



LUND UNIVERSITY  
School of Economics and Management

# Corporate Social Responsibility from Employee Perspective

The Influencing Factors and Strategic Implications of Employee  
Perception

by

Viivi Griinari & Đorđe Tasić

June 2019

Master's Programme in International Strategic Management



# Abstract

Growing global challenges such as poverty and climate change push companies to find new ways to tackle these issues and consequently, Corporate Social Responsibility (CSR) has become an indispensable priority for business leaders. Furthermore, a correlation between CSR and employee engagement has been identified, and as employees are often considered as one of the most important stakeholders, companies are increasingly utilizing CSR as a tool to strengthen employee engagement. The mediating element in between the two is considered to be whether employees see a firm as a good “corporate citizen” or not. Therefore, this thesis aimed to discover the influencing factors on employee perception of CSR by answering the research question: *What factors influence employee perception of corporate social responsibility?* The purpose was to contribute to the existing literature – which was strongly based on quantitative research – by exploring employee perception of CSR through in-depth interviews. Thus, a qualitative research approach was selected and a single case study on a multinational information and communications technology (ICT) company was conducted. The analysis of the obtained data was done in the combination of deductive and inductive approach resulting in five themes, which of first two were brought from the literature review and remaining three were extracted from the data. The themes are CSR awareness, employee participation in CSR, managerial aspects, impact of the setting, and personal aspects. Our findings suggest, that there are various different factors influencing employee perception of CSR. More precisely, our research identified 10 factors, and they fall into the aforementioned five themes. By taking into consideration the influencing factors, managers could utilize the findings and develop a more employee-centric CSR strategy and thus, potentially increase the effectiveness of that strategy and moreover, to strengthen employee engagement within the organization.

Keywords: corporate social responsibility, employee engagement, CSR strategy, CSR communication, employee perception

# Table of Contents

<b>1</b>	<b>Introduction .....</b>	<b>1</b>
1.1	Background .....	2
1.2	Problematization.....	3
1.3	Research Purpose and Research Question .....	4
1.4	Delimitations .....	4
1.5	Outline of the Thesis .....	5
<b>2</b>	<b>Literature Review.....</b>	<b>6</b>
2.1	Corporate Social Responsibility.....	6
2.1.1	CSR Strategy .....	8
2.1.2	CSR Communication.....	11
2.2	Employee Engagement.....	13
2.2.1	Employee engagement – Gaining Attention .....	14
2.2.2	Engaging Employees through CSR.....	15
2.3	Employee Perception of CSR.....	17
2.3.1	Perception – What Is It About? .....	17
2.3.2	Importance of Understanding Employee Perception .....	17
2.3.3	The Motivational Aspect.....	18
2.3.4	Employee Typology .....	21
2.4	Chapter Summary.....	22
<b>3</b>	<b>Methodology .....</b>	<b>25</b>
3.1	Research Approach .....	25
3.1.1	Choice of Organization and Sample Selection.....	26
3.2	Data Collection Method .....	27
3.2.1	Interviews .....	27
3.2.2	Design of Interview Guide .....	28
3.3	Data Analysis .....	29
3.3.1	Transcription and Coding of Data .....	29
3.3.2	Thematic Analysis.....	29
3.4	Reliability .....	31
3.5	Ethics .....	31
<b>4</b>	<b>Findings .....</b>	<b>33</b>
4.1	Organizational Background.....	34
4.2	CSR Awareness.....	34

4.2.1	Increased Awareness .....	35
4.2.2	Greater Transparency .....	38
4.3	Employee Participation in CSR.....	39
4.3.1	Personal Prioritization .....	40
4.3.2	Increased Participation through New Roles .....	41
4.4	Managerial Aspects .....	43
4.4.1	Managerial Emphasis on CSR.....	44
4.4.2	Alignment of CSR and Business Strategy.....	45
4.4.3	Balance between Internal and External CSR .....	47
4.5	Impact of the Setting .....	49
4.5.1	Financial Setting.....	49
4.5.2	Organizational Setting.....	50
4.6	Personal Aspects .....	51
4.6.1	Interests, Values, and Beliefs .....	51
<b>5</b>	<b>Analysis and Discussion .....</b>	<b>54</b>
5.1	CSR Awareness.....	54
5.2	Employee Participation in CSR.....	57
5.3	Managerial Aspects .....	59
5.4	Impact of the Setting .....	61
5.5	Personal Aspects .....	63
<b>6</b>	<b>Conclusion.....</b>	<b>65</b>
6.1	Practical Implications .....	65
6.2	Theoretical Contributions.....	68
6.3	Future Research.....	70
	<b>References .....</b>	<b>71</b>
	<b>Appendix A .....</b>	<b>78</b>
	<b>Appendix B.....</b>	<b>79</b>

# List of Tables

Table 1. Selected interviewees and interview durations .....	27
Table 2. Overview of themes and factors influencing employee perception .....	33

# List of Figures

Figure 1. Relationship 3P, CS and CSR (Elkington, 1997; Wempe & Kaptein, 2002 as illustrated in Van Marrewijk, 2003, p. 101) .....	7
Figure 2. Prioritizing social issues (Porter & Kramer, 2006, p.7).....	9
Figure 3. The success factors identified for corporate sustainability strategy implementation (Engert & Baumgartner, 2016, p. 826).....	10
Figure 4. A typology of predispositions towards CSR (Hemingway, 2005, p.238) .....	21
Figure 5. CSR – Employee Engagement Relationship (authors’ own illustration) .....	22
Figure 6. Previous studies regarding employee perception of CSR and gap in the literature (authors’ own illustration).....	24
Figure 7. The empirical findings in relation to previous research (authors’ own illustration). 69	



# 1 Introduction

For-profit firms can be considered the cornerstone of a developed society, as firms are the most efficient entity to transform valuable resources into products and services that we need in our everyday life (Chandler, 2016). On the other hand, growing global challenges such as poverty and climate change push companies to find new ways to tackle these issues, and consequently, firms are under increasing pressure to respond to the demands from multiple stakeholder groups – both internally and externally. Even though awareness about the environmental and social impact of businesses has grown rapidly, the belief that corporations have a responsibility towards society is not anything new (Agudelo, Jóhannsdóttir & Davídsdóttir, 2019) and the businesses' concern for society can be traced down several centuries back (Carroll, 2008). The concept of corporate social responsibility (CSR) has evolved throughout times and many scholars explain the evolution of the CSR concept with changes in social expectations. The current form of CSR started to take shape in the 1950s (Carroll, 2008) and thus, the 1950s and 1960s are known as the early days of the modern era of social responsibility.

Companies are being held accountable for the social and environmental consequences of their activities by various stakeholders, such as governments, activists and the media and therefore, CSR has become an indispensable priority for business leaders in many countries (Porter & Kramer, 2006). However, there is still some obscurity as to how CSR should be defined despite numerous attempts to come up with an unbiased definition of this concept (Dahlsrud, 2008). Chandler (2016) states, that much debate and criticism in the CSR community stems from different parties arguing about the same facts from different perspectives. Furthermore, he emphasizes that in order to understand the breadth and depth of CSR, one must comprehend all the different perspectives.

In addition to firms being under increasing pressure to respond to the demands from multiple stakeholder groups in a sense of environmental and social issues, they are also under constant pressure to be better than their competitors and to improve the bottom line. Balancing between these two business goals have been addressed by many scholars, from Milton Friedman whose approach emphasizes firms only being responsible for creating profits (Friedman, 2007) to Edward Freeman who in 1984 went beyond profit and introduced the stakeholder theory (Freeman, 2001). Throughout the years it has become apparent that corporations have embraced

Freeman's stakeholder approach, in a sense of diverging from the pure profit motive and paying more attention towards other stakeholders, such as employees. Markos and Sridevi (2010) argue that if managers want their business initiatives to be successful, they need to have employees not just involved but also engaged in the same. Macey and Schneider (2008) note that the concept of employee engagement is developed over the last two decades primarily by consulting firms and has attracted much attention since it is connected to improving the bottom line. Moreover, Markos and Sridevi (2010) note that financial improvements come from engaged employees since they create an emotional connection to their firm and are fueled with enthusiasm to make a greater effort beyond contractual obligations. Therefore, it is easy to grasp why employee engagement is a condition that is desired by many organizations and a concept that will continue to attract much of the attention in the future.

## 1.1 Background

During the past decades, both the academia and the business world have expressed their interest towards understanding the impact that CSR has on organizations. For instance, the relationship between corporate social responsibility (CSR) and corporate financial performance (CFP) has been widely studied throughout the years (e.g. Cochran & Wood, 1984; McGuire, Sundgren & Schneeweis, 1988; McWilliams & Siegel, 2000; Waddock & Graves, 1997) and moreover, also the research at the individual level of CSR has been growing recently. Yet, as Glavas (2016) points out, there is still a lack of more comprehensive understanding of how and why individuals are affected by CSR. Indisputably, employees mark the most important stakeholder group for the majority of businesses but nevertheless, most of the research at the individual level of CSR concentrates heavily on consumers (e.g. Klein & Dawar, 2004; Luo & Bhattacharya, 2006; Mohr, Webb & Harris, 2001).

However, there are some researchers who have explored the relationship between CSR and employees, and their studies have yielded interesting findings. For instance, a study conducted by Raub and Blunschi (2014) showed, that when employees are more aware of CSR, they experience stronger task significance, job satisfaction and engagement. Furthermore, Bhattacharya, Sen, and Korschun (2007) studied employee participation in CSR activities, and based on their study they argue, that CSR programs are the most effective when employees are in fact involved in the planning, designing, and implementation of CSR strategies, making them active participants rather than passive executors of top management's CSR decisions.

Moreover, another study which was conducted by Glavas and Piderit (2009) showed that there is a clear correlation between employee perception of CSR and employee engagement, high-quality connections, and creative involvement. Glavas and Piderit (2009, p. 55) emphasize, that in order to measure the impact of CSR (or *corporate citizenship* as they call it) on employee behavior, it is important to investigate whether employees actually perceive their companies to be good corporate citizens. They state that just because a company is being publicly a good corporate citizen, one cannot assume that it will affect the employees (Glavas & Piderit, 2009).

## 1.2 Problematization

The aforementioned study by Glavas & Piderit (2009) serves as a starting point for this thesis, as it showed that there is a clear correlation between employee perception of CSR and employee engagement, high-quality connections, and creative involvement. One of their recommendations for future researchers was to examine possible antecedents of employee perception of CSR. Despite Lee, Park, and Lee (2013) and some other scholars already addressing this recommendation by testing number of possible antecedents of employee perception of CSR, we identified that there was still room for contribution. Since most of these studies have been carried out in a quantitative way, using surveys and different quantitative tools to measure and analyze the impact of various antecedents on employee perceptions of CSR, we recognized room for contribution through a utilization of in-depth interviews as a method of qualitative research, in order to dig deeper into employees' perception of this matter and explore what other factors might be found behind strong employee perception of CSR. Therefore, the first part of the problematization on this thesis is the lack of qualitative research in the area of employee perception of CSR offering room for further contribution in exploring the possible influencing factors.

Secondly, many companies put a lot of effort and resources in their CSR operations, and if they do not consider how their CSR operations are in fact perceived by their employees they might miss out on some of the benefits connected to employees perception of CSR, such as increased employee engagement. Understanding the circumstances of employee perception better could enable companies to know if their employees consider them as good corporate citizens and moreover, to strengthen the success of their CSR strategy.

## 1.3 Research Purpose and Research Question

The purpose of this study is twofold. Firstly, to contribute to the existing literature by exploring other possible factors which might appear as antecedents of employee perception of CSR. As our literature review reveals, *CSR awareness* and *employee participation in CSR* seem to play a strong role in impacting employee behaviors, we decided to use these two themes as a lens when looking into the possible factors influencing employee perception of CSR. Secondly, as a result of identifying these factors, managers could utilize the findings and develop a more employee-centric CSR strategy and thus, potentially increase the effectiveness of that strategy and moreover, to strengthen employee engagement within the organization.

Derived from the previously described research purpose, we will aim to address the following research question:

*What factors influence employee perception of corporate social responsibility?*

## 1.4 Delimitations

We have identified several research limitations in our thesis project. The first limitation is in the form of time constraint. The appointed 10-week time period might limit the depth of the analysis, and thus a longer time period could potentially offer an opportunity to deepen the scope of our study.

The second limitation appears in the form of not being able to disclose the company's name or any information that could result in the reader knowing what company is analyzed due to the signing of Non-Disclosure Agreement (NDA). The inability to use the name of the company will have an impact on what Gibbs (2007) refers to as qualitative validity or the ability for other researchers to analyze the accuracy of our findings.

Thirdly, the research will be conducted as a single case study investigating one company from one industry and thus the results might seem to lack generalizability. Despite this fact, we think that presented findings could provide valuable input for improved formulation and further development of employee-centric CSR strategy.

As another research limitation of our thesis project, we have identified the selection process of the interviewees as a possible restrictive factor. Since our research sample consists of volunteers

(sample selection described in Chapter 3, subchapter 2) it is likely that most employees who had a positive stand towards sustainability were willing to participate in interviews and that individuals who had negative perception of this topic did not show interest in participation and were therefore left out of the sample.

Furthermore, we would like to note that employees of the company were interviewed in English which have affected some of their responses since some of the interviewees have Swedish as their native language and English as a second one. For example, some of the interviewees did not know some of the words they wanted to say in English and instead used Swedish words as replacements. Lastly, when conducting a study related to individuals' perceptions, is useful to acknowledge, that everyone's perception is most likely influenced by the different thinking systems, and moreover, by the biases we all have.

## 1.5 Outline of the Thesis

This thesis paper is comprised of six chapters in total, with the first one being the introduction. Followed by chapter two, which offers a comprehensive review of the literature covering the main areas of interest: CSR (CSR strategy, CSR communication), employee engagement, and employee perception of CSR. The most relevant theoretical aspects of our study are concluded in the chapter summary. Chapter three introduces and discusses the chosen methodological approach. On chapter four, the findings of the data collection are presented and moving onto chapter five, these findings are thereafter analyzed and discussed. The paper ends with chapter six which concludes the conducted study and presents some theoretical and managerial implications, and furthermore, offers suggestions for future research.

## 2 Literature Review

The research purpose of this thesis encompasses three theoretical areas, namely CSR (including its strategic and communicational aspects), employee engagement, and employee perception of CSR. To connect these three areas, a literature review was conducted accordingly. The peer-reviewed journals and research papers for the literature review were retrieved from online databases such as Business Source Complete, Sage Publication, Emerald, JSTOR etc. along with the search engine of Google Scholar. The exploited search words included for instance “corporate social responsibility”, “CSR strategy”, “CSR communication” “employee engagement”, “CSR and employees”, and “employee perception and CSR”.

The literature review begins by looking into the CSR concept including aspects of CSR strategy and CSR communication. Thereafter, literature about employee engagement will be reviewed and lastly, these areas are bridged by looking into the employee perception of CSR and its possible implications. Thereafter, the most relevant theoretical aspects are drawn together and presented in the chapter summary.

### 2.1 Corporate Social Responsibility

In this subchapter, the concept of CSR will be covered briefly and thereafter, important literature and theories regarding CSR strategy formulation and implementation will be reviewed. Lastly, the role of CSR communication will be scrutinized.

In both academic and business environments countless concepts and definitions have been proposed referring to a more ethical, transparent, humane, and sustainable way of conducting business (Van Marrewijk, 2003). One of the most fundamental definitions for ‘sustainability’ was brought up by the World Commission on Environment and Development (WCED, 1987) and according to their definition, sustainability equals the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs. One of the most commonly used concepts for doing business in a more sustainable way is corporate social responsibility (CSR), and it is often associated as an approach to integrate social and environmental aspects into corporate activities (Baumgartner, 2014).

However, as Dahlsrud (2008) points out, there is still some confusion as to how CSR should be defined despite numerous efforts to bring an unbiased definition of this concept. Furthermore, many scholars have aimed to explain the relationship between corporate sustainability (CS) and corporate social responsibility (CSR). Van Marrewijk (2003) scrutinized the different attempts to define CS and CSR, and as one of his proposals, he combined the views of the Wempe and Kaptein (2002) and Elkington (1997) and illustrated the relationship between CS, CSR and the Triple Bottom Line as presented in Figure 1.

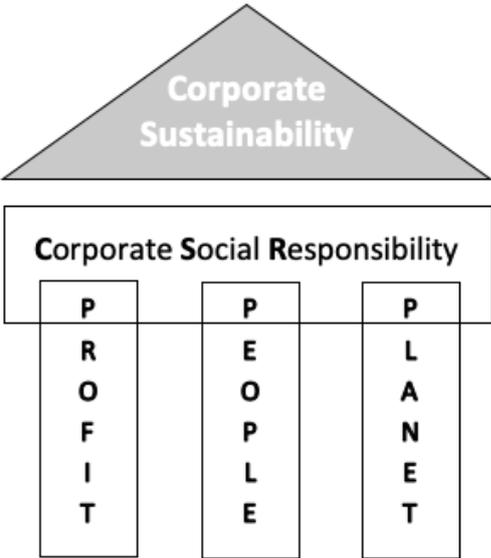


Figure 1. Relationship 3P, CS and CSR (Elkington, 1997; Wempe & Kaptein, 2002 as illustrated in Van Marrewijk, 2003, p. 101)

In this illustration, CS is placed as the ultimate goal for businesses to pursue, with CSR being an intermediate level where companies aim to balance the Triple Bottom Line or “3Ps”, namely profit (economic aspect), people (social aspect), and planet (environmental aspect) (Van Marrewijk, 2003).

For the purpose of maintaining coherence on this thesis, we decided to choose one definition for describing firms’ economic, social, and environmental responsibilities and chose to use the concept of CSR due to its strong presence in the academic literature. We approached the definition of CSR by looking into the results that yielded from an analysis conducted by Dahlsrud (2008). He retrieved and analyzed 37 most commonly used definitions for CSR, and concluded, that there are five dimensions rising repetitively from these definitions. These are environmental, social, economic, stakeholder, and voluntariness dimensions. Thereafter,

Dahlsrud displayed all 37 definitions with a frequency count from Google and the dimensions each definition touches upon. Out of the 37 displayed definitions, the highest frequency count was achieved by a holistic definition that includes all five aforementioned dimensions, and it was presented by the Commission of the European Communities (2001). Hence, for the purpose of this thesis, we will use the following definition in describing the concept of CSR:

*CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis* (Commission of the European Communities, 2001).

### 2.1.1 CSR Strategy

Integration of sustainability issues into business operations is a strategic task (Baumgartner, 2014). Ethically thinking, one could argue that every business should be socially and environmentally sustainable (Baumgartner, 2014), but as Rodriguez, Ricart and Sanchez (2002) point out, in the reality of market-based economies the focus on financial success is often considered first. Porter and Kramer (2006) however emphasize, that if firms looked CSR strategically, it could become a significant source of innovation and competitive advantage, as well as a source of tremendous social progress.

