and understand the importance of CSR. This has been ensured by hiring people with the same interest as the organization or by training all the employees in order to make them involved in the company's CSR (Ek, personal communication, 19 April 2016). According to Malmi and Brown (2008), this is an attempt of matching individuals' values with organizational values.

Since Svensk Cater is divided into local offices and each office works independently, they have no common corporate culture. However, keywords from the policies are communicated to the employees and are something the employees have to adapt to (Stigen, personal communication, 4 May 2016). According to Malmi and Brown (2008), this would reflect value-based controls since the management is aiming at employees to adapt to the keywords. Moreover, the keywords and policies could also be used as a communication tool (Arjaliés & Mundy, 2013). The most important part of Svensk Cater's value-based controls is that the employees are continuously trained (Stigen, personal communication, 4 May 2016) which is important in order to create commitment to CSR.

Veidekke is a value based company with the Veidekke House in the center. Moreover, the ethical guidelines are important and highly related to the Veidekke House. Everybody that works *for* or *with* Veidekke has to comply with both the ethical guidelines and the Veidekke House. The value-based controls are monitored by a whistleblowing system where the employees have to report violations (Håkansson, personal communication, 19 April 2016). This indicates how the management is using value-based controls to direct employees' behavior (Malmi & Brown, 2008) and to create commitment to CSR (Arjaliés & Mundy, 2013). Just as Veidekke, NCC also has expressed values that are communicated to the organizational members. These values are highly related to CSR and the corporate vision. The values are used to control the entire organization. Constantly training and the use of the compliance function with the Code of Conduct and the NCC Compass are ensuring that the employees are complying with the values (Lindbäck, personal communication, 19 April 2016). In this way, NCC has found a way to control the employees' behavior and make them commit to the company's engagement in CSR (Arjaliés & Mundy, 2013).

6.3.2 Symbol-based controls

Schein (1997) has described symbol-based controls as organizational visible expressions (cited in Malmi & Brown, 2008). The long-term goals at Arvid Nordquist might be seen as organizational visible expressions reflecting the entire company's commitment to CSR (Ek, personal communication, 19 April 2016). The main visible symbol at Veidekke that is related to CSR is the new initiative to help refugees. This is not an effort that is externally promoted but an attempt of increasing the proudness for the organization (Håkansson, personal communication, 19 April 2016). At NCC, the sustainability framework, the values and the vision are internal symbols that influence employees' behavior (Lindbäck, personal communication, 19 April 2016)

6.3.3 Clan controls

Clan controls are basically ceremonies and traditions which reflect the values, culture and traditions of the clan (Ouchi, 1979, cited in Malmi & Brown, 2008). It was difficult to identify clan controls related to CSR at the companies studied. However, we could find some indications of clan controls. For example, the initiative by the management team at Veidekke to help refugees might turn out to be a tradition that will create intercourse with the organization. However, since it is a new initiative, it has not yet proceeded (Håkansson, personal communication, 19 April 2016). NCC, on the other hand, has different events to emphasize occupational health and safety and make sure that everybody is striving towards the zero-vision injuries at work, such as the safety week and the awareness day (Lindbäck, personal communication, 19 April 2016). According to Ouchi (1979), this will create goal congruence with the clan (cited in Malmi & Brown, 2008).

6.4 Cybernetic controls

6.4.1 Budgets

Budgets are used to integrate processes and allocate resources but also to plan acceptable levels of behavior (Malmi & Brown, 2008). Arvid Nordquist, for example, is using CSR budgets at managerial levels to allocate their costs between PR and consulting expenses. They do not include any revenues in their budget (Ek, personal communication, 19 April 2016). Since Arvid Nordquist is merely using budgets to allocate their costs and not to plan acceptable levels of behavior, it may not be considered as a MCS, yet a system for decision-making (Malmi & Brown, 2008). Svensk Cater does not have any CSR related budget. The costs related to CSR are instead integrated in other items and differ among the local offices (Stigen, personal communication, 4 May 2016).

