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CSR and core values viewed from ‘within’

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Abstract

Title:	CSR and core values viewed from ‘within’
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Keywords:	CSR, Core Values, Internal Marketing/Internal Branding, Employees, ICA
Thesis purpose:	This study aims to find any possible gap on the transfer or communication of values – with focus on CSR (core) values, between the corporate level and the operational level within a retail company.
Methodology:	Both theoretical and empirical studies were performed to carry out this research. The empirical research involved ICA as case study. This thesis made use of qualitative research method; data collection was through semi-structured interviews, comprised of seven employees – one from the management side, one store owner, one store manager and four regular staff members.
Theoretical perspective:	The main theories that the study is based upon are CSR, core values, internal marketing, and internal branding
Empirical data:	Empirical data was obtained through conducting semi-structured interviews.
Conclusion:	The findings of this study indicate that the internal transfer or communication of values depends not only on effective employee communication but also on the nature of what is being communicated.

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It had been a short 10-weeks for a very long journey that entailed numerous sleepless nights and wide-awake days. There were moments that I felt I couldn't make it, and there were moments that I felt could.

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1. Introduction

This chapter provides the background wherein the primary relevant literatures for this study are introduced, such as the importance of core values, why CSR as core value, and the significance of internal marketing for propagating CSR values. A more detailed and extensive presentation of these concepts are provided in chapters 3, 4 and 5. The specific research purpose and questions are thereafter presented under problem discussion. This is followed by the specifications and delimitations, target audience, and finally, the thesis outline.

1.1 Background

1.1.1 Importance of core value/s

Core values are a small set of timeless guiding principles that require no external justification; they have intrinsic value and importance to those inside the organization. Moreover, values can be defined as the goals and social principles that are essential to a culture; they show what is right and wrong and form the basis for moral judgments. (Hatch, 1997, in Apéria and Back, 2004:27, 29)

Researchers argue that it is more important to know who you are than where you are going, because your destination changes as the world around you changes (Apéria and Back, 2004). Core ideology consists of core values and a mission and Collins and Porras (1996) believe that these must be stable for a company to become successful. Core ideology provides the thread that holds an organization together as it grows, decentralizes, diversifies, expands and develops workplace diversity. Core values provide an answer to the question why a company exists, provide a dogmatic foundation for the organization and have meaning for those who work for or belong to the organization. (Apéria and Back, 2004:32-33)

Due to the changes in the world, there is a need for companies and organisations to adapt to these changes in order to achieve whatever goals they may have. Corporate Social Responsibility (CSR) has received different reactions and interpretations amongst different players. Some critiques on CSR will be acknowledged later on in this thesis, but for the purpose of meeting the goal of this study, CSR will be treated here as a concept that could possibly, for instance, provide the 'thread' that holds an organisation together as it grows, that has intrinsic value and importance to those inside the organization, meaning – as core value.

1.1.2 Why CSR as core value?

According to John Hancock (2005:1), “the very term corporate social responsibility falls on some ears with the dull and ominous thud of another burden on business, another book of forms to be completed, yet more boxes to tick”. Acknowledging the presence of criticisms directed at CSR, according to Hancock (2005), what is significant about CSR is

not that it attracts campaigners who oppose CSR but that CSR is now being embraced by many powerful global corporations as their core business principle. CSR instead of being a burden, provides an opportunity to revitalize the business and is an idea worth exploring and worth considering for incorporation in one's own business plans. There are different principles motivating CSR (presented in chapter 4) and this study will look at how or what CSR is as core value in a company's internal environment. If CSR is considered a company's core value, it should therefore define *who* that company is and why it exists.

In order to develop and implement an organisation's core value/s, the way these values are communicated within the organisation, where the role of the employees is central, is very important. The concept of internal marketing/branding is thus introduced below.

1.1.3 Why internal marketing/branding?

One of the objectives of internal marketing is "to develop motivated and customer-conscious employees"(Grönroos, 1983:93). The firm needs to create an internal environment in which the employees behave in a preferred way, which is facilitated by active and interfunctional activities, in order to achieve internal marketing's overall objective (in Gudmundson and Lundberg, 2001:7).