As promising as the integration of sustainability issues into business operations sounds like, there are some critical choices the managers have to make. Firms face many significant tradeoffs when formulating their CSR strategies (Parent & Deephouse, 2007) and they encounter opportunity costs from investing scarce resources to selected CSR activities that respond to only particular stakeholder groups' needs (Fombrun, Gardberg & Barnett, 2000). Consequently, a question arises: when interests conflict, which stakeholders should the firm prioritize? To begin with, there are several different definitions for who the firm's stakeholders are, but the contemporary stakeholder theory is commonly credited to the work of Edward Freeman. He defines a stakeholder to be "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984). That being said, Chandler (2016) approaches the dilemma of stakeholder prioritization by emphasizing the importance of managers to thoroughly know and define the environment they operate in, to further understand the evolving issues and competing stakeholders. He moreover states, that

“accounting for this dynamic context within the firm’s strategic framework helps managers to decide how to prioritize among stakeholders, depending on the issue at hand” (Chandler, 2016, p. 78). In line with Chandler’s view on prioritizing the stakeholders, Porter and Kramer (2006) recommend companies to choose which social issues to address, as it is clear that no business can solve them all and bear the costs of doing so. Therefore, they emphasize that firms should focus on those social issues that intersect particularly with their business and furthermore, that the guiding factor of CSR should be whether a case presents an opportunity to create shared value. By shared value they mean, that there should be a meaningful benefit to the society but also value to the business (Porter and Kramer, 2006). To guide the choice of the social issues to focus on, Porter and Kramer (2006) created a framework (see Figure 2) where they divide those social issues that affect a company into three categories: generic social issues, value chain social impacts, and social dimensions of competitive context. They also highlight, that companies should sort social issues into these three categories for each of their business unit and primary location, as the significance of different issues may vary even within a company (Porter & Kramer, 2006).

<b>Prioritizing Social Issues</b>		
<b>Generic Social Issues</b>	<b>Value Chain Social Impacts</b>	<b>Social Dimensions of Competitive Context</b>
Social issues that are not significantly affected by a firm’s operations or not materially affects its long-term competitiveness.	Social issues that are significantly affected by a firm’s activities in the ordinary course of business.	Social issues in the external environment that significantly affect the underlying drivers of a firm’s competitiveness in the locations where it operates.

Figure 2. Prioritizing social issues (Porter & Kramer, 2006, p.7)

The incorporation of CSR issues into a business strategy is often being referred to as ‘strategic CSR’. Strategy, in general, seeks for sustainable competitive advantage, and its success depends largely on a firm’s ability to match its organizational competencies (internal) with the demands and needs of its competitive environment (external) (Chandler, 2016). Chandler (2016) argues that when firms integrate CSR aspects within their strategic planning and daily operations, they

have better ability to respond and adapt to their dynamic, ever-changing environment and eventually, achieve sustainable competitive advantage.

The two essential phases of strategic management are strategy formulation and strategy implementation, where the formulation process covers questions such as ‘Where are we now?’ and ‘Where do we want to be?’, and the implementation determines ‘How can we reach the set objectives?’ (Mintzberg & Waters, 1985). Therefore, in addition to a well-formulated CSR strategy a successful implementation process is required. Engert and Baumgartner (2015) highlight that while it is commonly agreed that corporate sustainability strategy formulation is relevant for companies, only little focus has been put on its actual implementation. In fact, strategy implementation has according to Guohui and Eppler (2008) become one of the most crucial management challenges and is faced by all kinds of corporations. Thus, firms need to start taking concrete steps to translate the sustainability strategy into practice (Engert & Baumgartner, 2016).

To tackle this issue, Engert and Baumgartner (2016) have identified six success factors which need to be in place in order for a firm to achieve a successful implementation of their corporate sustainability strategy. According to them, the factors or conditions are organizational structure, organizational culture, leadership, management control, employee motivation & qualification, and communication, as illustrated in Figure 3 below.



*Figure 3. The success factors identified for corporate sustainability strategy implementation (Engert & Baumgartner, 2016, p. 826)*

In the implementation phase of corporate sustainability strategies, there must be a fit between strategies, organizational structure (e.g. departments, sustainability boards, persons responsible for sustainability issues), and organizational processes (Engert & Baumgartner, 2016). The organizational culture (e.g. organizational behavior and expectations) on the other hand, plays an important role in the implementation, because sustainability-focused culture signals that the organization cares about environmental and social values, which furthermore guides the behavior of employees and managers (Bonn & Fisher, 2011). The results from the study conducted by Engert and Baumgartner (2015) moreover showed, that the managers' values and personal attitudes towards sustainability issues impact the implementation, and as Stead and Stead (2014) argue, managerial values highly influence the strategic choices in an organization, hence the importance of leadership when implementing corporate sustainability strategy. It is often considered, that sustainability initiatives are complicated to measure and thus, the role of management control is essential in strategy implementation. Engert and Baumgartner (2015) emphasize that to assess the impact of sustainability initiatives, key performance indicators and management systems are crucial. Moving onto employee motivation, as is the case of leadership, it depends on personality and individual attitudes and furthermore, is a key factor in a successful implementation of sustainability initiatives (Engert & Baumgartner, 2016). The implementation of corporate sustainability strategies requires not only time but the acceptance of employees and their motivation for change (Engert & Baumgartner, 2016). Lastly, the authors stress the significance of communication, especially internally, in order to successfully implement corporate sustainability strategies.

### 2.1.2 CSR Communication

Many authors argue that for corporations today it is not only important to engage in CSR but more important that CSR initiatives are communicated to variety of stakeholders (Tata & Prasad, 2015) such as employees, customers, creditors, shareholders, media and non-governmental organizations who are requesting more and more company's sustainability, environmental and socially related information (Ziek, 2009). Therefore, CSR communication is under the spotlight, which has consequently attracted much academic attention (Golob, Podnar, Elving, Ellerup Nielsen, Thomsen, & Schultz, 2013).

Authors, like Dawkins (2004), Tata and Prasad (2015) and Morsing, Schultz and Nielsen (2008) acknowledge that CSR communication faces a set of specific challenges. Dawkins (2004) for example sees that companies encounter stakeholder skepticism when it comes to the message that is being communicated to the public. Furthermore, he states not only the content of a message can trigger stakeholder skepticism but also companies' motivation behind investment and communication of CSR initiatives (Dawkins, 2004). This is what Morsing et al. (2008) call "Catch 22" of communicating CSR. Authors explain this concept as a CSR paradox that all companies are facing because although it is apparent that companies are pressured by increasing number of stakeholders to disperse CSR related information, on the other side stakeholders are likely to react with skepticism toward this information if companies are communicating CSR efforts "too often" (Morsing, et al., 2008). Despite this paradox, Tata and Prasad (2015) see CSR communication as a unique tool for decreasing the gap between how organizations would like to be perceived and how they are actually perceived by their audience in terms of CSR.

### **Key Problems of CSR Communication**

In order to bridge the gap acknowledged by Tata and Prasad (2015), companies must pay attention to two key problems when communicating CSR. First one being how to increase level of consciousness among stakeholders (both internal and external) and second is reducing stakeholder skepticism (Du, Bhattacharya & Sen, 2010). Bhattacharya, Sen and Korchun (2008) have shown that lack of CSR consciousness among stakeholders is the main reason why companies are failing to extract full benefits of CSR communication. On the other hand, Forehand and Grier (2003) argue that stakeholder skepticism is created when stakeholders perceive motives behind companies' CSR initiatives more extrinsic (profit oriented) rather than intrinsic (perceiving that company truly cares).

In order to increase stakeholder consciousness for CSR and reduce skepticism, managers need to pay attention to what is in the actual message and how it is communicated (Du, et al., 2010). When it comes to actual text, companies' CSR message can be based on certain social or environmental problem or more towards companies' involvement in the same. In most cases CSR messages are oriented towards the latter (Du, et al., 2010). Furthermore, Du et al., (2010) argue that companies can point out several different factors in their communication. First one is for example company's focus on a certain social issue where a company can direct its focus on either input or output side, input side being for example amount of donation or number of years that the company will dedicate to certain social cause, while output side is more oriented

towards results of company's involvement (Du, et al., 2010). When talking about communication of motives behind CSR efforts Du et al. (2010) question whether companies should be truthful about their motives and communicate not only intrinsic but also extrinsic motives. Forehand and Grier's (2003) view is that companies should express their extrinsic motives since this enhances the credibility of CSR communication.

When it comes to the ways CSR can be communicated there are numerous mediums, and they range from ones which are under company's control, such as annual reports, websites, commercials etc. to ones that are not under company control because they are in hand of external stakeholders, such as media and customers (Du, et al., 2010). One especially important medium that Dawkins (2004) sees as underutilized is communication of CSR through employees. Dawkins (2004) sees employees as a source of trustworthy information who have access to great number of stakeholders based on social connections. Employees can spread information about company's CSR initiatives through word of mouth and raise awareness among different stakeholders (Dawkins, 2004). Furthermore, Birth, Illia, Lurati and Zamparini (2008) note that when companies are communicating CSR internally to employees, they should strive to reach 4 goals. First one is to improve public perception of companies' CSR initiatives through word of mouth. Second goal of communicating CSR to employees is to increase fulfillment and loyalty of employees. Thirdly, by communicating CSR efforts to employees' company is reducing the potential number of employees who might leave the company, and finally communication creates a positive image of a company to potential new employees. Dawkins (2004) also believes that communication of CSR efforts to employees is important but what could be even more essential is that a company engages employees throughout the organization and not focus on a specific part of it. This cross functional engagement is essential for managing CSR and getting the most out of CSR communication (Dawkins, 2004).

## 2.2 Employee Engagement

Presenting multiple aspects of the CSR concept in previous chapter was the first and necessary step in addressing the aims of our thesis. As a following step, we turn to employee engagement. This concept has attracted much corporate attention during the past decade due to a number of identified benefits that companies experience when the level of employee engagement is increased. Many researchers argue that engaged employees are one of the sources of competitive advantage (Brad Shuck, Rocco, & Albornoz, 2011), that it enables lower employee

turnover (Vance, 2006) and increases organizational commitment (Hakanen, Bakker and Schaufeli, 2006). Furthermore, when it comes to the relationship between CSR and employees it was acknowledged by Collier and Esteban (2007) that the achievement of CSR goals is dependent on whether employees are engaged and willing to support such activities. As a result, Opoku, Chen and Rupp (2018) concludes that employee engagement is necessary ingredient for CSR initiatives to be successful.

In this subchapter, the concept of employee engagement is presented. Throughout this subchapter we have presented what employee engagement is, some of the underlying reasons why it has gained much attention in business and in academia and have showed that there are similar challenges that both concepts are facing. Lastly, literature concerning the relationship between CSR and employee engagement is reviewed.

### 2.2.1 Employee engagement – Gaining Attention

When it comes to the topic of employee engagement, the paper that has created a base for future researchers is work by William A. Kahn (1990). In his work, Kahn (1990) questions the reasons behind people's different levels of engagement during a process of performing a task. In order to study the phenomenon of personal engagement and disengagement, the author has used a wide range of qualitative research tools, such as observation, self-reflection, interviews and defined engagement as:

*“the simultaneous employment and expression of a person's ‘preferred self’ in task behaviors that promote connections to work and to others, personal presence (physical, cognitive and emotional), and active full role performances”* (Kahn, 1990, p. 700).

Ryan and Deci (2000) refer to personal engagement as “intrinsic motivation”, while Langer and Moldoveanu (2000) as “mindfulness”. Disengagement, on the other hand, is when people feel disconnected from a certain task (Kahn, 1990). This feeling of not being able to involve oneself in work tasks is what Maslach, Jackson, Leiter, Schaufeli and Schwab (1986) call a “burnout syndrome”. Kahn's (1990) research has yielded that individual's level of engagement increases if psychological situations in form of safety (engaging in job without fear of negative impact on career or image), meaningfulness (purpose of engagement in certain task) and availability (perception of having relevant resources to take on a task) are fulfilled.

Over the last two decades the term employee engagement has gained much popularity throughout the business world (Shuck & Wollard, 2010). Some see this increase in popularity as understandable since there are many positive results of employee engagement that reflect on an organization (Ferreira & Real de Oliveira, 2014). Furthermore, many authors note that the main positive outcomes are found in different forms such as: increased employee productivity and loyalty towards an organization (Gupta & Sharma, 2016), profitability and customer satisfaction (Harter, Schmidt & Keyes, 2003), improved connection to one's work (Schaufeli, Salanova, González-Romá and Bakker, 2002) and increased organizational commitment (Hakanen, Bakker and Schaufeli, 2006).

Many well-known engagement surveys have shown that employee engagement is a serious problem for organizations world-wide. For example, "*The 2014 Global Workforce Study*" conducted by Towers Perrin organization showed some astonishing results. The survey, that was conducted on more than 32.000 employees around the world, yielded that 24% of participants were disengaged, 17% were detached, 19% are unsupported and 40% are engaged (Towers Watson, 2014). In "*The 2017 State of the American Workforce report*" by the Gallup organization, in which more than 31 million US employees were surveyed, showed similar results. The report shows that percentage of US engaged employees ranged from 26% in 2000 to 33% in 2006, not engaged from 59% in 2005 to 51% in 2016 and actively disengaged from 20% in 2007 to 16% in 2016 (Gallup, 2017). In line with the presented findings, Gruman and Saks (2011) argue that most important question organizations should ask themselves today is how to improve employee engagement.

### 2.2.2 Engaging Employees through CSR

In many firms today, CSR is being used for recruiting, retaining, and engaging employees (Mirvis, 2012). Many studies confirm, that the power of CSR as a driver of employee engagement cannot be undermined and that employee engagement is necessary component in order for CSR initiatives to be successful (Opoku-Dakwa, et al., 2018).

For instance, Gupta & Sharma (2016) refer to a study conducted by Hewitt and Associates (2013), which included a sample of over 100,000 employees which showed that there is a clear correlation between companies engaging in CSR practices and the level of employee engagement, the former being higher in firms that are more socially responsible (Hewitt and Associates, 2013; as cited in Gupta & Sharma, 2016). Furthermore, a survey conducted by

Insync, an Australian consulting firm, showed that on a sample of 14,000 employees there is a positive relationship between employees who view that their company is socially responsible and those who are content with their position (Insync, 2008). Employee engagement was also recognized by information technology giant IBM, who conducted a survey on more than 33,000 employees located in 19 countries. They have identified 10 key drivers and ranked CSR effort at 9<sup>th</sup> place (IBM, 2014). Towers Perrin's Global Workforce Study, conducted on 90,000 employees in 18 countries, showed that organization's CSR reputation is ranked as 3<sup>rd</sup> among 10 drivers of employee engagement globally (Towers Perrin, 2008).

The suggestions of Raub and Blunschi (2014) are in line with the studies presented above, as their research shows, that organizational engagement in CSR is one efficient way to increase a sense of meaningfulness at work. Their results highlighted the importance of employee awareness of CSR and more precisely, showed that when employees are more aware of CSR activities on both strategic and practical level, they experience stronger task significance, job satisfaction and engagement (Raub & Blunschi, 2014). Glavas (2016) aimed to contribute to the research in the area of CSR and employee engagement as well, and he tested three potential factors which mediate the CSR-employee engagement relationship based on Kahn's (1990) model. The factors were perceived organizational support, authenticity, and extra role involvement. The study showed, that there is a positive and significant relationship between employee perceptions of CSR and employee engagement, which was mediated by authenticity. Perceived organizational support, on the other hand, did not have a significant influence, and in fact extra-role involvement in CSR (such as volunteering) was found to negatively influence employee engagement. Consequently, these results suggest that even if employees are positively affected by CSR, they prefer that CSR does not entail additional work above and beyond their own job (Glavas, 2016).

As shown in the literature review until now, there are many studies conducted on the topic of CSR and employee engagement. However, what is clearly lacking is an overall understanding of how and why employees are affected by CSR (Glavas, 2016). Thus, as a conclusion to this subchapter and a bridge towards next one it has been identified that the key mediator between CSR and employee engagement seems to be how employees perceive CSR. Therefore, the next subchapter will review the aspect of employee perception of CSR and will cover some of the most important literature work.

## 2.3 Employee Perception of CSR

Considering the previously presented findings that show how CSR and employee engagement are connected through employee perception, we begin this subchapter by briefly presenting the concept of perception including thoughts on why studying individuals' perceptions comes with a set of challenges. Furthermore, we present previous studies that have looked into the concept of employee perception and have identified some of the factors that influence the same.

### 2.3.1 Perception – What Is It About?

Perception can be considered to be a process by which people organize, identify, and interpret sensations from their environment in order to form a mental representation (Schacter, Gilbert, Wegner & Hood, 2012) and thus, studying perceptions entails its own challenges. Each individual has their own perception, and the perception is shaped by the environment, past experiences, and what is going on around us. Daniel Kahneman and Amos Tversky have presented multiple ground-breaking theories in areas such as decision making, thinking systems and biases (e.g. Tversky & Kahneman, 1974; Tversky & Kahneman, 1986), and we believe that it is beneficial to acknowledge the possible implications that biases can have on people's thinking to better understand how people perceive different matters, for instance in terms of CSR activities in the company they work in. Kahneman, Lovallo and Sibony (2011) explain, that according to cognitive science, there are two modes of thinking: intuitive (System One) and reflective (System Two). System One produces a constant representation of the world around us and most of the time, System One thinking determines our thoughts (Kahneman, et al., 2011). Our visual system and associative memory are both important aspects of the System One, and they are designed to produce a coherent interpretation of our environment and what is going on around us (Kahneman, et al., 2011). System Two thinking, on the other hand, is more effortful and deliberate and is usually mobilized when we detect an obvious error or when the stakes are high (Kahneman, et al., 2011).

### 2.3.2 Importance of Understanding Employee Perception

Glavas and Piderit (2009) have acknowledged the importance of understanding employees' perceptions when studying the effects of CSR. They argue that in order to analyze the influence of CSR (or "corporate citizenship" as they refer to it) on employees, one must first understand

how employees perceive company's CSR activities, and more specifically, whether employees see the company as a good corporate citizen or not (Glavas & Piderit, 2009). The authors present "perceived corporate citizenship" as a factor that has an influence on the relationships between employees, creativity and employee engagement. The results yielded that there is a positive relationship between employees' perception of a company as a "corporate citizen" and relationships among employees, creativity and employee engagement (Glavas & Piderit, 2009). Therefore, there is a clear indication that employee perception of CSR activities plays an important role in making a CSR strategy viable.