Nor does Veidekke have clearly stated cost items related to CSR in their budget. However, they have observed that the costs allocated to control CSR have increased. For example, they have costs related to employees working full-time to control Veidekke's suppliers in their budget (Håkansson, personal communication, 19 April 2016). In this manner, they are using the budget to plan acceptable levels of behavior which makes it a MCS (Malmi & Brown, 2008), particularly because the control of suppliers is part of the ethical guideline regarding undeclared work (Håkansson, personal communication, 19 April 2016). NCC has a CSR budget that is used at managerial level to allocate costs to different project developments, for example, education in CSR, the compliance function and modification of the Code of Conduct (Lindbäck, personal communication, 19 April 2016). These costs are related to functions that are used to control the employees' behavior and make them comply with the company's efforts of being socially responsible. According to Malmi and Brown (2008), it could be considered as a MCS.

6.4.2 Financial measures

Financial measures are used to control the financial outcome from employees' behavior. These measures may be related to the budget (Ittner and Larcker, 1998, cited in Malmi & Brown, 2008) and in the context of CSR; it may be related to the financial dimension of the TBL (Slaper & Hall, 2011). All the studied companies are using profitability as a financial measure, and some of the companies believe that CSR might be reflected in the profitability of the firm (Ek, personal communication, 19 April 2016; Lindbäck, personal communication, 19 April 2016; Stigen, personal communication, 4 May 2016). Davis (1973) argued that CSR could be reflected in the long-term profit.

However, using profitability as a financial measure for the outcome of CSR might be misleading since the profitability can be affected by a numerous of things. Lindbäck believes that profitability is essential for working with CSR since it is difficult to allocate resources without any profit (personal communication, 19 April 2016). This is also something that was observed by Kerr et al (2015) who found that some companies felt that profit could be a constraint for being socially responsible.

Using profitability as a financial measure might also be an easy way out since some companies consider it hard to measure the financial outcome from CSR. An explanation for this difficulty might be the absence of CSR budgets in these companies (Arjaliés and Mundy, 2013). Neither Arvid Nordquist, nor Svensk Cater are using budgets to control CSR, making

them focusing on things that are measurable, such as environmental and social aspects. However, a new way of measuring the outcome from CSR has been found at NCC, that in near future will introduce financial measures linked to the portfolio performance in their sustainability framework. In this way they will be able to measure the profitability of their sustainable products and services (Lindbäck, personal communication, 19 April 2016).

Other financial measures related to CSR have been found at Veidekke. They are not directly related to control the outcome from an item in the budget, but to measure employees' wages in order to control the amount of undeclared work (Håkansson, personal communication, 19 April 2016). In this way, they are using financial measures to control employees' behavior of acting ethically, which makes it a MCS (Malmi & Brown, 2008).

6.4.3 Non-financial measures

Non-financial measures are used broadly, particularly because of the limitation of financial measures (Ittner and Larcker, 1998, cited in Malmi & Brown, 2008). In the context of CSR, non-financial measures are highly related to environmental and social measures in the TBL (Slaper & Hall, 2011). All the companies are using measures to control the outcome from their CSR and to show indication on that they actually are doing what they claim themselves to do. Cybernetic systems are, according to Malmi and Brown (2008) used as MCS when organizational behavior is linked to goals and when they evaluate the performance of goals congruence (Malmi & Brown, 2008). Arvid Nordquist is using non-financial measures to measure congruence with the long-term goals. They are also following up compliance with the ISO 9000 and ISO 14000 standards which deal with occupational health and safety and food safety. In this way, they can control employees behavior by addressing the deviations (Ek, personal communication, 19 April 2016), and according to Malmi and Brown (2008), the non-financial measures are then used as a MCS. This would apply for Svensk Cater as well, as they are using both social and environmental measures to control the outcome of their CSR, for example, measures reflecting the electricity consumption and sick leave. They are not only using the measures to show their outcome, but also to control the employees. For example, if they have a high rate of sick leave they are trying to find action to minimize it (Stigen, personal communication, 4 May 2016).