As one of the goals of my study is to find out how CSR core values are communicated internally, it is therefore obvious that what the literature says about internal marketing, specifically employee communication in internal marketing, be considered. Employee communication is the part of internal communication policy where personnel-oriented internal marketing is targeted towards employees (George, 1990 in Varey & Lewis, 2000:142).

1.2 Problem Discussion

According to the literature (Urde, 2001) in order to establish core value/s, there should already be an existing set of values and from there elect its core value/s. Core values provide an answer to the question why a company exists, provide a dogmatic foundation for the organization and have meaning for those who work for or belong to the organization. (Apéria and Back, 2004:32-33) Moreover, according to Urde (2001), "core values can be defined as all-embracing terms that sum up the identity of the brand as well as being the guiding principles for all internal and external brand building processes".

Previous studies (e.g. Adams et al. 1998; Esrock and Leichty, 1998; Hooghiemstra, 2000) have shown that many businesses are ardent to display their CSR principles and processes in order to communicate a positive image of their identity and to gain legitimacy together with support from stakeholders (Maignan and Ralston, 2002). CSR is now seen as an antidote to corporate greed and rebuilding trust among stakeholders (Hancock, 2004:8-10).

Being recognized for a good reputation is something a company cares about because it attracts support from customers, investors and potential employees (Apéria and Back, 2004:156-157). The importance of employees in a company's identity and reputation has been recognised and internal marketing facilitates internal brand building. According to Ahmed and Rafiq (2002) "aligning, educating and motivating staff towards institutional objectives the process by which personnel understand and recognize not only the value of the program but their place in it".

If core values indeed answer the question "who we are", that it sums up the identity of the brand; and if good reputation is something a company cares about because it cultivates support from different stakeholders, especially employees; and if engaging in CSR principles and processes is acknowledged as a tool in communicating a positive image of a company's identity, why not make CSR a core value?

The focus of my study is CSR as a core (brand) value and how this value is transferred to the employees. Although the end-purpose of corporate branding is brand image (reputation) which is about how external stakeholders perceive a brand (Harris and de Chernatony 2001, in Karlsson, 2006) and therefore importance of which is acknowledged, the primary task of this thesis is not bridging the gaps between internal and external brand building factors, but inquiring where that gap is, internally. Salmones et al. (2005) for instance, acknowledge the importance of involving all the employees and to target this internal public with a responsible policy because corporate responsibility begins inside the company. Whenever the concept of core values is used in this thesis, it refers to the values that fall within the identity. This study would be more in line with the organisation theory perspective in the modern field of corporate branding (i.e. The Expressive Organization, Schultz, Hatch, and Holten Larsen, 2000). Internal marketing concept is used here not as the goal of the study itself, but as a tool in gauging how ICA communicates its CSR and other core values within the organisation and for the end purpose of knowing how these values are perceived and received by the employees. The interviews have provided an idea how CSR and ICA's core values are understood, perceived and interpreted by the employees in the stores.

Accordingly, discussions on CSR, internal marketing, brand/organisation identity, values, corporate reputation and relevant areas need to be explored in order to establish the significance of CSR as a core value (or one of the core values) in a company's identity and reputation; and how internal marketing of CSR could help in aligning employee behaviour towards achieving consumer trust and/or meeting company goals. In short, the relevance and importance of CSR values to the company, as well as employee's understanding or attitude towards these values, will be investigated. This thesis will present the evidence from the case study that shows the barriers in obtaining organisational commitment that facilitates 'living' the company's core values, as well as the factors and dimensions in failure and success of internal branding. Likewise, the principles motivating CSR will also be presented to determine what makes a company decide to engage in CSR initiatives.