Based on the aforementioned study, Lee et al. (2013) have taken a step back and analyzed perceived cultural fit and CSR capability as factors that influence employee perception of a company's CSR activities. Former is defined as how much employees see that a company's CSR efforts are in line with its culture, while latter as extent to which an organization has adequate tools or knowledge to formulate, implement and sustain CSR activities (Lee, et al., 2013). The authors argue that when CSR activities are in line with company's culture, employees tend to support such activities, also the more an organization is seen as being capable of conducting CSR initiatives employees will perceive such activities in a positive way (Lee, et al., 2013). These expectations are in line with the view of Collier and Esteban (2007) who propose that employee commitment to organization will depend on corporate culture and whether CSR efforts are ingrained or seen as an "add-on" to company's core activities. Additionally, study by Glavas (2016) showed that even though "extra role involvement", such as volunteering activities, can have a positive influence on employees (Muthuri, Matten & Moon, 2009) when these initiatives are not part of one's job (perceived as an extra-role) they can have negative effect on employee engagement. Lastly, Opoku et al. (2018) also touched upon this notion by referring to CSR capability as "collective efficacy" and arguing that when employees perceive that an organization has high collective efficacy, they will expect achievement of those goals as more likely.

### 2.3.3 The Motivational Aspect

In the following paragraphs we present how different dimensions of CSR and different motives assigned to this concept can influence employee perception of CSR and therefore also employee engagement.

Story and Neves (2015) have investigated how employees' performance is influenced by intrinsic and/or extrinsic motives assigned to CSR initiatives by employees. Authors define intrinsic motives of CSR engagement as profound where employees perceive CSR activities as conducted because the company believes that it is the right thing to do. On the other hand, extrinsic motives are attributed to CSR efforts if employees perceive that a company is looking to get something in return for its investment (Story & Neves, 2015). In line with this, Rupp, Shao, Skarlicki, Paddock, Kim, and Nadisic (2018) argue that employees are likely to act in a negative manner if they perceive actions of an organization to be socially irresponsible. Accordingly, if CSR initiatives are perceived to be socially responsible, employees are likely to have a more positive attitude towards the organization (Rupp, et al., 2018). Furthermore, Story and Neves (2015) point out a two-edge sword characteristic that both of these motives have, namely, although intrinsic attributes are desirable, they can have also a negative effect on employees since employees may see this as focusing too much on external environment and neglecting company's workforce. In a same way having CSR activities that are characterized by extrinsic attributes may attract stakeholder skepticism (Story & Neves, 2015). Therefore, Story and Neves (2015) point out that a balance between being strategic and moral with CSR efforts needs to be accomplished.

Building on employee perception literature Vlachos, Panagopoulos and Rapp (2013) have tested whether charismatic leadership can influence the way employees attribute intrinsic or extrinsic motives to CSR initiatives. Authors note the findings of Wieseke, Ahearne, Lam and Dick (2009) that leaders are the face of an organization, and their leadership skills and decisions that they make can influence employee's perception of an organization CSR efforts. Vlachos et al. (2013) proved that employees are likely to perceive CSR initiatives of an organization more positively and attribute intrinsic motives when leadership structure behaves in a charismatic manner, for instance nurturing the relationship with employees, motivating and supporting them or setting ambitious goals. However, results have also showed that there is no relationship between employees' perception of charismatic leadership and extrinsic attribution towards CSR efforts (Vlachos, et al., 2013).

Other authors like Ferreira and Real de Oliveira (2014) have taken a slightly different angle of analysis and tested whether different types of CSR could affect employee engagement. They refer to these different types as dimensions and see them as internal and external (Ferreira & Real de Oliveira, 2014). Internal CSR are those oriented towards working environment of

employees (Al-bdour, et al., 2010), while external CSR are efforts conducted outside of a company and include involvement in local communities, collaborations with NGO`s and other external stakeholders (Gupta & Sharma, 2016). In order to analyze how types of CSR influence employee engagement, Ferreira and Real de Oliveira (2014) have presented employees with three scenarios which replicated companies that were externally, internally oriented or were not engaged in CSR. It is interesting that the results show that between employees which were exposed to external and those presented with internal scenarios engagement is at the same level (Ferreira & Real de Oliveira, 2014), which can be interpreted as employees perceiving both type of CSR as equally important.

Bhattacharya, Sen, and Korschun (2007) studied employee participation in CSR activities, and based on their study they argue, that CSR programs are the most effective when employees are in fact involved in the planning, designing, and implementation of CSR strategies, making them active participants rather than passive executors of top management`s CSR decisions. Therefore, as a last point, employees` perception of CSR efforts can also be influenced by how much employees perceive that their participation and acceptance of company`s CSR is autonomously regulated (Rupp, et al., 2018). By building on the Self-Determination Theory and the Organismic Integration Perspective (Ryan & Deci, 2000), Rupp et al. (2018) have created a CSR relative autonomy concept (CSR-RA). Authors argue that employee perception of CSR efforts depends on four states, with first one being external regulation and this state is defined by organizational regulations. When “volunteering” opportunities are being used as one of the criteria for performance evaluation it is likely that employees will see CSR activities as mandatory and will participate in order to avoid being negatively evaluated during a performance review. Second state is introjected regulation where an employee participates in CSR activities in order to improve their self-esteem and avoid feeling guilty due to not participating. Identified regulation, as a third type, is when employee sees some personal benefit from participating such as learning new or developing existing skills (Rupp, et al., 2018). This third type of regulation is in line with the view of Bode and Singh (2018), that when participating in social activities, employees are expecting certain benefits form it such as acquisition of new skills and/or knowledge. Ryan and Deci (2000) see these three states as being governed by extrinsic motivation since employees are engaging in order to achieve certain result. As fourth and final, intrinsic motivation is opposite to previous one due to employees perceiving CSR efforts as enjoyable (Rupp, et al., 2018).

### 2.3.4 Employee Typology

With a different view on the possible factors that influence employee`s perception of CSR activities conducted by an organization we now turn to the last point of this chapter and present two typologies in the literature presented by Hemingway (2005) and Rodrigo and Arenas (2008) which categorize employees based on their views and attitudes towards CSR.

Hemingway`s (2005) framework (Figure 4) classifies employees in four groups defined by two dimensions: collective vs individual personal values (collective values having social focus and individual having personal focus) and supportive vs unsupportive culture of CSR (Hemingway, 2005). These dimension yield four types of employees: Frustrated and Active corporate social entrepreneurs (CSEs), Conformist and Apathetic (Hemingway, 2005).

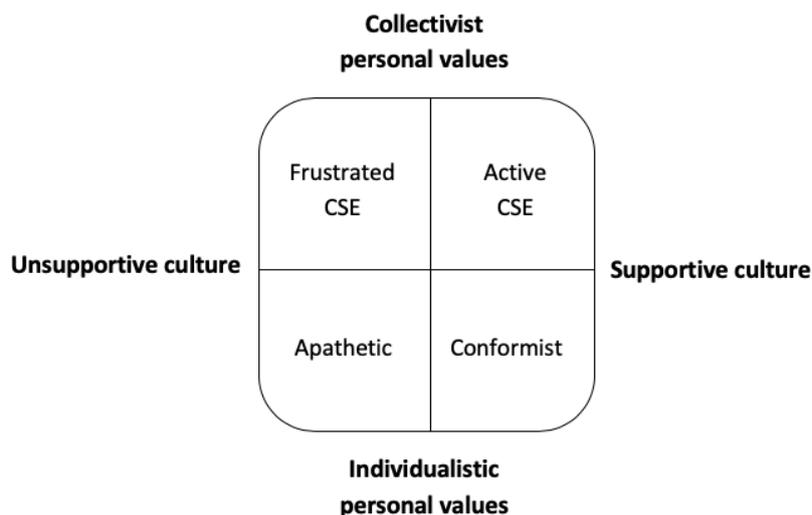


Figure 4. A typology of predispositions towards CSR (Hemingway, 2005, p.238)

Frustrated CSE`s hold collectivistic values but have a sense that they work in a company that is not supportive towards CSR. These employees are referred as a “frustrated” since they are motivated to perform CSR activities but due to the specific culture of the company these individuals have to present to the company that there is a certain benefit behind engagement in this kind of activities. Active CSE`s are usually at management positions such as chief sustainability officer and are defined by having collectivistic values and perceive that the company has supportive culture towards CSR. Lastly, Conformist and Apathetic employees hold individualistic values with former having no tendency to act in CSR manner but act due

to being appointed by superiors and latter not acting in CSR manner due to not believing and valuing this concept (Hemingway, 2005).

On the other hand, Rodrigo and Arenas (2008) group employees into three categories, namely, Committed, Indifferent and Dissident. Committed employee, usually presented by higher management level, CEO`s and founders, have high enthusiasm regarding CSR activities due to their previous education or professional experience and their performance tends to increase when engaged in such activities. Following type defined as Indifferent employees are more oriented towards their career and accept CSR activities as a part of their job, they are not for nor against this concept due to their primary goal of moving up the corporate ladder (Rodrigo & Arenas, 2008). Larsson, Driver, Holmqvist, and Sweet (2001) refer to this type of employees as having a linear career path with the main characteristic of upward movement. Lastly, Dissident employees who are usually located at lower levels of a company are characterized by negative attitude towards CSR effort of a company, with a possibility of participation in such activities if there is a personal benefit involved such as salary increase (Rodrigo & Arenas, 2008).

## 2.4 Chapter Summary

The key concepts of our research topic are *CSR* and *employee engagement*, and furthermore, *employee perception of CSR* as the connecting element (as illustrated in Figure 5). Therefore, we focused on exploring these three concepts in dept on our extensive literature review. On this subchapter, we provide a summary of the most critical theories that we will use as a foundation when analyzing the empirical data.



Figure 5. CSR – Employee Engagement Relationship (authors’ own illustration)

We began the literature review by identifying that despite its increased popularity, CSR still lacks a coherent and universal definition. Furthermore, we investigated the relationship between corporate sustainability (CS) and corporate social responsibility (CSR) and we came to a conclusion that CS is often referred to as the ultimate goal for business operations, “meeting the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987) while CSR is the intermediate level where firms try to balance their tiple bottom line, namely social, environmental, and financial aspects. In addition to defining the sustainability concepts, we considered the importance of firms to incorporate CSR into their business operations and strategy, and moreover the role that CSR communication has in firms. When firms formulate their CSR strategies, they have to consider which stakeholders to prioritize and which social and environmental issues to focus on. It also became clear that despite firms acknowledging the importance of having a CSR strategy, less emphasis is put onto the implementation which further has become a big management challenge. CSR communication is seen as an essential part of the implementation and thus firms should invest in effective CSR communication both with internal and external stakeholders.

After covering the concept of CSR, we turned to the concept of employee engagement. We presented one of the most important pieces of literature on this topic, which was introduced by Kahn (1990) who provided a definition for employee engagement which has been used as main reference point in many other scholarly works. Throughout the years, it has become apparent that employee engagement has gained much popularity in the business world, which was reinforced by the number of conducted engagement surveys. Furthermore, we showed how CSR can be used as a tool for engaging employees by referring to a number of surveys and academic papers which have shown that CSR is a driver of employee engagement which cannot be undermined.

Having shown that CSR influences employee engagement, we were still missing an important link being how concepts of CSR and employee engagement are in fact connected (Glavas, 2016). By testing how elements of Kahn’s (1990) model (perceived organizational support, authenticity, and extra role involvement) mediate between CSR and employee engagement Glavas (2016) has found that the missing link in the CSR and employee engagement relationship was how employees perceive company`s CSR activities.

Once we had identified that employee perception is the most likely link between concepts of CSR and employee engagement, next step was to dig deeper into the field of employee

perception in order to find a way to contribute to the literature. This opportunity was provided by Glavas and Piderit (2009) who made a recommendation for future researchers to examine possible antecedents of employee perception of CSR. Even though there were some studies conducted on this topic (see Figure 6), it is apparent, that most of the literature on the factors behind employee perception of CSR was conducted in quantitative manner (these studies are marked in white circles), covering large number of employees in studies by combining different quantitative tools (such as surveys and questionnaires) for studying and analyzing this relationship. Therefore, we opted for qualitative approach in order to both contribute to the previous qualitative studies on this topic (green circles on Figure 6) and to contribute to the overall literature of employee perception of CSR by providing more detailed information gained through our empirical study.

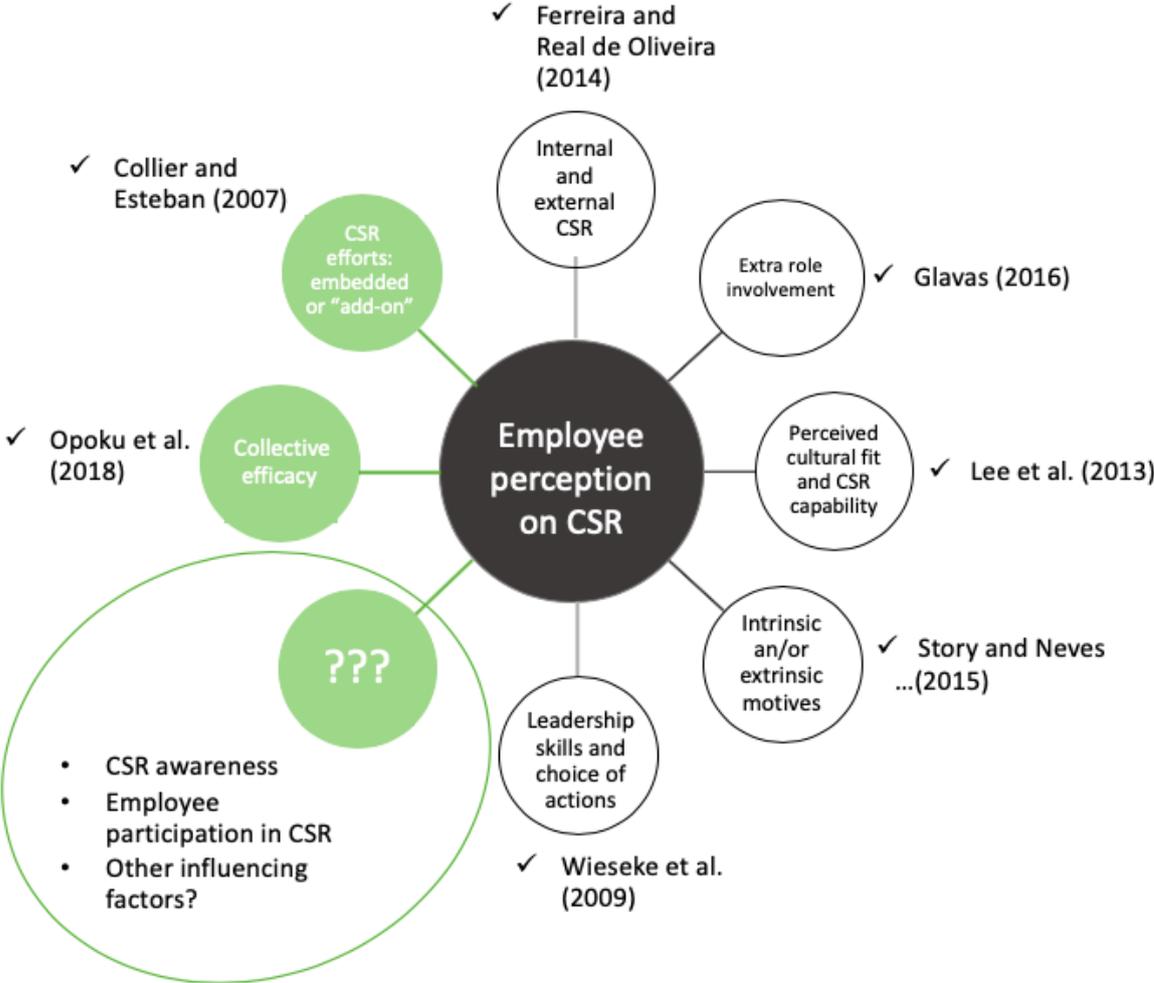


Figure 6. Previous studies regarding employee perception of CSR and gap in the literature (authors' own illustration)

# 3 Methodology

In this chapter, the research method utilized in this thesis is thoroughly described and discussed. The chapter begins by introducing the research approach, followed by the description of sample selection and data collection method. Thereafter, the process of data analysis is characterized and finally, the reliability and ethical aspect of this thesis are evaluated.

## 3.1 Research Approach

As previously noted, the purpose of this study is to gain more understanding in what factors influence employee perception of corporate social responsibility. In order to address our research purpose and research question, we focused on studying a company that is one of the leaders when it comes to communications and information technology products and is placing its employees as primary stakeholder which is directly correlated and relevant to our research topic.

The study was conducted with qualitative method in a form of a case study by utilizing primary research. Qualitative analysis was chosen due to the qualitative nature of the research question itself. Noor (2008) sees that case study is used when analyzing not entire organization but particular phenomenon within the same. In order to determine what type of case should be utilized we have followed recommendation made by Baxter and Jack (2008) in form of asking ourselves “what do we want to analyze?”. Since we explore possible factors influencing employee perception of corporate social responsibility, the type of case study that we used is a descriptive case study. Yin (2003) sees this type of study used when authors want to describe particular phenomenon that is happening in natural setting. Therefore, in order to address our research question and to understand the phenomenon of employee perception of corporate social responsibility, we used a single-descriptive case study as qualitative design.

The main reason behind utilizing only primary data in addressing our research question and purpose was due to the non-disclosure agreement (NDA). Since this contractual relationship has preventing us from using any data that would enable a reader to comprehend which company is in question, we were not able to reference annual reports, CSR or sustainability reports and information from company`s website for the purpose of addressing our research question.

### 3.1.1 Choice of Organization and Sample Selection

The company that we decided to study, is a large multinational communications and information technology company located in Southern Sweden. Firstly, we chose to study this particular organization due to their noted proactive efforts in various different areas of corporate sustainability, and secondly, because the company places its employees as a primary group of stakeholders. Lastly, the fact that one of the authors had previously been in contact with this company enabled us to gain access to this corporation for the purpose of this study.

We interviewed ten employees from various departments within the company, such as design department, software department, quality assurance, human resources, customer service, procurement, risk and control etc. Selection of the interviewees began by sending an e-mail invitation to 59 employees, with the help of our contact person from the company and asking if they were interested in participating in this research. The candidates for the research were approached with the help of our contact in the studied organization, since as non-employees, we were not able to obtain e-mail addresses of interviewee candidates and were obliged to follow strict protocol defined by NDA agreement. However, we had mutually agreed to the aim of finding a diverse sample that would on one hand enable us to conduct this research and for our contact person to gain valuable input from colleagues on how to improve sustainability efforts in the company.

“Application period” was open for one full working day. Since we have received 17 positive responses, next step was to select 10 employees that would show a representative picture of the studied company. The main reason behind choosing 10 employees to interview and not all 17 who expressed their interest to participate was due to combination of time constrain and lack of experience in conducting this kind of research. With 17 interviews to conduct, transcribe and hand code it has seemed likely that we would be overwhelmed with data to analyze and therefore we have chosen to base our empirical results on 10 employees.