Veidekke is continuously measuring their environmental impact. Moreover, they have social measures related to the zero-injury goal of Veidekke (Håkansson, personal communication, 19 April 2016). Since Veidekke is using non-financial measures to evaluate the performance

of their long-term goals, it could be considered as a MCS (Malmi & Brown, 2008). Most of the non-financial measures at NCC are also related to their long-term goals, such as environmental measures (carbon emission and energy use) as well as social measures such as work injury index and lost workday rate. They are also measuring the performance of the compliance function (Lindbäck, personal communication, 19 April 2016). In this manner, they are using non-financial measures as a MCS (Malmi & Brown, 2008).

6.4.4 Hybrid measures

Kerr et al (2015) studied how companies could integrate TBL with MCS such as BSC, which is considered as a hybrid measurement system (Greenwood, 1981; Kondrasuk, 1981; Ittner & Larcker, 1998; Kaplan & Norton, 1992, 1996a, b, 2001a, b; Malina & Selto, 2001, cited in Malmi & Brown, 2008). Kerr et al (2015) argued that companies will receive advantages when they integrate their TBL with BSC. However, the studied companies in this paper do not use any hybrid measurement systems.

6.5 Reward and compensation controls

Reward and compensation controls can be used to increase the motivation and the performance of the employees by controlling their efforts and attaching rewards if they perform in line with the goals of the company (Flamholtz et al, 1985; Bonner and Sprinkle, 2002, cited in Malmi & Brown, 2008). It can be used to encourage the managers to be socially responsible (Arjaliés & Mundy, 2013). In this study, three of the four studied companies claimed themselves using reward and compensation systems linked to CSR. For two of those companies, this may be considered true, namely Veidekke and NCC. However, they have only linked their rewards and compensations to a limited part of the CSR (number of work injuries), just as Arjaliés and Mundy (2013) showed were common. Another similarity with Arjaliés and Mundy's (2013) study is that only managers were justified any rewards or compensations. A difference from Arjaliés and Mundy's (2013) study is that the part that the managers are rewarded for does not have any financial impact; they simply do it because they care about their employees.

Svensk Cater considered that their reward and compensation system is linked to CSR (Stigen, personal communication, 19 April 2016). However, it is linked to the profitability of the firm and since the profitability is affected by a several of things, it is hard to tell what effects the rewards and compensations will have on employees CSR related behavior. According to Arjaliés and Mundy (2013), it is normal that companies claim that their CSR is reflected in the financial outcome.