The illustration below gave me some direction and helped me go through the process of finding relevant literature and how to link the theories with the findings from the empirical study:

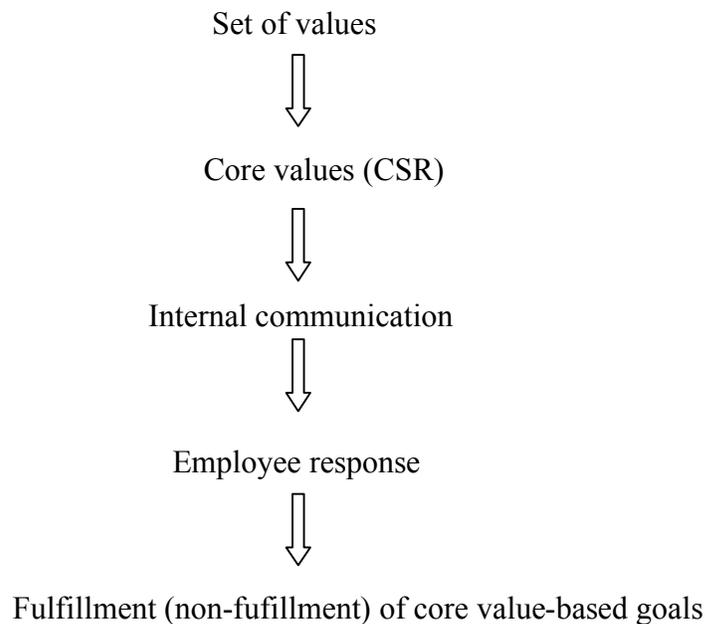


Figure 1: Core value internal communication process
(source: author's own model)

The above communication process model starts from what Urde (2001) claims that core values should originate or be derived from an already existing set of values. In line with the purpose of the present study, it will then be investigated how the core values are communicated internally, how this communication affects employee response and finally if this leads to the fulfillment (or non-fulfillment) of the goals of the core values.

1.3 Purpose and Research Questions

Urde (2001:1036) argues that "the factors that link core values and the corporate brand are decisive for brand equity and competitive strength; and all work associated with the core value promise is a step towards an increased level of brand orientation. Such a process must have the full support of the executive management and the organisation as a whole. The implementation of core values and organisational commitment are examples of areas that need more research" (ibid.). Furthermore, according to Salmones et al. (2005:380), the first step to improve the socially responsible activities of a firm is to understand the meaning and implications of this philosophy. Responsible corporate behaviour has to be perceived in order to get results; defining ethical codes is not enough, the important thing is translating them into action. In short, there is a need for an organisation to increase employee understanding for CSR issues and initiatives, to make them committed to CSR.

Salmones et al. (2005) also acknowledge the importance of involving all the employees in this philosophy and to target this internal public with a responsible policy because corporate responsibility begins inside the company.

The purpose of my thesis is in line with Urde (2001) and Salmones et al.'s (2005) recommendations: this study will identify any possible gap on the transfer or communication of values, with focus on CSR core value, within a retail company – between the corporate level and the operational level. Although there have been many articles written about CSR, there has not been one about CSR as core value that I have identified, thus I consider this thesis exploratory in nature. In order to be able to locate the gap in the internal transfer or communication of CSR values, this thesis is going to identify the factors and barriers in internal communication and other factors that contribute to the failure or success of value transfer. This thesis would answer the research questions below. These questions would facilitate finding out the company's motivations for CSR initiatives, how these initiatives are communicated and finally how the CSR values are received by the employees.

1. What are the company's motivation or rationale for engaging in CSR initiatives?
2. How are CSR values transferred or communicated internally?
3. How do employees perceive the company's CSR values?

1.4 Specifications and Delimitations

The focus of this paper is the importance of core values, including and specifically CSR values, and how these are communicated and received internally. The use of the internal marketing concept is not for the purpose of achieving marketing objectives *per se* rather internal marketing as the tool in inquiring on the level of employee awareness and support for CSR. In short, internal marketing is used here not as the goal of the study but as a means to finding out how core values are communicated within the company.