Guiding factor in our selection process was to have all interviewees from different departments of the company, which is in line with Rowley`s (2012) recommendation to increase variability by including interviewees that have different backgrounds, experiences, and roles. In our sample there were both employees who have started their career in the company more recently and “veterans” that have been working in the company for more than a decade. Final selection yielded 6 male and 4 female employees.

In the Table 1. (below) we have presented the coded names of interviewees and information on whether they are responsible for managing other people or not. Actual titles are not provided in order to provide better anonymity. Last column presents duration of each interview, with total and average duration below.

<b>Interviewee</b>	<b>Managing Other People (yes/no)</b>	<b>Duration of Interview</b>
N1	No	29min
N2	Yes	39min
N3	No	30min
N4	No	24min
N5	Yes	36min
N6	No	25min
N7	Yes	26min
N8	No	37min
N9	No	42min
N10	Yes	40min
		Total: 328min
		Average: 33min

*Table 1. Selected interviewees and interview durations*

### 3.2 Data Collection Method

#### 3.2.1 Interviews

One of the main reasons behind choosing interviews over surveys as a data collection method, was in line with the view of Harris and Brown (2010) that even though surveys would offer us an access to greater sample size, interviews provide more detailed information on interviewees’ thoughts and attitudes. Since the aim of this research is to explore what the influencing factors behind employee perception of CSR are, we decided that interviews would be the right method to use in order to address our research question.

The interviews were conducted in a semi-structured manner, and they were based on open-ended questions, which according to Creswell (2014), enable the researcher to obtain participants' opinions and views regarding the topic. The interviews were conducted individually with each participant, and they took place in a calm and private meeting room at the premises of the company. At the beginning of each interview, the interviewees were given a brief introduction to the purpose of the interview, but the interviewer avoided telling too detailed about the aims and objectives of the study to prevent the interviewees' answers to be influenced. In addition, it was emphasized that the interview aims to look into individual thoughts and perceptions, and thus, there would not be any right or wrong answers. The interviewees were also told that the answers will be fully anonymized and neither the interviewee nor the company shall not be recognized. Each interview was audiotaped with the permission of the interviewee and then transcribed afterwards, with a random number from 1 to 10 assigned to each of the interviewee. Interviews were conducted over a two-day period, with one author conducting interviews and other transcribing. This was done in order to avoid results from interviews differing due to your way of asking questions and different personalities of interviewers.

### 3.2.2 Design of Interview Guide

On all of the conducted interviews, we used an interview guide that included the topics we wanted to cover during each interview (see Appendix A). To formulate the interview guide, we revisited our research purpose, research question, and research design as recommended by Easterby-Smith, Thorpe and Jackson (2015) for the purpose of clarifying the aims we have for the interviews. Based on the conducted literature review we decided to include *CSR awareness* and *employee participation in CSR* as interesting topics to cover and added a third one for looking into *other possible factors* influencing employee perceptions on CSR. This was done with the purpose of giving the interviewees a possibility to bring up factors they think are influential, hence not determining all topics beforehand. Each topic included some guiding questions to ensure a fluent flow of conversation. We followed a recommendation given by Easterby-Smith et al. (2015), and formulated the questions in a clear and easily understandable and avoided leading questions in order to prevent producing a predictable response. As the purpose of the interviews was to study employee perceptions of CSR, we felt it was crucial to use terms that the interviewees were familiar with. As the studied organization refers to sustainability as an umbrella term for CSR and environmental aspects in their own

communication, we altered the interview topics and questions accordingly and furthermore, explained any confusing terms or concepts where deemed necessary.

### 3.3 Data Analysis

#### 3.3.1 Transcription and Coding of Data

The transcription was done immediately after each interview in order to be able to begin the analysis parallel to the data collection. This decision was made based on recommendation given by Rowley (2012) who noted that audio recordings of the interviews should be listened and transcribed in order to recognize potential problems that might affect following interviews.

We chose to hand code the data from the interviews mainly due to time constrain. Even though qualitative computer data analysis programs have many advantages over hand coding, they require time to learn (Bringer, Johnston, & Brackenridge, 2006), and since we are faced with the time constrain of ten weeks to conduct this research, we opted for hand coding.

The derived primary data from the interviews was coded by using a combination of deductive and inductive approach. Braun, Clarke, Hayfield, and Terry (2019) argue that deductive approach to coding is present when researcher is using previous knowledge form literature to code the data, while inductive approach is when themes and codes are extracted from the data itself. In our analysis, deductive approach was utilized when analyzing primary data through the lens of two predetermined themes: *CSR awareness* and *employee participation in CSR*, while inductive approach was used to identify *other influencing factors* from the collected data.

#### 3.3.2 Thematic Analysis

As a method used to analyze this type of qualitative data, we decided to use thematic analysis. Riessman (2005) argues that thematic analysis is one type of narrative analysis and is used when researches are analyzing for example interviewees answers rather than their reactions. Braun et al. (2019) refer to thematic analysis as a method for finding and organizing themes in certain set of data, while Rowley (2012) sees it as a tool for connecting themes that are found in empirical data.

In order to illustrate how the analysis of the data is conducted, we utilized Braun et al. (2019) six-step process. First step is to get acquainted with the empirical data. Throughout the analysis we read the transcripts of the interviews multiple times and listened to the audio records. Second step is to create codes. Côté, Salmela and Abderrahim (1993) refer to this step as “creating tags”, which are words describing parts of text. During this phase we have grouped all codes into three categories based on the interview guide (see Appendix A), and the categories are *CSR awareness*, *employee participation in CSR*, and *other influencing factors*. For example, during the phase of analyzing answers to *CSR awareness* questions we identified that interviewees’ awareness of the company’s sustainability initiatives is being increased in four ways: through work itself, lectures, programs, and knowledge-sharing between colleagues. Therefore, we grouped together all these codes into one called “increased awareness”. In the *employee participation* theme, we created a code “personal prioritization to participate” since several interviewees noted that it is a matter of personal choice if you want to participate in sustainability initiatives of the company. Finally, in the *other influencing factors* category an interesting factor that caught our attention was the employees’ view that “Sustainability needs to be seen higher on management agenda”, and thus the code was named as ‘managerial emphasis on CSR’. Examples of some of the quotations from interview transcripts with assigned codes, is presented in Appendix B.

Phase three, generating themes, was partially modified since we have already brought into analysis two previously mentioned themes (*CSR awareness* and *employee participation*). But in addition to these themes, we were able to identify several other factors from the collected data which seem to influence employee perception of CSR, and these *other influencing factors* have been grouped into three additional themes, namely *managerial aspects*, *impact of the setting*, and *personal aspects*. Fourth phase consist of evaluating created themes in order to ensure that themes are in line with data collected.

Specifying the themes was marked as a fifth phase by Braun et al. (2019) which included extracting parts of the texts (quotes) from transcripts in order to make a structure for the analysis. As previously noted, both findings and analysis & discussion chapters of this paper were structured according to the five themes: *CSR awareness*, *employee participation in CSR*, *managerial aspects*, *impact of the setting*, and *personal aspects*. Finally, sixth phase of the analysis consists of reporting the findings (Braun et al., 2019) which are presented in chapter 4 of this thesis.

### 3.4 Reliability

Golafshani (2003) argues that in order to establish reliability in qualitative research, author needs to examine trustworthy the collected data is. Testing trustworthiness of qualitative research, according to Thomas and Magilvy (2011), consists of four parts.

First part is credibility, which shows how representative the data is. In order to ensure credibility, we relied on primary data from the interviews, as it provides us with better picture of employee perception of the company`s CSR efforts.

Next step is transferability, which is defined as how likely is that the findings can be generalized (Thomas & Magilvy, 2011). Since we are focusing only on one company in the information and communications technology industry located in Southern Sweden, we think that even though the findings offer valuable insight, they cannot be generalized as such. As the study aims to identify what factors influence employee perception of CSR, the findings can offer recommendations and direction for managers and future research but should not be generalized to apply all companies in different industries and geographical locations.

Third step is dependability. It is defined as the extent to which one researcher can follow the decisions taken by another (Thomas & Magilvy, 2011). This is accomplished by providing description of why and how interviewees were selected for this study and how the data was collected and analyzed.

Confirmability is fourth and final part of examining trustworthiness. Confirmability is achieved when all three previous elements, namely credibility, transferability, and dependability are present, and researcher has acknowledged the limitations of the research (Thomas & Magilvy, 2011). In order to fulfill this step, we have presented the limitations of this study in Chapter 1.4.

### 3.5 Ethics

Ethical issues in research today are gaining more and more attention (Creswell, 2014). Since qualitative studies are mostly managed in setting that includes people as participants, ethical issues need to be taken into consideration (Orb, Eisenhauer & Wynaden, 2001).

In order to ensure that no ethical codes have been breached, we decided to utilize Creswell`s (2014) approach based on tackling ethical norms in different stages of a study.

The main ethical issue that arises in the first stage, before the study begins, is gaining an access to the participants. In order to overcome this issue, we used personal contact that one of the authors of this thesis had during an academic period. As a second stage, Creswell (2014) refers to issues of presenting the motivation for executing a project to organization or people. Before the start of the thesis we had a meeting with our contact person from the company in order to present our research proposal and our intent with this study.

Collection of the data is referred to as a third stage and includes ethical issues such as collecting information that might reflect badly on organization. By communicating our research purpose to participants in the study and not disclosing possible sensitive information we have taken steps to avoid this third type of ethical breach. Fourth stage in Creswell's (2014) approach is the process of analyzing empirical data. In order to avoid breaching ethical norms at this stage, such as disclosing the identity of participants and showing only optimistic data, we have assigned aliases (N1-N10) to interviewees and we have avoided presenting only results which are considered as "positive".

Final stage in research, according to Creswell (2014), is presenting the results of the research. Primary ethical problem that arises at this stage is publication of the data that might have negative effect on both company and participants in interviews. In order to avoid this final ethical issue, identities of interviewees are being protected, as shown in previous stage, and we have agreed to provide a finished version of this research to our contact person in the company for final review before actual publication of the thesis.

## 4 Findings

The purpose of this chapter is to present the empirical findings from our research. On the first subchapter, the organizational background will be described for two main reasons. First one being to introduce readers to the current situation that the company is facing and second one, to note that this situation in the company can potentially influence some of the interviewees' responses.

Thereafter, the following subchapters illustrate five main themes derived from both literature and from the empirical data. More precisely, the first two themes 1) *CSR awareness* and 2) *employee participation in CSR* were derived from literature in a deductive way. Inductive approach was then utilized to identify *other influencing factors* from the empirical data, and these findings are divided into the following three themes: 3) *managerial aspects*, 4) *impact of the setting*, and 5) *personal aspects*. The chapter subheadings under each theme, as for instance 4.2.1 Increased Awareness under *CSR awareness* theme, illustrate the factors that potentially influence employee perception. Summary of themes and factors is shown in Table 2 below.

Themes	Factors
CSR Awareness	Factor 1) Increased Awareness
	Factor 2) Greater Transparency
Employee participation in CSR	Factor 3) Personal Prioritization
	Factor 4) Increased Participation through New Roles
Managerial aspect	Factor 5) Managerial Emphasis on CSR
	Factor 6) Alignment of CSR and Business Strategy
	Factor 7) Balance between Internal and External CSR
Impact of the Setting	Factor 8) Financial Setting
	Factor 9) Organizational Setting
Personal Aspects	Factor 10) Interest, Values, and Beliefs

Table 2. Overview of themes and factors influencing employee perception

## 4.1 Organizational Background

As stated earlier, the studied company is located in Southern Sweden and is a multinational information and communication technology company that produces a wide range of electronic products. The company acknowledges that doing business in sustainable way has become one of the most important challenges that many businesses face today. Its focus on sustainability entails all aspects of business, from supplying the right materials over production to recycling of products. Furthermore, the company is placing its employees as their primary stakeholder.

What became apparent during the interviews is that this company has recently undergone certain organizational changes. This means that some of the responsibilities which were allocated to this affiliate were taken back to headquarters, which resulted in number of employees being discharged. As a result of these cost-saving measures, the company's sustainability team was left with one employee, a sustainability analyst.

As a final note, we want to clarify the use of the terms “sustainability” and “CSR” to ensure coherence throughout the findings chapter. As the studied organization refers to sustainability as an umbrella term for CSR and environmental aspects in their own communication, we follow the same approach when presenting the empirical findings.

## 4.2 CSR Awareness

This subchapter presents the findings related to the *CSR awareness* theme. Throughout the interviews, from the viewpoint of this theme, two main factors were identified as influencing employee perception of CSR. Those factors are increased awareness and greater transparency. Consequently, this subchapter is divided into two parts, namely 4.2.1 Increased Awareness and 4.2.2 Greater Transparency.

After finishing with the background questions (see Appendix A), which were asked with the intention to familiarize ourselves with the interviewees, official interview was started by asking interviewees what they know about the sustainability efforts of the organization. Some of the respondents had following answers:

*I mean the most important goal that the company has is the vision to neutralize, how should I say, to eliminate its carbon footprint as a company. So, the ambition is clear, to be a carbon neutral company. (N10)*

*Of course, I am very much aware of everything we do in terms of ensuring that our products and production of the product minimize the footprint from them. In all different ways not only CO<sub>2</sub>, but also to avoid having substances that are dangerous for the environment and the humans. (N7)*

*Our company is striving to reduce the global footprint on our products that we put on the market and we, I think we take role in the society also to work with more from a social aspect or humanitarian aspect like earthquakes or to be working with schools...That is the first thing that comes to my mind in a way that try to have a good brand when it comes to environmental parts as well. We do a lot of work for instance on our banned substances list, what we can and cannot use in our components. (N1)*

*I think there are a lot of activities like recycling, making sure we don't have too much waste in production and in the office, also packaging and transportation. In social responsibility, in general I think we have quite a lot of activities in terms of being active out in community and society. With student relationship and with also supporting activities where there have been some catastrophes in the world, support in that sense. So, quite a lot of things. (N5)*

Therefore, we can see that, in general, interviewees are aware of sustainability activities that are happening in the company both onsite and on more corporate or global level. Interviewees showed that they are aware of activities from a more strategic level, as presented by N10, where this company has a clear long-term goal of eliminating its carbon footprint in following decades, over substances that the company is using in production to a more local, smaller initiatives like reducing and recycling the waste in the office.

#### 4.2.1 Increased Awareness

*(When I'm more aware), I get inspired and motivated because of course I want environment to get better. If you work for a company that is actually striving in*

*that direction doing something to improve, I think that makes you feel happier and a bit proud of what you are doing. That is very important. (N1)*

After seeing that respondents were quite well aware of sustainability initiatives by the company, a question regarding the source of this information came as subsequent. When asked how they have obtained the information regarding sustainability initiatives in this company, it became apparent that interviewees' awareness of the company's sustainability initiatives is being increased in four ways: through work itself, lectures, programs, and knowledge-sharing between colleagues.

When it comes to the work itself, many respondents stated that they became aware of sustainability aspect of business due to their working roles. Whether it was collaboration with suppliers on certain recycling programs or working in material management having to design optimal packaging, respondents considered that they have been exposed to much of sustainability information due to their role. One interviewee (N7) even stated that 95% of information he gets regarding sustainability is through his current role. Some respondents who have changed their working roles during their career in this company have experienced a transition of first being at a position where employee is likely not to notice this environmental part of business and later moving to a new position where sustainability is part of your everyday job. As interviewee N10 described:

*Not as a general employee, if you were like an engineer like I was before, I would probably not notice it at all. I have noticed it due to my current role, since we are part of problem, we generate waste of all kinds, and therefore I know about it. (N10)*

Other interviewees had an opportunity to engage in and become more aware of sustainability mainly due to certain projects which were carried out as part of their role. One respondent noted that projects were a good way to increase awareness among his team. Furthermore, he even noted that projects can be used to motivate people to contribute more since there is a positive feeling associated with the same. As interviewee N9 described:

*Like this project we did, I really believed in that product and it was about educating my group. I had responsibility as a manager in CSR to try to raise awareness. That was the best way, to start a project, even if it is a speculative project, that is what you need to do with your employees. Get on the work so you*

*see it from different perspectives. It's not like: „Look somebody else is doing it” you feel good when you are doing it yourself. (N9)*

Number of interviewees also mentioned that another way that their awareness regarding sustainability was raised was through lectures. These lectures were either onsite or offsite, meaning that it was more of a matter of personal interest to find them and attend. One of the respondents (N6) noted that after attending an onsite lecture about sustainability she gained more interest on this topic and became more aware of the provided information, such as newsletters, that were distributed on this matter by the company.

*Well like I mentioned, I didn't really pay attention to it, that much, before. After I went to the lectures, there have been activities like biodiversity and about other things, that is when I started to pay more attention. So, I just started to pay more attention when I became more aware. I think it was because of that lecture I started to pay more attention to newsletter information that gets sent out. (N6)*

Importance of lectures and how the same are carried out was described by one of the interviewees. This interviewee noted that lectures for employees in his previous workplace were presented in a simple and straightforward way. Interviewee N9 stated:

*They (previous employer) had a sustainability office, they reached out to us and offered education and it was really hands on. They wanted us to really understand what sustainability and lifecycle analysis of packaging material. They invested time to get employees to sit down and to understand everything. Here is a tree, here is a plastic all the components in our product, and the product in package is more valuable than the package itself, and then what happens after the package is thrown away, how can you recycle it. (N9)*

Moving on to third way of increasing awareness in the studied company we have identified and named it as “programs”. It is important to mention that the company has implemented a volunteering program they refer to as “CSR days”. This program enables employees to use three working days (24h) per year to devote their time and knowledge to volunteer in a non-profit organization of their choice. Alongside with this program, this company has mandatory sustainability training sessions that all employees are obliged to attend. Some of the respondents, like N3, sees “CSR days” as a “really nice opportunity for our colleagues to become involved and actively work with sustainability”. This interviewee furthermore notes

that the mandatory sessions are really important, and it is a way that people can get practical knowledge when it comes to sustainability. Moreover, interviewees didn't show any sign of disagreeing with these mandatory sessions, like N4 who sees them as “*quite good*”.

As a final note to increased awareness we turn to knowledge-sharing between colleagues. Some of the interviewees have discussed that their awareness of sustainability has been increased while working with other colleagues who have experience in this field. One interviewee (N9) noted that he has been working with sustainability expert on a number of projects and that this collaboration has yielded not only better awareness but also new products within the company. Furthermore, according to this interviewee (N9), this collaboration has “*allowed me and my team to get a really deep understanding of where are the sustainability pinpoints*”.