	Arvid Nordquist	Svensk Cater	Veidekke	NCC
Administrative controls				
Governance structure	Senior sustainability manager and sustainability managers at each business unit.	Head of Environment and Quality and representatives at each local office.	The Group Director, the Board and the corporate management. Then, distributed to sustainability managers at each business unit.	The Group Director, the Senior Vice President Corporate Sustainability (with her team) and sustainability managers at each business unit.
Organizational structure	Decentralized organization to encourage open dialogue and involvement.	Local offices receive certain direction from the central office, but works rather decentralized.	Decentralized organization. Sustainability managers have autonomy with limitations set by top management.	Decentralized organization. Sustainability managers have autonomy with limitations set by top management. They also have additional obligations to adopt.
Policies and procedures	E.g. anti-corruption policy, environmental policy, occupational health and safety policy and a Code of Conduct on how to act ethically correct.	E.g. food safety policy, occupational health and safety policy, diversity policy and an environmental policy.	Ethical guidelines about the environment, occupational health and safety, anti-corruption, etc.	E.g. occupational health and safety policy, environmental policy and diversity policy, as well as Code of Conduct.
Planning controls				
Long-range plans	Long-range plans common for the entire company and set by the top management.	Currently, no long-range plans.	Long-range plans common for the entire Group and set by the Board and the corporate management.	Long-range plans common for the entire Group and set by the Senior Vice President Corporate Sustainability.
Action plans	Long-range plans concretized into action plans for each business unit, in order to direct behavior.	Previously long-range plans were concretized into action plans for each local office, in order to direct behavior.	Actions plans are created by sustainability managers at the different business units and are based on the long-range plans.	Long-range plans will be concretized into action plans for each business unit in near future. This in order to direct behavior.
Cultural controls				
Value-based controls	CSR are considered as an organizational value. Individuals are socialized by a CSR-related education. They are hiring people with same values.	Keywords from the policies are considered as organizational values.	The Veidekke House and the ethical guidelines. Controlling compliance by a whistleblowing system.	Honestly, respect, trust and pioneering spirit; values that are related to CSR and the corporate vision. Controlling compliance by the compliance function.
Symbol-based controls	The long-range goals are symbols reflecting the organization's CSR.	No identified symbol-based controls.	The opportunity to help refugees is a symbol that reflects their work with CSR internally.	Sustainability framework, vision and values are seen as symbols for their work with CSR.
Clan controls	No identified clan controls.	No identified clan controls.	Helping refugees might turn out to be a tradition.	Safety weeks and awareness days.
Cybernetic controls				
Budgets	CSR-budget used as a system for decision-making.	No budget related to CSR.	Cost-items related to control CSR identified in their budget, e.g. costs for full-time workers that controls their suppliers.	CSR-budget includes costs related to the functions that control employees' behavior.
Financial measures	No financial measures related to CSR.	No financial measures related to CSR.	Financial measure related to employees' wages in order to control undeclared work.	Currently used financial measures are not related to CSR. In near future they will have measures related to the portfolio performance.
Non-financial measures	Measures used to control congruence with the long-range goals as well as occupational health and safety and food safety.	Environmental and social measures are used. The measures are used to control employees.	Environmental and social measures are used to control the long-range goals.	Environmental and social measures are used to control the long-range goals. But they are also measuring the performance of the compliance function.
Hybrid measures	No hybrid measures related to CSR.	No hybrid measures related to CSR.	No hybrid measures related to CSR.	No hybrid measures related to CSR.
Reward and compensation controls				
	No reward and compensation controls related to CSR.	No reward and compensation controls related to CSR.	Reward and compensation linked to the zero-injury vision.	Reward and compensation linked to safety and work injury after profitability targets has been achieved.

Figure 10. Summary of the analysis

7 CONCLUSION AND CONCLUDING REMARKS

The purpose of this study was to investigate how MCS can be used to control CSR by interviewing and analyzing four different companies that work extensively with CSR. In this section, we want to provide the reader with conclusions about our analysis. This section ends with some concluding remarks.

7.1 Conclusion

It is of great importance that companies consider economic, environmental and social well-being in their operations, which basically comprises what CSR stands for. Sustainability is crucial for the long-term sustainable development. We have seen an increased trend in society for companies to disclose sustainability reports. However, critique has been directed towards companies' exploitation of the CSR concept and that companies have failed to engage CSR in their daily operations. MCS can be used to ensure that CSR strategies actually are actualized among organizations and to ensure that it is integrated into their daily operations. This is done by using the different control systems in the control package to direct the employees' behavior. MCS can look different in various organizations, and so has also been the case at the four studied companies in this paper, as can be seen in figure 10.

Most often, the initiative of being socially responsible comes from the top and is communicated to the rest of the organization. Policies and procedures, long-term goals, cultural controls, cybernetic controls and reward and compensation controls are established and managed at the top in each company. However, how it is established and to which extent it is top-down managed differ among companies. What we can agree upon is, however, that CSR requires guidance from the top in order to be accompanied by the entire organization.

As has been found in our study, the governance can be structured differently among companies. For example, at the two companies within the food industry, the CSR is merely controlled by senior managers responsible for the CSR, while the responsibility for CSR at the two companies within the construction industry is primarily assigned to the Group Director. Depending on the size of the company and the number of employees, the Group Director might as well allocate responsibilities to subordinates. This was, for example, the case for NCC, where their CSR was completely controlled and managed by a senior manager.

Companies also have different organizational structure, which can affect the distribution of responsibility among the employees. A decentralized organizational structure seems to be the

most efficient way of encouraging CSR among employees, at least at the studied companies in this paper. A decentralized organizational structure can, for example, encourage open dialogue and involvement in CSR. A decentralized organizational structure can as well create autonomy among managers at lower levels of the organization, which may be appreciated. As long as the goals and requirements are clearly stated by the top management, an organization can benefit from having a decentralized structure since everybody will know what has to be done, and in that way work in the same direction.