It has been necessary to look for and include literature relevant to the subject field of values, corporate reputation, brand building, internal marketing/branding and ultimately CSR. Although it is ideal and definitely wished, the theories belonging to the field of human resources management and organisational behaviour are excluded in this study, as well as psychological theories of motivation and other related fields. A few definition of organisational involvement/commitment is provided though, to give an idea as to what this term means in an organisational context, but will not be dealt with extensively. Also, although this thesis used a food retail company as the subject case, I do not indulge on the retail literature and instead focus on CSR as core value and how values are transferred internally. By so doing, this thesis is not solely confined within the four walls of the retailing field, but could also possibly be applied in any organisation that is concerned with CSR, core values and the internal sphere.

As this thesis deals with internal communication, I will not plunge into the broad area of external marketing/branding. Instead, the barriers to developing and sustaining effective

internal marketing in an organisation will be discussed and used at a great extent in order to facilitate the search for reasons explaining the communication gap. Furthermore, it needs to be noted that the purpose of this study is to find a gap in the transfer of values within an organisation. It can be said that this research is written from a management point of view and would hopefully bring to light whatever lapses there are along the internal communication line.

For the same reason, even it could have been most ideal to expound on CSR, for instance, the categories of business performance such as economic responsibilities, legal responsibilities, ethical responsibilities (Carroll, 1979), or discussions on terminology difference between corporate social responsibility and responsiveness, these are not included either.

Additionally, this paper is not to indulge on mapping or locating *who is responsible for what* within the marketing area of the company under study, or the people involved in their marketing processes. The emphasis will be on the finished product, that is the core values that include CSR, the motivations for adopting these values, and how these values are communicated internally. The literature emphasises on the importance of, for instance, the role of CEO in internal branding efforts (de Chernatony, Drury and Segal-Horn, 2003; Lintemeier, 2005), this will not be tackled at a great length but will only be mentioned slightly as a result of the interview. There would be a slight mention of the management dimension under the factors in internal branding as it is inevitable, but will not be discussed explicitly.

Lastly, these limitations are reinforced whenever necessary at the individual section where the respective field is discussed.

1.5 Target Audience

The process of literature review that I have gone through during the course of writing this thesis has made myself realize that although CSR is acknowledged to play an important role in today's business arena, there are not many (in fact none that I have identified) studies that focus on CSR as core value, and investigate how this CSR value is communicated and received internally. Hence, when it comes to theoretical relevance, the target audience I consider would be students, teachers, researchers, and professors in marketing and brand management, in the CSR field, ethics management, as well human resources.

For the practical relevance of this research, I would say that the target audience basically consists of companies and organisations with interest on CSR, core values, identity and internal marketing or internal branding. It could also be of interest for a complex food retail chain, and even non-food retailing, where each store is considered a company of its own that makes the communication and policy implementation process more complex than a whole owned company (such as IKEA where most of its stores are wholly-owned).

1.6 Thesis Outline

This thesis consists of eight main chapters. The first chapter, Introduction, is comprised of six sections that includes the background where the main theories on core value, CSR and internal marketing/branding are briefly introduced, followed by problem discussion, the purpose and research questions, specifications and delimitations and the target audience.

The second part, Research Design, includes two main sub-parts: the Overall Approach and the Practical Approach. The overall approach is comprised of choice of subject, choice of method, theoretical framework and reflections on the sources and literature; while the practical approach includes the case study/interviews and the reflections on the research design chosen.

The third chapter provides the concepts that comprise the theoretical framework for this thesis. It includes the concepts surrounding core values; followed by Corporate Social Responsibility (CSR), some CSR background, CSR definitions, the motivating principles of CSR, the CSR dimensions and the previous research on CSR; then followed by Internal Marketing and Internal Branding concepts, where the barriers to developing and sustaining effective internal marketing in an organisation, as well as the seven dimensions and factors of failure and success in internal branding are presented; followed by the link between these different concepts and theories. In this link the idea behind CSR as core value and the importance of targeting the internal actors will be explained. An exhaustive summary of these three major theoretical concepts will also be provided in this chapter, instead of presenting them in its respective individual section.