Interviewee N9 describes some of the benefits that resulted from this knowledge-sharing:

*I really thought it was a great way to get my team educated. These people are 20 years younger than me. I thought “I wish I knew this before when I was younger”. That was what I told myself when I was learning this. (N9)*

Coming back to the way this respondent spoke about importance of lectures, his positive experience in previous company and how lectures were designed in a good way, here he also in a very clear way, expresses the importance of simplifying the matter to get the listeners attention and finally raise awareness through knowledge-sharing between colleagues:

*Like I said, we have spent many hours with our sustainability expert, he devoted many hours to help us to understand, creating lectures like for 10-year-olds, because we didn't go to science school. Many of us have gone through natural science in ground school so we have the basics, but none of us have studied natural science on higher level so, he had to bring it down to our level. So, learned a lot from him. (N9)*

#### 4.2.2 Greater Transparency

As a final factor in the awareness theme we have identified “Greater Transparency” as an important one. During the interviews several respondents have commented on how long-term ambition of this company to eliminate its carbon footprint in following decades is not clear

enough. Interviewees have argued that the overall objective is straightforward, but they neither see what the short-term goals are nor how the achievement of this goal is allocated to different departments within the company. Interviewee N10 expressed a lack of communication as a problem by stating that “*we are given pretty poor feedback regarding how we are doing when it comes to reaching the target of becoming carbon neutral*”. Furthermore, interviewee N2 explained in the quotation below that this lack of clear and detailed strategy is actually influencing employee’s belief in this important corporate goal:

*...the plan and the strategy to reach this (carbon neutral) goal, how does it look like, what will happen in next year or in 10 years and so on. How should we reach it? If we got that information in a way that I can actually believe it, that would help a lot. And of course, it would be very interesting to see the strategy and plan for each unit in the company. (N2)*

### 4.3 Employee Participation in CSR

When it comes to employee participation theme, interviewees were asked during the interviews in what ways do they participate in sustainability efforts of the company, in order to look at the possible roles they might take while contributing to sustainability aspect of the business. We were looking for whether interviewees feel sense of ownership over sustainability efforts in the company, and whether this can be increased. We were also searching for their views on the possible benefits that result from participating in these activities, on both individual and organizational level. As a final question, we have looked at the interviewees’ view on what could motivate them to contribute more to sustainability efforts in this company.

We find it important to note that not all of these questions gave valuable inputs to this theme but have instead provided us with useful information which is presented in other themes. For example, when asking interviewees about their sense of ownership over sustainability efforts in the company, many have pointed out that they don’t feel it because for example it is not high enough on the management agenda, which will be showed in subchapter 4.4.1 Managerial emphasis on CSR.

Main results that our interview questions yielded, on this part, were grouped in following two factors: 4.3.1 Personal Prioritization and 4.3.2 Increased Participation through New Roles.

### 4.3.1 Personal Prioritization

As we mentioned earlier, in the awareness theme, one of the ways the employees of this company can participate in sustainability efforts is through “CSR days” volunteering program. Some interviewees believe that when it comes to participating in sustainability activities of the company it is a matter of personal choice. Furthermore, interviewees have clearly stated that participation depends on whether an individual wants to prioritize these activities higher on their personal agenda or not. This is illustrated by interviewee N3:

*...but at the end of the day you know it is their (individuals') choice whether or not they want to prioritize that over other things that are happening in their working life. (N3)*

One interviewee stated that one of the reasons why most of his colleagues and himself are not using this opportunity is due to belief that they will probably have to do overtime in order to compensate for the days not spent at the office:

*I think it is also personal prioritization to want to spend day or two instead of your daily work, because you probably need to do that as overtime the rest of the week. So, maybe individuals have not really prioritized it. I have not done it myself so, I cannot blame others. (N5)*

Interviewee N5 clearly sets his view that “*these kinds of activities are “add on” to the regular work and priority should be on daily business. Once daily work is done then employees can contribute for joy or any other reason to these sustainability initiatives*”. Furthermore, interviewee N1 also discussed that participation in sustainability activities of the company is hindered by time. She stated that personally for her, time constrain is the reason why she cannot devote herself and participate more.

So, the overall impression for this program is that it is not utilized to full extent, which is acknowledged by interviewee N10:

*there are couple of people that use their three days, but the vast majority do nothing. And this is something that can be pushed forward. (N10)*

Furthermore, this interviewee also gives recommendation on how to improve the “CSR days” program by stating it could be a part of employee performance review process:

*We can have that in our performance management, rather than just talking about how well are we doing at work, how productive are we at work, you could have one question such as what did you do to promote better living in world and environmental things like that. And we are not doing this, so we give these three days, but they are not used.*

#### 4.3.2 Increased Participation through New Roles

Throughout the interviews it became apparent that some of the respondents, like N4, have mentioned that their current roles are not providing enough opportunities to participate in company's sustainability initiatives. They have described that for example projects that they are working on don't have sustainability characteristics and that sustainability is not primary focus during their work. Interviewee N6 even stated that she doesn't feel like she can contribute to sustainability initiatives with her current role even if she wanted to. Beside this lack of role-connected ability to contribute in a bigger picture, these respondents are willing to make small steps and participate even if it means in an incremental way. As interviewee N2 stated:

*I have no power or possibility to go to a new project and contribute there because that is not my current role. But in my daily work I turn off the lights when I go to the meeting room and so on. I try to contribute in a small scale. (N2)*

During these set of questions an interesting view was presented by one of the interviewees that is worth pointing out. Interviewee N8 stated that the biggest problem company is facing today, in terms of sustainability, is the fact that there is only one person that is working full time on sustainability aspect of the business. Furthermore, she believes that this sustainability analyst is doing a fantastic job but could use some help. That is why this interviewee gave a suggestion of a new role called "ambassadors". The interviewee N8 described this new role:

*I think maybe the word "ambassadors" can contribute more, to have more people saying words that our sustainability analyst says, so she is not alone out there. If she informs some of the ambassadors even more and then we can help to convey that message out there, by talking about that in the "fika rooms", management meetings, to make more people aware of why we are doing this. (N8)*

Interviewee N1 also recognized that sustainability department is alone in pursuing sustainability goals and has therefore argued that there needs to be more shared responsibility when it comes to reaching this kind of goals. This interviewee notes:

*I believe it is too much isolated to corporate sustainability organization and it could be broadened a bit more there to actually transfer some of the responsibility to for instance engineering organization. (N1)*

What also become apparent during the interviews is that, even though the company is facing certain “post-reorganizational stress”, nearly all interviewees have expressed positive opinion when talking about the benefits of participating and being engaged in sustainability initiatives.

So, when interviewees were asked what they see as benefits of being able to participate in this kind of activities some talked about how participation creates a good feeling, like expressed below:

*Yeah, definitely. I think motivation is one part, but it also feels good that the company I work for is also focusing on this (sustainability) and that I also can contribute with my role to this and to be able to spread this to others to focus on this (N7)*

*On a very big picture of course one benefit is that I contribute to a better place, to better world, better climate but also possibly for better life for other human beings. To myself I just think that is again it makes me feel good that I provide value that is bigger than only providing products, that we are doing otherwise. So, I think that is valuable to me, to work in a company where I can have an effect but also where company has focus on sustainability. (N7)*

One of the interviewees gave a concrete example of how he and his teammates felt while participating in a project where sustainability aspect was part of it:

*...I have created this project, on how IOT concepts can help developing world 2-3 years ago and as soon as there is an aspect of the greater good in a project as soon that was on the table people were so engaged. I was quite amazed, because as soon as there is a greater good people want to do something for other people they get going. I have never seen them so engaged in any project ever...As soon*

*as you have a meaningful job people go nuts, they jump on it, because they see something they can do. And that is what sustainability drive is. (N9)*

Some interviewees, like N5, argued that participation “*brings motivation back to your daily work, and energizes people when they get back to daily operations*”. Other respondents have pointed out sense of pride as a key benefit from engaging in company’s sustainability initiatives and have showed that they feel sense of pleasure or satisfaction to be an employee of a company that is engaging in these activities. These positive feelings were described for instance in following ways:

*I get inspired and motivated because of course I want environment to get better. If you work for a company that is actually striving in that direction doing something to improve, I think that makes you feel happier a bit proud of what you are doing. That is very important (N1)*

*I think if you as a company engage in CSR, for one you are getting the colleagues engaged in something that is bigger than themselves it is bigger than the product and something that affects us all of course. Therefore, it would make people proud to be a member of that company if they see all the positive engagement and behavior and the impact that that has on local community. So, I think it is really important thing to do. (N3)*

## 4.4 Managerial Aspects

After covering the two predefined themes, *CSR awareness* and *employee participation*, on the conducted interviews, the conversation was carried on with some other open-style guiding questions (see Appendix A) with the aim of finding other possible factors that could affect the way employees perceive their employer’s CSR efforts. As mentioned earlier, there were three other major themes that were derived from the empirical data, and these themes are *managerial aspects*, *impact of the setting*, and, *personal aspects*, and this subchapter will present the findings regarding the first. As a result of coding the data, this subchapter is divided into three parts representing the influencing factors within managerial aspects, and the factors are 4.4.1 Managerial Emphasis on CSR, 4.4.2 Alignment of CSR and Business Strategy, and 4.4.3 Balance between Internal and External CSR.

#### 4.4.1 Managerial Emphasis on CSR

*I would like the company to take sustainability more seriously. That is what I would like. And then that would trickle down to me, we would have projects, initiatives, that would have a significant impact on the world. This is a big company. They can do something. (N9)*

Nearly all of the interviewees brought up their observations of sustainability not being as high on managerial agenda as they think it should be, as the quotation above from interviewee N9 illustrates. It became evident, that when there is a lack of managerial emphasis on sustainability matters, the employees feel like sustainability is not taken seriously in the company. Furthermore, some respondents expressed that their personal contributions to corporate sustainability stem from their personal beliefs rather than because they would feel encouraged by the management. The current state of managerial focus on sustainability was described for instance in following ways:

*I think it would be good to have it (sustainability) higher up in corporate agenda. Because now it is all about cost savings and new innovations. Sustainability is not on the radar. To be honest with you, sustainability is not prioritized topic because it is not something that is measured, we are given pretty poor feedback regarding how we are doing when it comes to reaching the long-term sustainability target. The company would benefit from bringing it higher up on the agenda, otherwise it is pretty low. So, I think we do things more based on our own belief that this is important for future and our children's future rather than following directions from the company. Which is kind of strange. (N10)*

*In general, in terms of sustainability, we used to do better. The current management does not focus on sustainability as much. There has clearly been a change. (N7)*

*Oh no, and I also speak for people that work for me and my colleagues, it (sustainability) is so low on the agenda. And we are worried. We live in Sweden, in this environment where the message is coming, and then we work for a company which is super corporate company that is super focused on financial performance. They are so far away from sustainability. (N9)*

There is a clear need for the management to lead the way towards more sustainable operations. By setting an example and showing genuine emphasis on sustainability matters, the respondents believe that it would have a significant and positive impact on them as employees. Interviewee N4 shared her view as follows:

*I think, if our top management would bring it up in, when we have these meeting now and then, if that would be a topic there, I think that could sort of really send a signal that we are taking this seriously and we want to focus on it. I think that would be good way to get people awareness about the importance. (N4)*

Moreover, there were many interviewees who felt the corporate sustainability at the moment being mostly just words instead of concrete actions, and thus, many emphasized that it would be crucial for the company to actually bring the powerful words to life. Some of the respondents mentioned that despite sustainability being present in both internal and external communication, they were unsure how much of the communicated efforts are actually being executed. They described their views as follows:

*We have green hart environmental communication; it feels like the company wants to show that we are working and focusing on that area. But I do not know how much actually we do. (N4)*

*I know that management is trying to show that it is important because it is often brought up in communication send outs. But you still don't really feel it. So, I think it is there, I know it is there, but seems like it is not part of our daily work. It needs to become a part of everyone's daily work. (N2)*

*I think it needs to become more like part of what we do, without thinking about it and we are not there. (N4)*

*I do not see it in real action, it is more on paper. It would be important to push it, but it should not be only on this site but rather globally. (N2)*

#### 4.4.2 Alignment of CSR and Business Strategy

Another managerial aspect that came up from the respondents, was the importance of seeing the sustainability efforts and the core business strategy being in line. Even more, as the

respondent N4 highlighted, sustainability should be not just in line with the business strategy but rather integrated in it, and furthermore that it is important to see the strategic plans being executed within the organization with the lead of the management:

*I think it (sustainability) needs to part of our strategy. And being part of the strategy is one thing, but you need to ensure that is also executed within our organization. I think it is quite easy to say that it is part of your strategy but if no one follows up, if no one's secures that it actually becomes part of the daily work then it doesn't matter if it is part of the strategy. So, I think in many companies it is part of the strategy, but if it is not executed it is just words.*

The respondent N4 continued:

*Companies today, including this company, need to understand that in order to be successful you need to take this seriously, you need to make it part of your business in a more integrated way. Not just have it something on the side. But it needs to come from the leadership, otherwise I think it is going to be difficult. (N4)*

Some particular sustainability activities were seen as more important than some others, and the views varied a lot between the interviewees. The aforementioned volunteer program is one of the ways that the company allows their employees to participate in CSR activities, but despite some appraisals from the employees, it received some critique as well as it was not considered to be in line with the strategy:

*To be honest, this volunteer program does not feel to be a part of the strategy or part on the DNA. I believe it is more of an add-on. (N2)*

A commonly shared view among the interviewees was that sustainability should be rooted in the core products and services, making them as sustainable as possible since day one. The interviewees clearly expect that sustainability should be deeply integrated into the core business rather than having it as something added on, as also illustrated in the quotation of interviewee N2 above. The respondent N3 described her thoughts in following way:

*Well, I would say for one that the products themselves are built with sustainability in mind which I would say is quite important. That is becoming more and more important issue in the last decade or so, and the products have*

*been modified to minimize the energy use, as I understand it. So, I think that is really something that we need to continue to work on and also to be proud of. It really starts with what exactly company is selling and offering as a product or service. (N3)*

The respondent N3 furthermore stated:

*They (sustainability and core business) are inseparable. That is what I am saying, when it comes to the products the sustainability is taken into consideration from day one, in design phase of creating a product, it is not something that you produce and then you start thinking about what is the environmental impact, what is the life of this product and how are we going to recycle it etc. So, that is inseparable. (N3)*

#### 4.4.3 Balance between Internal and External CSR

When the discussion turned to internal and external sustainability activities, all ten interviewees emphasized that there should be a well-considered balance between these two aspects. However, it was not very clear to all participants what type of activities belong to these categories and thus, where deemed necessary, they were given an example of internal sustainability being for instance the company ensuring employee well-being and safety, and external for instance donations or charity projects in developing countries or in the local community. Interestingly, many of the respondents saw internal sustainability in fact stemming from the core products and services, but there were also some who on the other hand saw that providing sustainable products for the consumers would be better form for external sustainability that for instance donations.

*We can do very much with our products that we put on the market and how we recycle our products and working with that in a good way. But also, it is quite a big company and we can make a difference in the local community, such as supporting initiatives, we have the opportunity to do that and I think that is really important that we do that also. (N1)*

*I think they are somewhere equal. I mean internal one is of course to make ourselves proud about the company, to help us recruit the right people, and*

*reaching these targets that are there even though they are not very well known. Externally I would say that we are for example, in this town one of the largest companies and we have fairly large possibility to impact politicians, decisions and other things. But this is again an activity I don't see trace very much of. (N10)*

*As I said, the whole sourcing and supply part is good. Therefore, I think they do a lot of internal stuff. But external theme should not be as a campaign, donation, it should be products they do. They should design products to last for a long time and to be sustainable and repairable. Some of them are, some not. Many are not. So, that would be tangible for people, to transform products that they are producing and have a more sustainable profile. (N9)*

One of the interviewees, N2, expressed that in his opinion more could be done in terms of internal sustainability, and he sees that one form of internal sustainability could be for the company to offer better health care for its employees:

*I think more could be done internally. Of course, it looks good outside the company when there are these volunteer activities, but I believe more could be done internally. I don't know if it belongs to social responsibility, but we have some kind of benefit program, but there is more or less nothing about healthcare. For the company taking social responsibility for the employees would actually to have a very good health care program for the employees. I guess that should be counted as social responsibility. I think that is the best thing the company could do. (N2)*

When the Interviewee N6 was given employee well-being as an example of possible forms of internal sustainability, she gave some appraisal for the company:

*Internal and external are equally important. And when you bring up employee welfare, I didn't consider it as part of sustainability, but I guess it makes sense. And I think the company is very good at that, addressing work-life balance and how people feel. (N6)*

## 4.5 Impact of the Setting

The findings related to the fourth derived theme, *impact of the setting*, are presented in this subchapter. During the interviews, factors such as the financial situation of the company and the organizational hierarchy were repeatedly brought up and thus, these factors can be considered to influence the way the employees perceive the CSR efforts in the company.

This subchapter is divided into two parts (factors), namely 4.5.1 Financial Setting and 4.5.2 Organizational Setting. The findings have been categorized accordingly and are presented in the same order.

### 4.5.1 Financial Setting

As noted in 4.1 Organizational Background, the company has undergone some restructuring during recent years, which has resulted in cost-cutting actions and people have been laid off. Thus, the responses were clearly to some extent influenced by the financial situation of the company and in fact, many of the interviewees' responses begun with words such as "maybe if the financial situation was better".