Long-range plans are important in order to make the whole organization work in the same direction. Planning can be used to control employees' behavior and secure that the entire organization is working toward the same goals. Usually, long-range plans regarding CSR are set at the top, by the ones responsible for the CSR. It is important to ensure that all employees are aware of the goals and most important; that they understand the goals. This can be done by breaking them down into action plans. Companies with different business units or different local offices can break the long-range plans into action plans specified for each unit or office. Some business units or local offices might have different opportunities, and customized action plans might be beneficial. The action plans can be established by the same people who determine the long-range plans (i.e. top management) or by managers responsible for CSR at each business unit, making it less top-down managed. Also, senior managers can in collaboration with junior managers come up with action plans for each business unit or local office, as is done at Svensk Cater. Understanding the long-range plans is crucial when determining the action plans since the whole organization has to work toward the same direction. It is therefore also important that the long-range plans are continuously followed up by the ones responsible for the CSR. Therefore, it is also normal that planning controls are linked to cybernetic controls.

Cultural controls are an efficient way of communicating CSR. Cultural controls may look differently since each and every corporate culture is unique. However, what cultural controls have in common is that companies use them to encourage a certain type of behavior. As has been shown in our study, value-based controls can create a commitment to CSR among employees. Companies can hire people with the same values as the company, as at Arvid Nordquist. Companies can also train their employees in being socially responsible. CSR might as well be integrated into other organizational values, such as NCC's organizational values or the Veidekke House. Moreover, both Veidekke and NCC have a type of compliance function (whistleblowing system) to ensure commitment to CSR. This might be useful,

particularly to larger companies with a high number of employees. Symbol-based controls can be interpreted differently. What a company considers organizational visible expression might differ. The most visible symbol related to CSR could, however, be found at Veidekke, who used the activity to help refugees as a symbol that reflects their commitment to CSR. The corporate vision, the long-range goals and the values might as well function as symbol-based controls. Clan controls are traditions or ceremonies that are dedicated to CSR. It can, for example, be certain days dedicated for CSR activities in order to create awareness in these types of issues, such as the safety weeks and awareness days at NCC, as well as the activity to help refugees at Veidekke.

In order to use budgets as a MCS it should be used to direct employees' behavior. Some companies have specific CSR budget while other has included cost items related to CSR in their ordinary budget. Nevertheless, the costs should be allocated to specific projects or functions that control that CSR is performed by the employees. For example, Veidekke has allocated cost to full-time workers that control their suppliers and NCC has allocated costs to, for example, the compliance function that controls their employees.

Measurement systems are used to monitor employees' performance. The TBL is commonly used to measure organizational performance regarding CSR. The financial measures are used differently by companies and are not always directly linked to the financial dimension in the TBL. For example, some companies consider linkage between CSR and the profitability of the firm. Some believe their profitability is affected by their CSR, such as Arvid Nordquist and Svensk Cater, while others believe profitability is crucial for being socially responsible, such as NCC.

However, we could identify some measures that can be used to measure the economic well-being of the society. For example, measures related to employees' wages can be used in order to control undeclared work.

The environmental and social dimensions of the TBL are measured by non-financial measures. Non-financial measures are used to control congruence with some important environmental and social goals but also to control compliance with guidelines, rules and policies. Deviations must be followed up and corrected; otherwise, the measures will be useless. The most commonly found non-financial measures are related to the environmental impact and occupational health and safety.

We did not identify any use of hybrid measures in the studied companies in this paper. However, since previous studies have shown that companies use hybrid measurement systems to control CSR, we can see that hybrid measures are useful in the context of CSR. However, we cannot draw any further conclusions since we, in our study, did not identify any use of hybrid measures to control CSR.

Cybernetic controls can be linked to reward and compensation controls. This can motivate the employees to work towards the organizational goals, but it can also be used by the management to control the employees' efforts to the goals. In this study, we have found reward and compensation controls related to non-financial measures regarding occupational health and safety.