The fourth chapter is the Case Study – ICA, which includes the interview results with the corporate level and the operational (store) level.

The Analysis of the theories and the empirical data gathered is presented in chapter five, together with ICA's mission and vision and a summary of the answers to the research questions.

Finally, the Conclusion where the analysis will be further discussed, what in general the study tells us about, and how the theoretical factors and mechanism are relevant to CSR. This chapter also includes the contribution of this thesis, and some suggestions for future research.

2. Research Design

2.1 Overall Approach

In this study I adopt a social constructionist perspective, which apart from reality being determined by people rather than by objective and external factors (Easterby-Smith, Thorpe, and Lowe, 2002:30) also asserts that social phenomena, and their meanings are continually being accomplished by social actors. Moreover, constructionism also suggests that the categories people employ in helping them understand the natural and social world are actually social products. The social world and its categories are not external to us, but are suggested to be built up and constituted in and through interaction (Bryman & Bell, 2007:24). This interaction, for instance between the ICA management and employees, is what comprises a constructed social world. Likewise, my interaction with the ICA employees during the interviews is also a social construction.

Since the validity and reliability of this study may be put into question, it is thus acknowledged that the term constructionism, has come, in recent years, to also include the notion that researchers' own accounts of the social world are constructions. The researcher always presents a specific version of social reality and this makes knowledge viewed as indeterminate (Bryman & Bell, 2007:23). Becker (1982:521), like Strauss et al. (1973:316-17), "recognizes that the constructionist position cannot be pushed to the extreme: it is necessary to appreciate that culture has a reality that persists and antedates the participation of particular people and shapes their perspectives, but it is not an inert objective reality that possesses only a sense of constraint: it acts as a point of reference but is always in the process of being informed" (Bryman & Bell, 2007:23).

Moreover, social approaches to communication describe events that transpire between people in an interaction process. This is contrary to the reporting of how events are perceived through a single individual's understanding. Communication is therefore thought of as inherently collaborative and co-operative visible behaviour, rather than just a personal cognition (Varey and Lewis, 2007:285).

2.1.1 Choice of Subject

The master year in international marketing and brand management has been a challenging one. It is fascinating how much there is to learn and discover, and how different concepts and theories are often interrelated to each other. First, I was interested with relationship marketing, then with brand management, and then with internal marketing. Long before guest lecturer Radu Mares from Raoul Wallenberg Institute came to our class, I already have an interest in CSR, and his lecture converted my interest to the decision of writing about CSR. Since core values, image, and reputation were commonly discussed in the brand management class, and the importance of employees in the relationship marketing course, the questions popped-up: why not CSR as a core value through internal marketing? This improvised temporary title became the basis for the choice of the subject for my thesis and in the process of searching for relevant literature.

The case at hand, ICA, being the leading retail chain in Sweden (www.ica.se) shows that they already realize the importance of CSR in its operations. It has, for instance, a business approach to ethics and social responsibility called "ICA's Good Business" covering seven "basic values" where they say they can and should be involved¹. But due to the complexity in chain retailing, control system is very difficult if not impossible, as expressed by ICA's EVP Ingrid Jonasson (January 2008), especially because of the fact that every store is considered a company of its own.

The recent ground meat scandal (December, 2007) at the ICA chain (Sweden) wherein the local national television channel SVT1, in its program "Uppdrag Granskning" (Task: Investigation or Investigative Task) found out that four out of four ICA stores "systematically" adjusted/tampered the expiry date of its ground meat produce. This has caused tremendous reactions amongst the Swedish consumers, politicians, government officials, journalists and other players. ICA's Executive Vice President, Ingrid Jonasson, during her lecture at the Department of Economics, Lund University (3 March 2008) said that this incident occupied 70 days of headline in the Swedish news. Jonasson admitted that this has brought some considerable damage to ICA's reputation. She also admitted that ICA being a chain of stores is facing a big challenge in their control management and they cannot exercise control very well. Brand is experienced in the store and there are many obstacles to overcome, she added. ICA has done some reactive measures after the meat incident and these are published on their website. Also, they have resumed airing their sequel commercial with "Stig"² incorporating some links to the incident, in their effort to address the problem in some ways.