Overall, the financial setting was considered to be a somewhat restrictive element for executing sustainability in the company, as illustrated in the following quotation:

*My personal opinion, during the last couple of years is that sustainability focus has been reduced a bit, at least on this site. I think it is due to the financial situation of the company. (N1)*

*...to put more resources to the department that is working with CSR, that has also been reduced last couple of years. I think that, for them (sustainability office), because they play an important role of sharing information internally about what is happening outside, and what we can actually do as a company. (N1)*

Furthermore, some of the interviewees acknowledged the crucial role that economics have in regard to what can actually be done in terms of corporate sustainability, as illustrated in the following quotation:

*I think we can do better. It (sustainability) is taken into consideration and of course we need money for these things, economic is also a part of this. You cannot do it if there is no money to gain from it. You need to make money. So, you always have to take economy into consideration as well. (N8)*

As Interviewee N8 stated the economics have to be kept on mind when considering sustainability, but then another interviewee, N10, provided a concrete example on how the cost-savings can actually sometimes take the company to a wrong direction on the sustainability path:

*A point that could potentially do a difference is to invest something in IT area to have more meetings through equipment and cameras that would enable us in a very easy way to connect, not only internally but also externally, to other parties. Because we have some technology which is not very user-friendly, so the usage is very low and therefore many trips are made, which might not be necessary if we had a good technology that would enable virtual meetings. Then some of the trips can be cancelled. Over the last couple of years, we have moved in opposite direction because we had some very sophisticated teleconference rooms, where you sit in front of large screens and you feel like you are in the same room, even though you are in a different country. But those have been removed due to cost savings. But from an environmental point of view it has been very counterproductive of course, because we have trashed equipment that could have reduced travels. And I think this is step in the wrong way. (N10)*

#### 4.5.2 Organizational Setting

The company in question is a part of a multinational corporation, and therefore, some of the responsibilities and operations are handled offsite – also in terms of sustainability efforts. There were interviewees who felt like their personal sustainability contributions at work cannot be very impactful on a corporate level, as the interviewee N7 describes:

*In the small group where I work, I can affect a lot because we also run what we call environmental management system. So, there I can affect quite much, but that is very limited part of the total organization, and even of our subsidiary. So, on*

*the limited scope yes, I can contribute a lot, on the big arena in the company it is much less of course. (N7)*

Many of the respondents acknowledged that in the company the responsibility in regard to sustainability is currently heavily focused on one person, namely a sustainability analyst. A big portion of the sustainability activities are coordinated from the headquarters located in another country, and this causes some restrictions as described in the quotation below:

*I think our sustainability analyst is quite alone trying to drive this or taking care of the sustainability. And I believe she has managers in HQ that maybe not fully understand what is needed. (N2)*

Moreover, the interviewee N6 describes how the geographical proximity is sometimes seen as a challenging factor:

*Well I think that as our sustainability analyst is here and I believe her focus is more in the environmental stuff then well, it's good that she's here because you can easily contact her, speak to her, meet her face to face to ask questions. What comes to the other part that I was curious about, sustainability in terms how people's lives are impacted, that was another department that handles that, and they are in HQ. So, the difficulty would just be I guess proximity, and to know exactly who to talk to. (N6)*

## 4.6 Personal Aspects

Lastly, the fifth theme covered on this findings chapter is *personal aspects*. Throughout the interviews it became apparent that the way the employees perceive organizational CSR is influenced by some personal aspects such as their own interests, values, and beliefs, and thus, including this theme seemed important.

### 4.6.1 Interests, Values, and Beliefs

The views of the respondents varied to some extent regarding what the focus of the company's sustainability activities should be. Some of the respondents clearly highlighted the importance of focusing on environmental matters in corporate sustainability, whereas some others would have appreciated if there was more focus on the social side. On an individual level, the

employees are clearly interested in different areas of sustainability and CSR, and as for instance Interviewee N2 described, he would take on the offer to use 3 working days on volunteer activities if there was an opportunity to join an environmental NGO. He stated:

*Personally, I am not so interested in those social activities so that is one reason why I haven't participated. If there were more environmental related programs, I think I would have participated. I would like to spend these hours walking on the beaches cleaning beaches, doing things more related to the environment. There are very few opportunities outside the really social activities. (N2)*

There were many respondents who considered that the company has a strong environmental sustainability focus and that they should keep that focus. Some of their views are illustrated in the following quotations:

*I think it is really important to continue to focus on our environmental management system that we have in place, because that is kind of a good system that the corporation has implemented for all their companies. And to continue to work on that and support that systematic way of working with our environmental management system I think that is the best way forward. (N1)*

*I mean, the most important goal that company has is the vision to neutralize, how should I say, I don't know the correct word for it but basically to eliminate its carbon footprint as a company. So, we should either buy ourselves forest or whatever to compensate for the CO2 emissions we do, and we should of course reduce our own spend and install solar powers and things of that nature. That is the most important thing, I think. (N10)*

On the other hand, another interviewee was hoping to see more emphasis on the social impact of the company's operations and described her view in following ways:

*I think that the focus here has been more on green sustainability and not so much talking about how people's lives are impacted. And I guess it's maybe a low hanging fruit - what we feel like we can impact, how great an impact can be done, or how visible the impact is. Or as if you're talking about where things are sourced, people might not get that link or have a same interest in it if they don't see it in their daily lives? (N6)*

*For me it's not just awareness of environmental sustainability but about the broader spectrum of sustainability and what it encompasses. And I think lot of focus here has been on the environmental part. (N6)*

*If there were more activities here or even a newsletter where highlighting efforts that the company is involved in to address how people's lives are impacted, what they're doing to improve it in terms of the components or resources that are used in the products we create. If they can show that the lifecycle maybe - bring more attention to that, that would be good. I would be interested in that and I think other people, if they don't know about it now, they could actually think about it. (N6)*

# 5 Analysis and Discussion

In this part of the thesis, the main findings from the empirical study will be analyzed and discussed. As a result of coding the data, we identified altogether 10 potential factors influencing employee perception of CSR (see Table 2, beginning of Chapter 4), and these factors fall into 5 different themes, namely CSR awareness, employee participation, managerial aspects, impact of the setting, and personal aspects. These same themes are utilized to structure the analysis and discussion chapter.

## 5.1 CSR Awareness

Analysis of the first theme, *CSR Awareness*, has yielded two factors influencing employee perception of CSR, and these factors are:

Factor 1) Increased awareness

Factor 2) Greater transparency

At the beginning of each interview, we took a step back in time and asked the interviewees what motivated them to join the company in the first place. Interestingly, aspects such as the company being an interesting player in the industry, family or practical reasons, and an interest towards the company's products came up, but no one out of the 10 interviewees had an interest to join the company for its sustainability efforts. It can be interpreted that the employees did either not have a lot of awareness about what the company is doing in terms of sustainability or they did not have a strong perception towards the company's sustainability efforts, but rather their perception has started to form during the time they have spent in the company.

General observation from the question asked as an introduction on the awareness theme (what interviewees know about the sustainability efforts of the organization) yielded that interviewees are aware of sustainability activities that are happening in the company, both onsite and on more corporate or global level. Interviewees gave some examples of activities from more strategic level, where this company has a clear long-term goal of eliminating its carbon footprint, over substances that the company is using in production, to a more local initiatives like reducing and recycling waste in the office. An interesting observation derived from abovementioned introduction question is that the long-term goal, which is clearly presented on

their sustainability web page and in their sustainability reports, was only mentioned by half of the interviewees. The fact that only five employees mentioned this long-term goal during the interviews might be interpreted as lack of communication of sustainability initiatives, which as a result can influence their awareness. However, as we will see further on in the discussion, factors that are more likely to influence why half of the interviewees have not mentioned this sustainability strategy are for example the fact that sustainability is not high on managerial agenda, there are no short-term goals on road to achieve this long-term strategy and that these goals are not allocated to different sectors within the organization.

When looking at the five answers presented by interviewees on the matter of what they know about the sustainability efforts of the organization, we can see that some of the responses are more leaning towards environmental aspects while others are incorporating social or humanitarian aspect. We can see that, for example interviewees N10 and N7 are talking about goals of a company to become a carbon neutral player by reducing its CO2 emissions and avoiding harmful substances. Therefore, these interviewees are more talking about environmental aspects of sustainability. On the other hand, respondents N1 and N5 are placing social concerns in their answers by arguing that the company takes role in the society with examples of student relationship and supporting activities in regions which were negatively influences by natural catastrophes. Here we can see that interviewees views of company`s sustainability efforts are diverse and not clearly focused in one direction which confirms the view of Dahlsrud (2008) who pointed out that here is still some confusion as to how CSR should be defined.

Throughout the interviews we were able to identify that interviewees` awareness of the company`s sustainability initiatives is being increased in four ways: through work itself, lectures, programs, and knowledge-sharing between colleagues.

When it comes to different ways of increasing awareness it is apparent that most of the employees are aware of sustainability initiatives through their working roles. What became apparent when talking about increasing awareness through work, and as pointed out by interviewee N10, there are certain positions within the company that enables employees to be more exposed to sustainability, while other roles are doing the opposite. This is directly connected to employee participation theme, more precisely increased participation through new roles factor, as we will see in subchapter 5.2, where some interviewees note that their current roles are not providing enough opportunities to participate in company`s sustainability

initiatives. Interviewee N9 provided us with an example of how his role can raise awareness and have positive impact on himself and his colleagues. He argued that projects which have sustainability characteristic can be used to motivate people to contribute more since there is a positive feeling associated with working on sustainability. Therefore, our findings are in line with the view of Raub and Blunsch (2014) whose study showed that when employees are more aware of CSR activities on both strategic and practical level, they experience stronger task significance, job satisfaction, and engagement.

Another source of increased awareness mentioned by interviewees were lectures and knowledge-sharing between colleagues. We saw that interviewee N6 expressed positive comments on lectures since after attending an onsite lecture about sustainability she gained more interest on this topic and became more aware of the information, such as newsletters, that were distributed by the company. The way these lectures are organized and presented were seen as an important aspect for interviewee N9 who thinks that in order to raise awareness these lectures need to be presented in a simple and straightforward way. Furthermore, this opinion is maintained by interviewee N9 when his colleague takes on a role of a lecturer and simplifies the lectures in order for this interviewee and his team to comprehend the matter. This practice of conducting sustainability lectures with colleagues in order to spread the information throughout the company is in line with one of four goals of communicating CSR internally to employees presented by Birth et al., (2008). These authors have argued that when companies are communicating CSR internally to employees, they should strive to increase awareness of companies' CSR initiatives through word of mouth. Having a colleague from sustainability office to hold lectures on sustainability matter has clearly had a positive outcome on this employee (N9) has fulfilled also the second goal of internal communication which is to increase employees' satisfaction (Birth et al., 2008).

Coming to *Greater Transparency* as the second factor under CSR Awareness theme, we could notice that there is a clear lack of communication when it comes to reaching the long-term sustainability goal of eliminating its carbon footprint, which is probably one of the most important long-term targets of the company. The fact that interviewees pointed out that they don't see what the short-term goals are to achieve this long-term target nor how is the achievement allocated to different departments within the company is clearly influencing their belief toward this strategy. This lack of transparency is perfectly captured by one of the interviewees (N2) who stated: "*If we got that information (short-term goals) in a way that I can*

*actually believe it that would help a lot*". Since this lack of short-term goal communication and allocation to different departments is having a negative effect on the respondents' beliefs, we argue that the company is in risk of portraying itself as lacking necessary skills or knowledge to formulate, implement and sustain CSR activities. In other words, the company is in risk of being seen by its employees as lacking what Lee et al. (2013) call "CSR capability" or what is seen by Opoku et al. (2018) as "Collective efficacy". This problem was also addressed by Dawkins (2004) who believes that communication of CSR efforts to employees is important but what could be even more essential is that a company engages employees throughout the organization and not focus on a specific part of it. Dawkins (2004) sees this cross functional engagement is essential for managing CSR and getting the most out of CSR communication.

## 5.2 Employee Participation in CSR

When talking about *Employee Participation* theme throughout the interviewees we identified two factors influencing employee perception of CSR, and these are:

Factor 3) Personal prioritization

Factor 4) Increased participation through new roles

Going back to Kahn's (1990) research on employee engagement (Chapter 2.2.1 ) we can see that individuals' level of engagement increases if psychological situations in form of safety, meaningfulness and availability are fulfilled. When talking about personal prioritization it is apparent that some of the interviewees are lacking fulfillment of the third psychological condition, availability, that Kahn (1990) sees as important for engagement, since it represents an individual's perception of having relevant resources for engaging in a certain task. The fact that interviewees perceive that they do not have time to contribute due to their current workload, as seen by respondent N1, and deriving from this is probability of having to do overtime, as presented by N5, is having an influence on interviewees level of engagement in sustainability activities and is one of the reasons why interviewees are not prioritizing these activities on their personal agenda.

Furthermore, we can also see that these interviewees are not prioritizing sustainability activities only due to lack of availability condition, as seen by Kahn (1990), but also based on interviewees view that these activities are what Glavas (2016) calls "extra-role involvement" in CSR. This is clearly captured by interviewee N5's view who stated that these kinds of activities

are “add on” to the regular work and priority should be on daily business. This interviewee argued that once daily work is done then employees can contribute for joy or any other reason to these sustainability initiatives. Therefore, the overall impression for this program is that it is not utilized to full extent, which was pointed out by interviewee N10 who stated that *“there are couple of people that use their three days, but the vast majority do nothing”*.

What also came as an interesting observation regarding this factor is view presented by interviewee N10 who recommended that participation in the “CSR days” volunteering program can be increased and better utilized by employees if participation is connected to performance review process. One might think that by connecting the usage of these volunteering days to performance review employees would be more motivated to actually use all three available days, which is what Rupp et al. (2018) portray as employee perception of participation in CSR activities being “externally regulated”. The main problem with this way of motivating employees to participate in company`s sustainability initiatives is that employee`s perception of company`s CSR activities is not autonomously regulated. In other words, when employees must do this kind of activities in order to avoid being punished, e.g. with reduction of bonuses due to not participating, they will not experience greater engagement at work by being part of sustainability activities (Rupp et al., 2018). In order to get employees more engaged in this kind of activities, company`s management would have to develop sustainability activities which would be at least seen by employees as personally beneficial, for example in form of learning new or developing existing skills, which Rupp et al., (2018) call “identified regulation”.

While discussing participation theme with interviewees some respondents have noted that their current roles are not providing enough opportunities to participate in company`s sustainability initiatives. Interestingly, those interviewees who brought this up were the ones who are not responsible for managing other people and thus, are located at lower levels in the organizational hierarchy. On the other hand, it seemed that the interviewees whose position allows them to participate more in sustainability efforts in fact work in different types of managerial positions, meaning, that they hold positions higher in the organizational hierarchy. But what became apparent is that, despite not being able to contribute to sustainability through their current roles, these interviewees are willing to take even small, incremental steps, as simple as turning off the lights in meeting rooms (N2), in order to have a sense that they are part of sustainability efforts. Additionally, one interviewee has recommended introduction of new roles, such as “ambassadors”, who would spread the information sent out by sustainability analyst, which

might enable those employees whose jobs are not providing enough participation opportunity to actually contribute to sustainability in the organization.

Even though employee typology frameworks provided by Hemingway (2005) and Rodrigo and Arenas (2008) are trying to generalize employees based on their view on CSR we can still use them to analyze and classifying our interviewees. In a model presented by Hemingway (2005) we would argue that interviewees whose role is not providing participation opportunity are on the border between frustrated CSE`s', since some of them are not able to contribute to sustainability due to their role, and 'active CSE`s', due to their willingness to take on small steps which are beyond their working responsibilities. On the other hand, looking at Rodrigo and Arenas (2008) framework the same group of interviewees fit in the 'committed employee' category based on two reasons. Firstly, these employees have enthusiasm regarding CSR activities which is clearly showed through increased willingness to take on part of the job beyond their responsibility. Secondly, since all interviewees have associated sense of good feeling, increased motivation or sense of pride as benefits of participating in company`s sustainability activities, it is likely that their performance will increase when engaged in such activities and thus support findings that employee engagement results in improved connection to one`s work (Schaufeli et al., 2002) and increased organizational commitment (Hakanen et al., 2006).

### 5.3 Managerial Aspects

As noted earlier, we were able identify several management related aspects from the collected data which seem to influence the employees' perception of CSR, and these factors are:

Factor 5) Managerial emphasis on CSR

Factor 6) Alignment of CSR and business strategy

Factor 7) Balance between internal and external CSR

It became clear, that managerial emphasis on CSR is one factor that influences the way employees perceive their employer's CSR activities, and more precisely, when the employees did not feel that the top management genuinely works on the sustainability matters, their overall perception towards the organization's CSR efforts became weaker. The importance to have managerial emphasis on sustainability matters and the need for management to take the leadership in the same, were highlighted throughout the interviews. It became clear, that the

interviewed employees felt that the sustainability matters are currently not as high on the management agenda and they believe they should be and therefore, sustainability and CSR were not considered to be taken seriously resulting in lack of credibility to some extent.

Vlachos et al. (2013) showed, that employees' perception of charismatic leadership is positively influencing the way employees perceive the CSR initiatives of an organization. Charismatic leadership entails for instance caring for employees, motivating and supporting them, and setting ambitious goals (Vlachos et al., 2013). Furthermore, noting the findings of Wieseke, et al. (2009) that leaders are the ones that present an organization to employees, and their leadership skills and choice of actions can influence employee's perception of organizational CSR, it seems crucial that the managers/leaders in fact genuinely set an example by showing that they care about the sustainability matters. Thus, our findings are very much in line with the study by Wieseke, et al. (2009), as the interviewees expressed that if managers set an example and showed that sustainability issues are high on the management agenda, this could reinforce the employees' perception of the company's CSR efforts. Moreover, there must be concrete actions rather than just powerful words, and thus the interviewees hoped to see the management to take more concrete steps to reach the goals there are in terms of corporate sustainability. The observations of the employees above might be a sign of a poor implementation of the company's CSR strategy, which according to Engert and Baumgartner (2015) is usual, as companies invest in CSR strategy formulation, but yet only little emphasis is put into the actual implementation phase. Mintzberg and Waters (1985) state that in addition to strategy formulation, the most essential phase of strategic management is the strategy implementation and thus, the case company could benefit from more thoroughly executed implementation process and translation of the strategic plans into everyday actions.

Furthermore, the employees feel that it is important for the firm's CSR activities to be in line with the core strategy instead of having them as "add-on", and thus, the alignment of CSR and business strategy was identified as one of the influencing factors. Even more, the employees think that sustainability should be rooted in the core products and services since day one and thus, have it integrated into the core business rather than having CSR initiatives that are just something that has been added on. Chandler (2016) argues that when firms integrate CSR aspects within their strategic planning and daily operations, they have better ability to respond and adapt to their dynamic, ever-changing environment and eventually, achieve sustainable competitive advantage. Extending Chandler's thought with the findings derived from our

research we could say, that one of the intermediating factors between the integration of CSR and strategy and the achievement of sustainable competitive advantage, is a strong employee perception of the organization's CSR. Furthermore, some scholars have showed that when employees perceive the organizational CSR efforts being in line with the company culture, they experience stronger commitment and will more likely support such activities (Collier & Esteban, 2007; Lee et al., 2013). Our research revealed the same pattern, as we identified that the alignment of CSR activities and, in this case, with the business strategy strengthens the perception employees have on those activities and they expressed that it makes it easier for them to feel committed.

Based on our research, the employees did not consider either internal or external CSR activities as being more important than the other. The commonly shared view was that the company should in fact find a good balance between internal and external CSR instead of focusing too much on just one of them. Thus, our study revealed similar results to Ferreira and Real de Oliveira's (2014), as they pointed out that there is no significant difference between level of engagement between employees who were exposed to external and those presented with internal CSR scenarios, and that supports our interpretation of employee's perceiving both types as equally important. Therefore, we identified that when employees consider that there is a balance between internal and external CSR, their perception of those activities is consequently stronger.