7.2 Concluding remarks

- Administrative controls are used to engage the entire organization in CSR.
- Planning controls are used to ensure that the entire organization is working in the same direction, i.e. to ensure social responsibility.
- Cultural controls are used to communicate and create a commitment to CSR throughout the entire organization. Value-based controls are the most commonly used cultural control.
- Cybernetic controls are used to control performance in CSR. Non-financial measures are the most broadly used cybernetic control. Hybrid measures are not commonly used.
- Reward and compensation controls are used to control and motivate employees to be socially responsible.

8 CONTRIBUTIONS

To date, few papers have studied how MCS can be used to control CSR. Previous studies have examined this field but these studies either lack in-depth understanding due to their quantitative approach or else do they lack empirical evidence. The only study providing an in-depth investigation is the one by Kerr et al (2015). **However,** their study is very restricted to the use of BSC as a MCS. **However,** the findings in the previous studies have been helpful in the analysis and have strengthened our conclusions. In our findings, we found a lot of similarities with previous studies which has contributed to our conclusions. **However,** in contrast to the previous studies, we have contributed to a more in-depth understanding of how companies can use MCS to control CSR since we have provided a more comprehensive study by using the framework by Malmi and Brown (2008) and by investigating four companies. Other companies can benefit from this study since it provides practical insights of how companies can use MCS to control CSR. We have also contributed with some new insights regarding symbol-based controls and clan controls.

9 LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH



In order to get more insight in how the different companies control CSR and to get a better description of reality, one limitation of this study was that we did not provide any additional interviews with respondents holding other positions in the companies studied. Moreover, the empirical data collection of the cultural controls could be strengthened with an observational study since we felt that the respondents had different views on what cultural controls contained.

A number of ideas and suggestions for future research in this area has emerged. Empirical data about some of the MCS can be strengthened by providing the study at different levels of the organizations. For example, the study can be supplemented by in-depth interviews with individuals at different managerial levels in the organizations studied. Or, by supplementing the study with a quantitative study, the answers can be seen as more generally applicable. This can be done by adding surveys at different levels of the organizations that are studied. A comparative study could also be made regarding what similarities and differences there are between the two studied industries. Do they differ regarding how the companies control the CSR? What similarities are there?

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APPENDIX 1

Interview guide

1. What position are you holding within the organization?
2. For how long have you worked for the company?
3. For how long have you worked within your position?
4. How does your company affect the society?
5. Has there always been a clear focus on CSR or has it increased in recent years?
6. How has your management control system changed since you increased your focus on CSR?

7. How is the responsibility for CSR distributed among the top management? Is there a sustainability manager included in the top management or are they all equal responsible?
8. How does the top management collaborate regarding sustainability issues?
9. How is your organization structured? Decentralized or centralized?
10. What effects does the organizational structure have on your CSR?
11. Do you have specific rules or policies regarding CSR and, in that case, how are they designed?

12. How is CSR noticed in your organizational culture?
13. What values are recognized and communicated within the organization regarding CSR?
14. How do you ensure that the employees adapt to the organizational values?
15. How do you signalize your focus on CSR within the organization?
16. What specific traditions and/or ceremonies within the organization do you have that deals with CSR?

17. What are your action plans for the coming year concerning CSR?
18. How do you use your developed action plans?
19. What are your long-range plans concerning CSR?
20. How do you use your developed long-range plans?
21. How is the long-term CSR focus acknowledged in the daily work?

22. How have you included CSR in your budget?
23. How are you using budgets to control and monitor your CSR?
24. What financial measures are you using to control your CSR?
25. What non-financial measures are you using to control your CSR?
26. Are you using financial and non-financial measures that are related to each other (through for example a Balanced Scorecard)? If yes, how?
27. How are you using these measures to control employees' behavior?

28. Do you have reward and compensation systems linked to CSR? How are these designed?
29. How are the reward and compensation systems linked to the budget, the performance measurements or other control systems?

30. What parts of your MCS are most important for your work with CSR and why?
31. Is there anything you would like to add?
32. Do you have any questions?