The above incident involving ICA made the topics such as CSR, core values and internal marketing all the more interesting for me. I asked myself: "how could a company of such magnitude do such a thing, not taking into consideration the damage it would bring?". With this in mind came more questions. What are their core values? Do they engage in CSR issues? Why not inquire if they treat CSR as a core value? What does CSR mean to the company? What does CSR and other values the company have mean to the employees?

2.1.2 Choice of Method

My objective is to find any possible gap on the transfer or communication of values – with focus on CSR core values, between the corporate level and the operational level within a retail company. The research questions such as what are the company's motivation or rationale for engaging in CSR initiatives, how are CSR values transferred or communicated internally, how do employees perceive the company's CSR values are necessary to be raised in order find out how for instance CSR initiatives or the motivations of the company for these initiatives affect the level of awareness and support of the employees.

¹ Detailed presentation of ICA's good business in Section 7.

² Stig is the main character in ICA's TV commercials.

The very first step employed in this research is searching for literature that talks about CSR, core values and internal marketing. Contacting possible interview respondents was made parallel to this literature search. After a great extent of reading, writing and re-reading, some ideas as to the purpose of the study and research questions have surfaced. After which, the relevant theories were applied during the interviews, during the analysis of the results, and until the completion of the thesis. Considering how the research process has evolved and progressed, where theory is something that guided and influenced the collection and analysis of data, or in other words, because the research is done in order to answer questions posed by theoretical considerations (Bryman & Bell, 2007), I consider the research strategy employed as deductive in nature.

This thesis makes use of both a study of the literature and a qualitative empirical research through semi-structured interviews. Secondary materials are also used such as ICA's webpage and some internal printed materials for the purpose of comparing and checking if what has been said during the interviews are expressed in the same way in the company's official document such as those available on their website. The study of the literature is for the purpose of achieving a greater understanding of the selected topics and to find guidance as to how I should proceed with the empirical study. Based on my own ontological position, when answering questionnaires (quantitative research), people tend to focus more on completing the given task, and less on the importance of giving answers that really reflect one's opinion on a certain matter. Some authors believe that mixing methods provides advantage because you get the benefit of both. But Melville Dalton (1959), is opposed to the tendency to quantify and reduce variables to their smallest components because this loses most of the real meaning of the situation (Easterby-Smith, et al., 2002:39-41).

Bryman & Bell (2007:404) argue that in a qualitative research, theory is supposed to be an outcome of an investigation rather than something that precedes it. This, however, is opposed by some writers like Silverman (1993:24) by saying: describing qualitative research in such manner is "out of tune with the greater sophistication of contemporary field research design, born out of accumulated knowledge of interaction and greater concern with issues of reliability and validity" (Bryman & Bell, 2007:404).

The main steps in qualitative research such as – Step 1: general research questions, Step 2: selecting relevant site/s and subjects, Step 3: collection of relevant data, and Step 4: interpretation of data (Bryman & Bell, 2007:405) were used for this study. However, there is no clear-cut pattern or order (as the main steps mentioned) applied for this research; at first some ideas on the CSR literature were considered in parallel with some research questions; and as the research progressed, more aspects of the literature and more research questions surfaced which either supported the previous materials or lead to new angles.

A semi-structured interview allows the parties to have an extended conversation outside the margins of pre-determined line of questions and interview scope, as in the case of interview made by Prasad (1993) on the computerization at the Paragon Corporation. "Prasad explains that in some cases the interviews corroborated her own assessment of the

situation, while in others they offered a different interpretation that helped her to rethink her analysis” (Bryman & Bell, 2007:476).

The primary purpose of interviews is to understand the meanings interviewees attach to issues and situations in contexts that are not structured in advance by the researcher (Easterby-Smith, 2002:86). Burgess (1982:107) summarized the importance of interview: “(the interview) is . . . the opportunity for the researcher to probe deeply to cover new clues, open up new dimensions of a problem and to secure vivid, accurate inclusive accounts that are based on personal experience” (Easterby-Smith, 2002:87).