## 5.4 Impact of the Setting

Moving onto the fourth theme, namely impact of the setting, the identified factors that according to our research seem to influence employee perception of CSR are:

Factor 8) Financial setting

Factor 9) Organizational setting

As explained earlier in 4.1 Organizational Background, the company that our interviewees work in has undergone some organizational changes in recent years resulting in people being laid off and certain tasks being reorganized, also regarding sustainability matters. Furthermore, the employees expressed their awareness on the on-going cost cutting procedures and thus, we believe that the financial setting can be considered to have an influence on how the employees perceive the firm's CSR efforts. For instance, as interviewee N1 had observed, the sustainability

focus of the company has been reduced in the past couple of years and he believes it is mainly due to the financial situation. In fact, the interviewees considered that the company should – especially now – focus on sustainability activities that also “make money” (N1). Lee et al. (2013) tested and proved, that CSR capability, meaning the extent to which an organization has adequate knowledge to formulate, implement and sustain CSR activities, influences employee perception of CSR. Extending their thought, our research indicates that CSR capability, as Lee et al. (2013) defined it, could also include adequate resources such as finances in addition to adequate skills and knowledge. In that case, the financial setting of a company could either be seen as an individual factor influencing the way employees perceive the company’s CSR activities or it could be included into the broader theme of CSR capability (by Lee et al., 2013). Consequently, the employees’ perception of the firm’s CSR activities strengthens if they consider the company to have adequate knowledge for its CSR activities and furthermore, if the employees consider the company to have sufficient financial resources to do so.

Interestingly, the way sustainability is currently organized in the company seems to have an influence on the employees’ perception of the CSR activities in whole and thus, we identified organizational setting as one of the influencing factors. Due to the recent organizational changes, some responsibility regarding sustainability efforts has been centralized to the headquarters located in another country. This has clearly caused not only geographical proximity but also in terms of ownership, meaning, that majority of the interviewees did not have a sense of ownership over the sustainability efforts of the company. Instead, the interviewees repetitively referred to “them” when talking about sustainability in the company and used expressions such as “they are doing this” or “they are so far from being sustainable”, which alludes that they feel like sustainability and CSR are handled somewhere else and by someone else. Furthermore, it was commonly pointed out that there is only one person onsite working solely on sustainability matters and that one person is not enough. Perhaps, by restructuring the sustainability responsibilities in the organization, the sense of ownership could also be divided more evenly among the organizational members.

Connecting our findings regarding the organizational setting again with the work of Lee et al. (2013), our findings are in line with what Lee et al. refer to as CSR capability. Currently, the interviewed employees seem to doubt whether the company is capable to execute the sustainability activities due to its current organizational setting and thus, it potentially weakens the overall perception they have of the firm’s sustainability practices.

## 5.5 Personal Aspects

Finally, during the interviews we recognized that the way the employees perceive the CSR efforts of the organization is to some extent influenced by some personal aspects such as their individual way of thinking. This was noticed when the interviewees expressed their thoughts for instance on what type of sustainability issues the firm should focus on and thus, the final identified factor is:

Factor 10) Interests, values, and beliefs

Generally, the interviewees were not very satisfied with how the company is doing sustainability at the moment and there were many perceived reasons for that, such as financial constraints, unfavorable strategic choices, and poor implementation of sustainability initiatives. However, the interviewees still seemed to see sustainability matters overall in a positive way, which could be due their personal values and beliefs being so impactful.

The existing corporate culture can be considered to guide the behavior of managers and employees to some extent (Bonn & Fisher, 2011) but moreover, each individual has their own interests, values, and beliefs, which most likely guide their behavior and shape their perceptions of CSR. We noticed this on our study, as the interviewees expressed their thoughts for instance on what type of sustainability issues the firm should focus on. There were some who were hoping to see more organizational efforts towards the social impact of the company but still majority considered, that the firm should heavily focus on environmental sustainability. This could be partly explained by what the employees personally see as the most important and what kind of values guide their perception. For instance, interviewee N6 expressed her wish to see the company focusing more on the social impact of their operations and to bring awareness on how people's lives are impacted for example on the material sourcing sites, which could be interpreted as the interviewee N6 having a personal interest and concern towards the well-being of people throughout the whole supply chain. On the other hand, interviewee N2 was not motivated to take part in the company's sustainability initiative offering the employees to spend 3 working days per year for social good, as he would have been personally more interested to spend these days for environmental causes such as cleaning beaches. But as according to him there were no such environmental option, he was not interested to take on the offer which consequently indicates, that his personal interests and values influence his perception of this specific CSR initiative at least.

Engert and Baumgartner (2015) stated, that the managers' values and personal attitudes towards sustainability issues impact the implementation, and Stead and Stead (2014) furthermore argued that managerial values highly influence the strategic choices in an organization. Considering our findings in the light of the aforementioned arguments, it seems likely that the values and personal attitudes of both the managers and employees influence their perception towards certain sustainability issues which further impacts the choices they make in the organization. This could be in terms of bigger strategic choices or even small everyday contributions to sustainability, which could further affect the success of the sustainability strategy implementation.

## 6 Conclusion

The purpose of this study was twofold. Firstly, the purpose was to contribute to the existing literature (presented on Figure 6) by exploring other possible factors influencing employee perception of CSR, as the way employees perceive firm's CSR efforts has been identified to be the crucial link between CSR and employee engagement (Glavas & Piderit, 2009). Secondly, as a result of identifying these factors, managers could utilize the findings and develop a more employee-centric CSR strategy and thus, potentially increase the effectiveness of that strategy and moreover, to strengthen employee engagement within the organization.

In this conclusion chapter, we present the practical implications of our empirical research and discuss the contributions our findings have to the existing theory and literature. Finally, some recommendations for future research are given.

### 6.1 Practical Implications

Based on our research (presented in Chapter 4 and 5) we hereby present a set of strategic recommendations, that could serve as a guide for managers to develop a more employee-centric CSR strategy and potentially increase its effectiveness. By taking the following set of recommendations into consideration when developing a new or revising the existing CSR strategy we firmly believe that the overall goal of strengthening employee engagement within the organization, which was mentioned throughout the literature, will be reached.

At the beginning of the analysis and discussion (Chapter 5) we were able to see four different ways in which interviewees awareness was raised. Working roles were one of the main channels through which employees became aware of company's sustainability initiatives. Importance of having a role which enables individual to contribute to sustainability initiatives was clearly pointed out by our interviewees, with an example of people experiencing positive feelings, motivation and willingness to contribute more. Due to these positive outcomes of engagement in sustainability efforts, companies should strive to modify existing roles to entail sustainability characteristics. One example is to create projects that would enable even those employees whose daily job doesn't entail sustainability, to become more aware of what a company is actually doing on this matter. Important conclusion drawn from the analysis of empirical data in regard to lectures yielded also important results. It was clear that lectures make employees

more aware of sustainability in the company but what is more emphasized is the way these lectures are carried out. As shown in findings, lectures should be organized and presented in a simple and straightforward manner, so regardless the education background of the listener, everyone can understand the message. Next recommendation is building on lectures and the way one's job can be enriched with sustainability. We have identified that involving colleagues, who are experienced in sustainability, in either sustainability lectures or projects assigned to specific departments is a good way to raise awareness among employees.

As a final note to the *CSR awareness* theme, our research clearly shows that not having nor communicating short-term goals to employees and not allocating the same to different departments can have a negative effect on individuals' level of engagement. Therefore, management should pay attention to braking up long-term sustainability goals, communicating the same and finally, assigning those goals to different department that will ensure both employee awareness and engagement in sustainability efforts.

As a summary to *CSR awareness* theme, management should consider the following recommendations:

- Modifying existing roles so that they entail sustainability characteristics, through for example different projects.
- Have lectures that are presented in a simple and straightforward way.
- Increase knowledge-sharing between colleagues through word of mouth communication.
- Make short-term goals visible, communicate the same to employees in the organization. Also, allocate achievement of these goals to different departments within the company so everybody can have a sense of ownership.

Continuing with the *employee participation* theme, we were able to form two key recommendations. One is the fact that volunteering opportunities in studied company are not fully used by its employees due to the fear of having to compensate days not spent in the office. Therefore, companies should clearly organize volunteering efforts in a way that enables employees to participate without the risk of having to do overtime. Additionally, managers should also consider introducing new roles, such as "ambassadors", which could both improve CSR communication within an organization and additionally enable employees whose job doesn't provide participation opportunities to contribute to company's CSR efforts.

*Employee participation* theme yields the following recommendations to management:

- Minimizing the chance of having to do overtime if employees to take on the volunteering opportunity, and communicating this to the employees clearly
- Introduction of new roles, such as sustainability ambassadors.

When talking about *managerial aspects* theme, the analysis of the empirical data has resulted in following three recommendations. Initially, it became clear that sustainability in the studied company is not high on the management agenda and as a result is influencing employee's beliefs and level of engagement in sustainability programs. Therefore, the management team has to consider how their lack of clear actions, despite sufficient communication, can influence employee's perception of company's sustainability efforts. Secondly, many interviewees considered that sustainability efforts should be part of company's DNA, or more precisely connected to its products and/or services. In line with this view, management should think about this connection before presenting sustainability initiatives that are not in line with its business. Finally, when talking about an overall sustainability strategy it is important not to emphasize internal nor external sustainability efforts, but to balance between initiatives oriented towards employees and community.

Recommendations to management team regarding *managerial aspects* theme are:

- To bring sustainability high in management agenda by acting rather than just using words.
- Sustainability strategy needs to be part of company's DNA (products and services).
- Balance between internal and external CSR.

Coming to the fifth theme, *impact of the setting*, our analysis produced two factors influencing employee perception of CSR. Even though financial situation in studied company has clearly influenced employee's perception of company's CSR capability, recommendations on this matter cannot be derived. Giving recommendations to managers to improve company's financial situation in order to be able to investment in sustainability activities is obvious one and is not something that is not known in business world. Therefore, we emphasize second recommendation. In a situation of multinational corporation, which has HQ and affiliates on different geographical locations, management has to take into consideration whether sustainability responsibilities are assigned to affiliates or are centralized in HQ. Having

sustainability initiatives located only in HQ might trigger employees feeling lack of ownership in affiliates and therefore lower engagement level.

*Impact of the setting* theme produced a following recommendation to management:

- To carefully consider the allocation of sustainability activities and responsibilities between HQ and affiliates

For the final recommendation we turn to *personal aspects* theme. Since many of the interviewees have different views on what the company should focus on in terms of sustainability, from social to more environmental focus, there is a need to gain a deeper understanding of what is valued by employees when it comes to sustainability initiatives being carried out by companies. Therefore, in order to gather the data on possible preferences management could utilize survey as a method of collecting large set of data and use the same to consider on what type of sustainability initiatives to implement in a strategy.

Recommendation derived from the final theme is:

- Conducting a survey would shed light on what volunteering related activities are mostly valued by employees

## 6.2 Theoretical Contributions

Previous research has shown, that there is a clear connection between CSR and employee engagement, but it is less known that how and why employees are affected by CSR (Glavas, 2016). Glavas and Piderit (2009) pointed out that the link between the concepts of CSR and employee engagement is how employees perceive CSR efforts of their employer, and consequently as a result of the thorough literature review (Chapter 2), we identified that some scholarly work and empirical research has been previously conducted regarding the topic of employee perception and CSR. We illustrated the previous work in Figure 6 (p. 25) and recognized, that the majority of the previous work has been done in a form of quantitative research. After identifying a need for more in-depth qualitative research on the topic, our research aimed – and succeeded – in shedding some light on the factors that influence employee perception of CSR and yielded 10 factors that according to our empirical study influence how employees perceive CSR. We used two predetermined themes, namely *CSR awareness* and *employee participation in CSR* as a base when exploring the influencing factors, but we also

left room for other factors to arise, which resulted in three additional themes. Our theoretical contribution is illustrated in Figure 7. below:

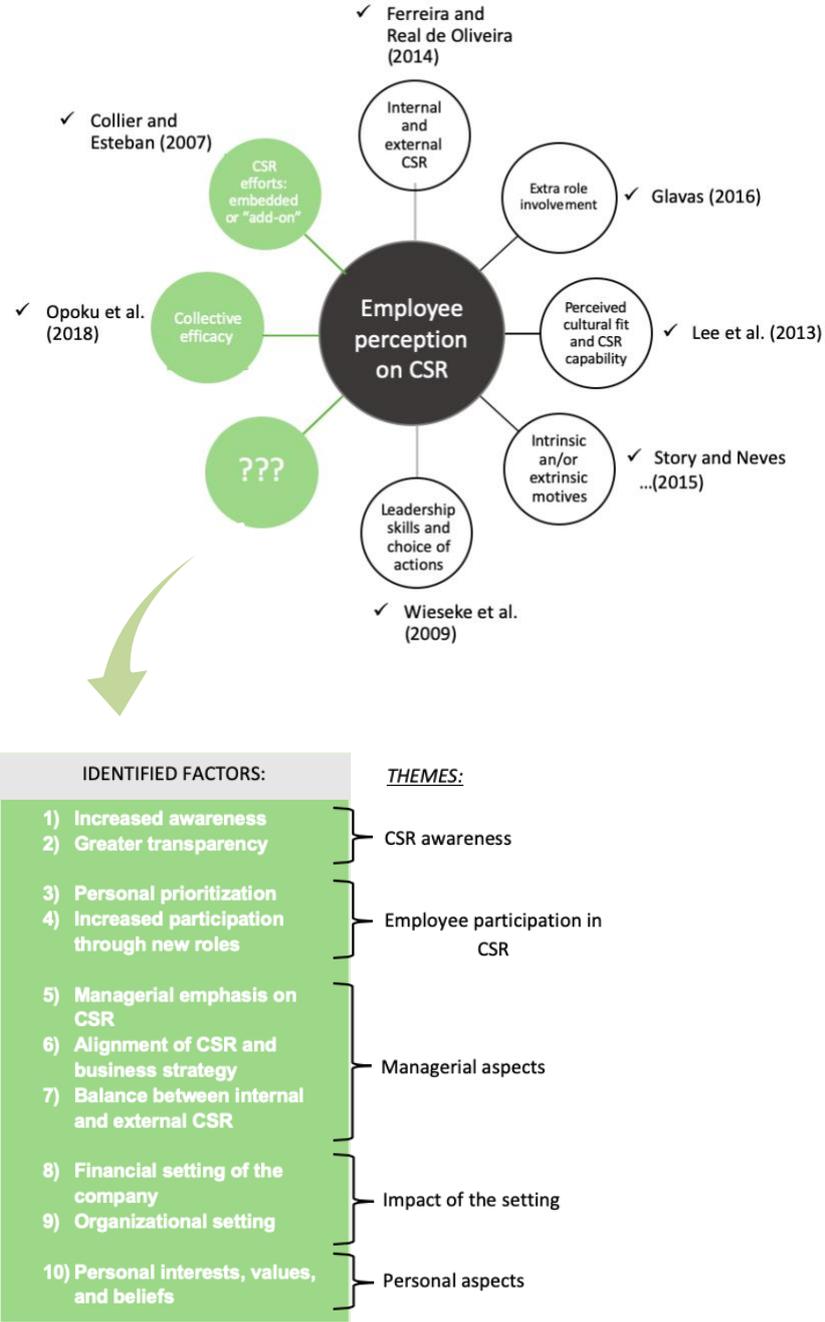


Figure 7. The empirical findings in relation to previous research (authors' own illustration)

Some of the identified factors, such as 6) alignment of CSR and business strategy, 7) balance between internal and external CSR, 8) financial setting, and 9) organizational setting relate to the previous literature by either strengthening the findings from previous research or extending

them by adding more to the original perspective. The remaining six factors, on the other hand, have not to our knowledge been discussed in the literature before in the context of employee perception of CSR and consequently, our theoretical contribution consists of both reinforcing the previous research in some areas of employee perception and CSR, and bringing up other, less explored influencing factors.

### 6.3 Future Research

Our recommendation for future research is to deepen the knowledge of the 10 identified influencing factors with quantitative methods in order to better understand how impactful they are. By measuring and comparing the influence of these different factors, the most impactful ones could be recognized and chosen for future exploration. Furthermore, our empirical study covered a fairly small sample, only 10 interviewees, and thus, it is recommended to study these factors with an approach that allows to cover a larger sample, for instance by using surveys or questionnaires as a data collection method. It is also recommended to further study employees from different cultures, industries, and companies of different size to see if there are significant differences that should be taken into a consideration.

Additionally, as the concept of CSR lacks a universal definition, it could be interesting to further study whether not having a clear definition for corporate sustainability or corporate social responsibility influences employee perception of CSR. Our study covered the theme of CSR awareness and revealed some influencing factors within that theme, but the way employees individually define CSR was not in the focal point of the study. Hence, studying the impact that the various definitions might have on employee perception of CSR appears as interesting for future research.

# References

- Agudelo, M. A. L., Jóhannsdóttir, L. & Davídsdóttir, B. (2019). A literature review of the history and evolution of corporate social responsibility, *International Journal of Corporate Social Responsibility*, vol. 4, no. 1, pp. 1-23.
- Al-bdour, A. A., Nasruddin, E. & Lin, S. K. (2010). The relationship between internal corporate social responsibility and organizational commitment within the banking sector in Jordan, *International Journal of Human and Social Sciences*, vol. 5, no. 14, pp. 932-951.
- Baumgartner, R. J. (2014). Managing Corporate Sustainability and CSR: A Conceptual Framework Combining Values, Strategies and Instruments Contributing to Sustainable Development, *Corporate Social Responsibility and Environmental Management*, vol. 21, no. 5, pp. 258-271.
- Baxter, P. & Jack, S. (2008). Qualitative case study methodology: Study design and implementation for novice researchers, *The qualitative report*, pp. 544-559.
- Bhattacharya, C., Sen, S. & Korschun, D. (2008). Using corporate social responsibility to win the war for talent, *Sloan Management Review*, no. 49, pp. 37-44.
- Birth, G., Illia, L., Lurati, F. & Zamparini, A. (2008). Communicating CSR: practices among Switzerland's top 300 companies, *Communications: An International Journal*, vol. 13, no. 2, pp. 182-196.
- Bode, C. & Singh, J. (2018). Taking a hit to save the world? Employee participation in a corporate social initiative, *Strategic Management Journal*, vol. 39, no. 4, pp. 1003-1030.
- Bonn, I. & Fisher, J. (2011). Sustainability: the missing ingredient in strategy, *Journal of business strategy*, vol. 32, no. 1, pp. 5-14.
- Brad Shuck, M., Rocco, T. S. & Albornoz, C. A. (2011). Exploring employee engagement from the employee perspective: Implications for HRD, *Journal of European Industrial Training*, vol. 35, no. 4, pp. 300-325.
- Braun, V., Clarke, V., Hayfield, N. & Terry, G. (2019). Thematic analysis: Handbook of Research Methods, *Health Social Sciences*, pp. 843-860.
- Bringer, J. D., Johnston, L. H. & Brackenridge, C. H. (2006). Using computer-assisted qualitative data analysis software to develop a grounded theory project, *Field methods*, vol. 18, no. 3, pp. 245-266.
- Carroll, A. B. (2008). A history of corporate social responsibility: Concepts and practices, *The Oxford handbook of corporate social responsibility*, pp. 19-46.

Chandler, D. (2016). *Strategic corporate social responsibility: Sustainable value creation*. Denver: Sage Publications.

Cochran, P. L. & Wood, R. A. (1984). Corporate social responsibility and financial performance, *Academy of Management Journal*, vol. 27, no. 1, pp. 42-56.

Collier, J. & Esteban, R. (2007). Corporate social responsibility and employee commitment, *Business ethics: A European review*, vol. 16, no. 1, pp. 19-33.

Commission of the European Communities (2001). *Promoting a European framework for corporate social responsibility: Green Paper*, Brussels: Office for Official Publications of the European Communities.

Côté, J., Salmela, H. J., Baria, A. & Russell, J. (1993). Organizing and interpreting unstructured qualitative data, *The sport psychologist*, pp. 127-137.

Creswell, W. J. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.

Dahlsrud, A. (2008). How corporate social responsibility is defined: an analysis of 37 definitions, *Corporate social responsibility and environmental management*, vol. 15, no. 1, pp. 1-13.

Dawkins, J. (2004). Corporate responsibility: the communication challenge, *Journal of Communication Challenge*, vol. 9, pp. 108-119.

Du, S., Bhattacharya, C. B. & Sen, S. (2010). Maximizing business returns to corporate social responsibility (CSR): The role of CSR communication, *International journal of management reviews*, vol. 12, no. 1, pp. 8-19.

Easterby-Smith, M., Thorpe, R. & Jackson, P. R. (2015). *Management & Business Research*. 5th ed, London: SAGE Publications Ltd.

Elkington, J. (1997). *Cannibals with Forks. The Triple Bottom Line of 21st Century Business*. Oxford: Capstone Publishing Ltd.

Engert, S. & Baumgartner, R. J. (2016). Corporate sustainability strategy—bridging the gap between formulation and implementation, *Journal of cleaner production*, no. 113, pp. 822-834.

Ferreira, P. & Real de Oliveira, E. (2014). Does corporate social responsibility impact on employee engagement?, *Journal of Workplace Learning*, vol. 26, no. 3/4, pp. 232-247.

Forehand, M. & Grier, S. (2003). When is honesty the best policy? The effect of stated company intent on consumer skepticism, *Journal of Consumer Psychology*, no. 13, pp. 349-356.

- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.
- Freeman, R. E. (2001). A stakeholder theory of the modern corporation, *Perspectives in Business Ethics*, pp. 38-48.
- Friedman, M. (2007). The social responsibility of business is to increase its profits, *Corporate ethics and corporate governance*, pp. 173-178.
- Gallup, 2014. Sample of Q12 Report Groups, London: Gallup, Available Online: <https://q12.gallup.com/content/pdf/SampleQ12ReportGroups.pdf> [Accessed 22 March 2019]
- Gallup, 2017. State of the American Workplace, The Gallup, Available Online: <https://www.gallup.com/workplace/238085/state-american-workplace-report-2017.aspx> [Accessed 22 March 2019]
- Gallup, 2019. *Features*, Available Online: <https://q12.gallup.com/Public/en-us/Features> [Accessed 22 March 2019]
- Gibbs, G. R. (2007). *Qualitative Research kit: Analyzing qualitative data*. London: SAGE Publications.
- Glavas, A. (2016). Corporate social responsibility and employee engagement: Enabling employees to employ more of their whole selves at work, *Frontiers in psychology*, vol. 7, pp. 1-10.
- Glavas, A. & Piderit, S. K. (2009). How does doing good matter? Effects of corporate citizenship on employees, *Journal of Corporate Citizenship*, no. 36, pp. 51-70.
- Golafshani, N. (2003). Understanding reliability and validity in qualitative research, *The qualitative report*, vol. 8, no. 4, pp. 597-606.
- Golob, U., Podnar, K., Elving, W. J., Ellerup Nielsen, A., Thomsen, C. & Schultz, F. (2013). CSR communication: quo vadis?, *Corporate Communications: An International Journal*, vol. 18, no. 2, pp. 176-192.
- Gruman, J. A. & Saks, A. M. (2011). Performance management and employee engagement, *Human Resource Management Review*, vol. 21, no. 2, pp. 123-136.
- Guohui, S. & Eppler, M. J. (2008). Making strategy work: A literature review on the factors influencing strategy implementation, in: *Handbook of research on strategy process*. Cheltenham: Edward Elgar, pp. 165-183.
- Gupta, N. & Sharma, V. (2016). The relationship between corporate social responsibility and employee engagement and its linkage to organizational performance: A conceptual model, *IUP Journal of Organizational Behavior*, vol. 15, no. 3, pp. 59-75.

- Hakanen, J. J., Bakker, A. B. & Schaufeli, W. B. (2006). Burnout and work engagement among teachers, *Journal of school psychology*, vol. 43, no. 6, pp. 495-513.
- Harris, L. R. & Brown, G. T. (2010). Mixing interview and questionnaire methods: Practical problems in aligning data, *Practical Assessment, Research & Evaluation*, vol. 15, no. 1, pp. 1-19.
- Harter, J. K., Schmidt, F. L. & Keyes, C. L. (2003). Well-being in the workplace and its relationship to business outcomes: A review of the Gallup studies, *Flourishing: Positive psychology and the life well-lived*, Volume 2, pp. 205-224.
- Hemingway, C. A. (2005). Personal values as a catalyst for corporate social entrepreneurship, *Journal of business ethics*, vol. 60, no. 3, pp. 233-249.
- IBM (2014). Beyond engagement: The definitive guide to employee surveys and organizational performance, Somers: IBM Corporation, Available Online: <https://www.ibm.com/downloads/cas/JNEL5GY1> [Accessed 27 March 2019]
- Insync (2008). How green are we anyway? Melbourne: Insync Surveys Pty Ltd, Available Online: <https://www.insyncsurveys.com.au/media/14722/how-green-are-we-anyway.pdf> [Accessed 2 May 2019]
- Kahneman, D., Lovallo, D. & Sibony, O. (2011). Before you make that big decision, *Harvard business review*, vol. 89, no. 6, pp. 50-60.
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work, *Academy of management journal*, vol. 33, no. 4, pp. 692-724.
- Klein, J. & Dawar, N. (2004). Corporate social responsibility and consumers' attributions and brand evaluations in a product-harm crisis, *International Journal of Research in Marketing*, vol. 21, no. 3, pp. 203-217.
- Langer, E. J. & Moldoveanu, M. (2000). The construct of mindfulness, *Journal of social issues*, vol. 56, no. 1, pp. 1-9.
- Larsson, R., Driver, M., Holmqvist, M. & Sweet, P. (2001). Career Dis-integration and Re-integration in Mergers and Acquisitions: Managing Competence and Motivational Intangibles, *European Management Journal*, vol. 19, no. 6, pp. 609-618.
- Lee, E. M., Park, S. Y. & Lee, H. J. (2013). Employee perception of CSR activities: Its antecedents and consequences, *Journal of business research*, vol. 66, no. 10, pp. 1716-1724.
- Luo, X. & Bhattacharya, C. B. (2006). Corporate social responsibility, customer satisfaction, and market value, *Journal of marketing*, vol. 70, no. 4, pp. 1-18.
- Macey, W. H. & Schneider, B., (2008). The meaning of employee engagement, *Industrial and organizational Psychology*, vol. 1, no. 1, pp. 3-30.

- Markos, S. & Sridevi, M. S. (2010). Employee engagement: The key to improving performance, *International journal of business and management*, vol. 5, no. 12, pp. 89-96.
- Maslach, C., & Jackson, S. E. (1986). Maslach burnout inventory, *Consulting Psychologists Press*, Volume 21, pp. 3463-3464.
- McGuire, J. B., Sundgren, A. & Schneeweis, T. (1988). Corporate social responsibility and firm financial performance, *Academy of Management Journal*, vol. 31, no. 4, pp. 854-872.
- McWilliams, A. & Siegel, D. (2000). Corporate social responsibility and financial performance: correlation or misspecification?, *Strategic management journal*, vol. 21, no. 5, pp. 603-609.
- Mintzberg, H. & Waters, J. A. (1985). Of strategies, deliberate and emergent, *Strategic management journal*, vol. 6, no. 3, pp. 257-272.
- Mirvis, P. (2012). Employee Engagement and CSR : Transactional, Relational, and Developmental Approaches, *California Management Review*, vol. 54, no. 4, pp. 93-117.
- Mohr, L. A., Webb, D. J. & Harris, K. E. (2001). Do consumers expect companies to be socially responsible? The impact of corporate social responsibility on buying behavior, *Journal of Consumer Affairs*, vol. 35, no. 1, pp. 45-72.
- Morsing, M., Schultz, M. & Nielsen, K. U. (2008). The ‘Catch 22’ of communicating CSR: Findings from a Danish study, *Journal of Marketing Communications*, vol. 14, no. 2, pp. 97-111.
- Muthuri, J. N., Matten, D. & Moon, J. (2009). Employee volunteering and social capital: Contributions to corporate social responsibility, *British Journal of Management*, vol. 20, no. 1, pp. 75-89.
- Noor, K. B. M. (2008). Case study: A strategic research methodology, *American journal of applied sciences*, vol. 5, no. 11, pp. 1602-1604.
- Opoku-Dakwa, A., Chen, C. C. & Rupp, D. E. (2018). CSR initiative characteristics and employee engagement: An impact-based perspective, *Journal of Organizational Behavior*, vol. 39, no. 5, pp. 580-593.
- Orb, A., Eisenhauer, L. & Wynaden, D. (2001). Ethics in qualitative research, *Journal of nursing scholarship*, pp. 93-96.
- Parent, M. M. & Deephouse, D. L. (2007). A case study of stakeholder identification and prioritization by managers, *Journal of business ethics*, vol. 75, no. 1, pp. 1-23.
- Porter, M. E. & Kramer, M. R. (2006). The link between competitive advantage and corporate social responsibility, *Harvard business review*, vol. 84, no. 12, pp. 78-92.

- Raub, S. & Blunschi, S. (2014). The power of meaningful work: how awareness of CSR initiatives fosters task significance and positive work outcomes in service employees, *Cornell Hospitality Quarterly*, vol. 55, no. 1, pp. 10-18.
- Riessman, Catherine Kohler (2005). Narrative Analysis, *Narrative, Memory & Everyday Life*, University of Huddersfield, Huddersfield, pp. 17.
- Rodrigo, P. & Arenas, D. (2008). Do employees care about CSR programs? A typology of employees according to their attitudes, *Journal of Business Ethics*, vol. 83, no. 2, pp. 265-283.
- Rodriguez, M., Ricart, J. & Sanchez, P. (2002). Sustainable development and the sustainability of competitive advantage: A dynamic and sustainable view of the firm, *Creativity and innovation management*, vol. 11, no. 3, pp. 135-146.
- Rowley, J. (2012). Conducting research interviews. *Management Research Review*, vol. 35, no. 3/4, pp. 260-271.
- Rupp, D. E., Shao, R., Skarlicki, D. P., Paddock, E. L., Kim, T. Y., & Nadisic, T. (2018). Corporate social responsibility and employee engagement: The moderating role of CSR-specific relative autonomy and individualism, *Journal of Organizational Behavior*, vol. 39, no. 5, pp. 559-579.
- Ryan, R. M. & Deci, E. L. (2000). Intrinsic and extrinsic motivations: Classic definitions and new directions, *Contemporary educational psychology*, vol. 25, no. 1, pp. 54-67.
- Schacter, D., Gilbert, D., Wegner, D. & Hood, B. M. (2012). Psychology: European Edition, Basingstoke: Palgrave Macmillan.
- Schaufeli, W. B., Salanova, M., González-Romá, V. & Bakker, A. B. (2002). The measurement of engagement and burnout: A two sample confirmatory factor analytic approach, *Journal of Happiness studies*, vol. 3, no. 1, pp. 71-92.
- Sen, S., Bhattacharya, C. B. & Korschun, D. (2007). Corporate social responsibility as an internal marketing strategy, *Sloan Management Review*, vol. 49, no. 1, pp. 1-29.
- Shuck, B. & Wollard, K. (2010). Employee engagement and HRD: A seminal review of the foundations, *Human resource development review*, vol. 9, no. 1, pp. 89-110.
- Stead, J. G. & Stead, W. E. (2014). Sustainable Strategic Management. 2nd Edition ed. New York: Greenleaf Publishing Limited.
- Story, J. & Neves, P. (2015). When corporate social responsibility (CSR) increases performance: exploring the role of intrinsic and extrinsic CSR attribution, *Business Ethics: A European Review*, vol. 24, no. 2, pp. 111-124.
- Tata, J. & Prasad, S. (2015). CSR communication: An impression management perspective, *Journal of Business Ethics*, vol. 132, no. 4, pp. 765-778.

Thomas, E. & Magilvy, K. J. (2011). Qualitative rigor or research validity in qualitative research, *Journal for specialists in pediatric nursing*, vol. 16, no. 2, pp. 151-155.

Towers Perrin (2008). Closing the Engagement Gap: A Road Map for Driving Superior Business Performance, Towers Perrin. Available Online: [https://c.yimcdn.com/sites/simnet.site-ym.com/resource/group/066D79D1-E2A8-4AB5-B621-60E58640FF7B/leadership\\_workshop\\_2010/towers\\_perrin\\_global\\_workfor.pdf](https://c.yimcdn.com/sites/simnet.site-ym.com/resource/group/066D79D1-E2A8-4AB5-B621-60E58640FF7B/leadership_workshop_2010/towers_perrin_global_workfor.pdf) [Accessed 14 April 2019]

Towers Watson (2014). Global Workforce Study, London: Towers Watson, Available Online: [https://www.towerswatson.com/assets/jls/2014\\_global\\_workforce\\_study\\_at\\_a\\_glance\\_emea.pdf](https://www.towerswatson.com/assets/jls/2014_global_workforce_study_at_a_glance_emea.pdf) [Accessed 15 April 2019]

Tversky, A. & Kahneman, D. (1974). Judgment under uncertainty: Heuristics and biases, *Science*, vol. 185, no. 4157, pp. 1124-1131.

Tversky, A. & Kahneman, D. (1986). Rational Choice and the Framing of Decisions, *The Journal of Business*, vol. 59, no. 4, pp. 251-278.

Van Marrewijk, M. (2003). Concepts and definitions of CSR and corporate sustainability: Between agency and communion, *Journal of business ethics*, vol. 44, no. 2-3, pp. 95-105.

Vance, R. J. (2006). Employee engagement and commitment, Alexandria: SHRM foundation.

Vlachos, P. A., Panagopoulos, N. G. & Rapp, A. A. (2013). Feeling good by doing good: Employee CSR-induced attributions, job satisfaction, and the role of charismatic leadership, *Journal of business ethics*, vol. 118, no. 3, pp. 577-588.

Waddock, S. A. & Graves, S. B. (1997). The corporate social performance–financial performance link, *Strategic management journal*, vol. 18, no. 4, pp. 303-319.

WCED (1987). World Commission on Environment and Development. Our Common Future, Oxford: Oxford University Press.

Wempe, J. & Kaptein, M. (2002). The Balanced Company. A Theory of Corporate Integrity, Oxford: Oxford University Press.

Wieseke, J. Ahearne, M., Lam, S. K. & Dick, R. V., (2009). The role of leaders in internal marketing, *Journal of marketing*, vol. 73, no. 2, pp. 123-145.

Yin, K. R. (2003). Case Study Research: design and methods, Sage Publications, vol. 5.

Ziek, P. (2009). Making sense of CSR communication, *Corporate Social Responsibility and Environmental Management*, vol. 16, no. 3, pp. 137-145.

# Appendix A

## Interview Guide

### Background

- What is your position at the organization X?
- How long have you worked at the organization X?
- What is your educational background?
- Job history prior to working at the current organization X?
- What motivated you to join organization X? What motivates you to stay here?

*On this interview, we use the term **sustainability** as an umbrella term for corporate social responsibility and environmental aspects, as it is communicated by the organization X.*

### Sustainability Awareness

- What do you know about the sustainability efforts of the organization X?
- How have you obtained the information?
- Do you feel like you know enough?
- Is there something that has allowed/prevented you to obtain critical information?
- How could the awareness be strengthened?
- How does being aware of the sustainability efforts affect you?

### Employee Participation in Sustainability

- In what other ways do you participate in sustainability?
- Do you feel a “sense of ownership” of the sustainability efforts of organization X?
  - How could your sense of ownership in sustainability be increased?
- What do you see as possible benefits of engaging in sustainability? On individual level? On organizational level?
- What would motivate you to contribute more to the sustainability efforts of organization X?

### Other Influencing Factors

- What is your perception of the sustainability in organization X? How do you see/feel/experience it?
- Is there something specific (regarding sustainability) that you feel is important/valuable/critical? Why?
- Do you consider external or internal sustainability activities more important? Why?
- What is your opinion on how organization X is doing sustainability at the moment?
- To what extent do you perceive your organization is capable of planning, conducting, and evaluating its sustainability activities?
- To what extent do you perceive that company`s sustainability initiatives are in line with its strategy?
- Do you have any recommendations on how the organization X can improve its current sustainability approach?

# Appendix B

## Examples of Codes and Quotations

### Increased awareness:

- N10: “Not as a general employee, if you were like an engineer like I was before, I would probably not notice it at all. I have noticed it due to my current role, since we are part of problem, we generate waste of all kinds, and therefore I know about it.”
- N1: “I was an engineer so, from that perspective you need to know about kind of design guidelines, what can you use in our components...”
- N6: “Well like I mentioned, I didn’t really pay attention to it, that much, before. After I went to the lectures, there have been activities like biodiversity and about other things, that is when I started to pay more attention. So, I just started to pay more attention when I became more aware. I think it was because of that lecture I started to pay more attention to newsletter information that gets sent out”.

### Personal prioritization/choice to participate:

- N3: “...but at the end of the day you know it is their choice is whether or not they want to prioritize that over other things that are happening in their working life”

### Sustainability needs to be seen higher on management agenda:

- N1: “I think it is very important that there is focus from a company. From management point of view on sustainability, and working on developing environmentally friendly products etc. If that focus is not really there, then it will not create opportunities for employees to go in that direction. I think that is kind of basic that needs to be in place, that management is focusing on and that they have objectives on how to be better and improve. My personal opinion, during last couple of years is that that focus has been reduced a bit”
- N4: “I think, If our top management would bring it up in, we have these meeting now and then, if that would be a topic there I think that could sort of really send a signal that we are taking this seriously and we want to focus on it. I think that would be good way to get people awareness about the importance”