Since the aim of this thesis is to inquire if there is a gap in the internal communication of CSR values, from the management level down to the lower level of employees – the so-called top down, it would be ideal to inquire how CSR objectives are perceived, interpreted and supported by the employees. According to Easterby-Smith et al. (2002:30), “*reality* is determined by people rather than by objective and external factors”, therefore the task of a social scientist is “to appreciate the different constructions and meanings that people place upon their experience”. It is important to remind oneself that constructions and meanings that people put on their experience is usually expressed through talking. Scott & Layman (1968) claim that ‘talk’ is the fundamental material of human relations.

Easterby-Smith et al. (2002:83) points out that since in qualitative method, it is perfectly legitimate to change the questions to be asked as a consequence of the information previously gained, the questions that would be formulated would only serve as a guide and shall then be adjusted accordingly. This is exactly what has transpired during the interviews. During the very first interview, the set of questions prepared merely served as my guide; the follow-up questions were in response to what the interviewee had said, and what I deemed were relevant to be raised thereof, constituted a great part of the whole interview. Accordingly, the questions asked for the succeeding interviews were based on the special points noted from the first interview. I tried to find words, lines, insinuations, implied meanings or even explicit statements and body language. This is in accordance with Bryman & Bell’s (2007:594) recommendation as to what to look for or search after: “What strikes me as especially interesting, important or significant?” The points noted could, more or less, give or lead to the answers for the research questions.

The respondents are comprised of ICA’s CSR Manager, Kerstin Lindvall, who was interviewed on the 17th of April 2008, at ICA’s head office in Stockholm. The interview with Kerstin Lindvall is considered in this thesis as one that represents the corporate level. The succeeding interviews transpired in two ICA stores. The first store was conducted on the 6th of May, 2008 in ICA Tuna store somewhere in Skåne, with the store manager and two regular staff. The second set of store interview was on the 8th of May, 2008, in ICA Maxi, Löddeköpinge, with the store owner (*handlare*) and two regular staff. Having two stores or set of interviewees would allow some sort of comparison and confirmation which hopefully would depict or give a good picture of the *reality* on the ‘floor’.

The interview with ICA's CSR Manager includes questions such as what does ICA stand for, what kind of identity does ICA want to portray, what is the role of the employees in this identity, what are ICA's core values, what is CSR for ICA, how are ICA's core values and CSR perceived by the employees, what is it that ICA does in order to pull the staff together towards one common direction, what do they have to say about the meat incident, the challenges that the CSR Manager is facing, etc.

As mentioned earlier, the questions raised with the store level were based on the outcome of the first interview. All of the questions above were raised except for the CSR Manager position-specific questions. Other questions were also raised such as how the communication works between the headquarters and the stores, how do they see themselves and their role within the (ICA) organisation, what is CSR, what is CSR for ICA, what is ICA's Good Business, how does CSR affect their role as employees, how their role as employees affects CSR, and so on.

For the analysis of the data collected from the interviews, I applied the traditional qualitative methods where I used coding to search for patterns – common thematic elements across all what was said by the interviewees. Although the coding approach has received criticisms (such that by plucking chunks of text out of the context within which they appeared, the social setting can be lost, or that I may fail to give justice to what was heard or seen), it is anyway appropriate and most practical for my study and is therefore used. However, while doing the analysis, it is borne in mind that I am not a mere mouthpiece and that my findings could acquire significance when my data have been reflected on, interpreted and theorized. (Bryman & Bell, 2007:597-98)

2.1.3 Theoretical Framework

The theory that constitute the theoretical framework for this study were gathered from literature in the fields of core values, internal marketing, internal branding, brand relations management, corporate branding, corporate reputation and corporate social responsibility. As mentioned earlier, I do not include theories belonging to the field of human resources management and organisational behaviour, together with the psychological theories of motivation and other theories related to these. Due to the fact that CSR has become an interesting phenomenon during the recent years, and the awareness of its importance and relevance to today's business world has increased tremendously, articles constitute a vital source of information as they provide up-to-date material about the developments in this area. Likewise, there are recent articles about internal marketing and branding, and core values that were used for this study.

The theoretical part of this study will follow this structure: first I will discuss the concepts surrounding core values, reputation and identity in conjunction with brand relations management, corporate branding, corporate reputation, and brand identity and brand image. This will be followed by discussions on CSR, the definitions of CSR, and the motivations for engaging in CSR. Following this will be the section on internal marketing and internal branding. Finally, from these concepts, the link will be made between CSR,

core values and internal marketing. These theoretical areas are chosen with the belief and hope that they will contribute to the consolidation of the quality of this paper, not in its breadth but in its depth.

2.1.4 Reflections on the Sources and Literature

Among the three criteria in evaluating sources and literature, such as tendency criterion, the criterion of contemporaneusness and the dependency criterion by Alvesson & Sköldbberg 1994 (in Holmgren et al., 2003), I would say that the tendency criterion should be discussed here more closely.

The tendency criterion is used for the purpose of determining the self-interest of the source in the question on hand, and how this might have distorted the information (Alvesson & Sköldbberg 1994, in Holmgren et al., 2003). As a student, it should be acknowledged that the tendency is to make use of literature that the professors are using, or literature that the professors themselves have written; the professors even recommend relevant and 'good' literature. As I progressed with my study, most of these literatures were actually found of great help, and provided me a good start. Moreover, the concepts and theories in these literatures corroborated each other or sometimes opposed each other. Sometimes it lead to a decision to look for more articles to find further support or further information why there is contradiction in the first place. In short, the research process provided an opportunity to consider several authors representing different views and approaches that in a way provided a counter-balance in evaluating the sources using the tendency criterion. Moreover, the fact that the majority of the selected authors are established and recognized in their respective area, hopefully reduces the risk for tendentious elements.

In relation to my primary sources, I am aware of the possibility that my own background and pre-conceptions could affect my objectivity, and being conscious about it helped me deal with the bias possibility. Easterby-Smith (2002:93) discussed that it is crucial to give attention to interview bias – where the process of conducting an interview might influence the responses given. Since in-depth interviews derive from a social constructionist perspective, it follows that there is no 'objective' view to be discovered which the process of interviewing may bias. Although this thesis takes a constructionist perspective, the Straussian view of grounded theory (which stems largely from a positivist perspective) assumes that pre-conceptions are inevitable. For me, it seems common sense to assume, that after all, an interest in a research topic or setting comes from knowing something about it in advance. Moreover, according to Easterby-Smith (2002) although they give a lot of advice about research methods, it should not be seen as definitive. The researcher must be prepared to continually use his or her own judgment, which as Buchanan (1980) argues, is one of the most important results from the use of research projects in management development programmes. (Easterby-Smith, 2002)

According to Easterby-Smith et al. (2002:30), “*reality* is determined by people rather than by objective and external factors”, therefore the task of a social scientist is “to appreciate the different constructions and meanings that people place upon their experience”.

The primary purpose of interviews is to understand the meanings interviewees attach to issues and situations in contexts that are not structured in advance by the researcher (Easterby-Smith, 2002:86). Burgess (1982:107) summarized the importance of interview: ‘(the interview) is . . . the opportunity for the researcher to probe deeply to cover new clues, open up new dimensions of a problem and to secure vivid, accurate inclusive accounts that are based on personal experience’ (Easterby-Smith, 2002:87). I acknowledge that I did probe during the interviews as it was deemed necessary when the interviewees were kind of ‘lost’ and probably had difficulty making links between the question and his/her own circumstances. Also, I must say that probing without leading was quite a challenge. In an effort to make a balance, if indeed leading questions occurred, I gave the interviewees a questionnaire. In this questionnaire, they answered by choosing between a scale of one to five where one means no or not at all and five as yes or very much. This reinforced my own interpretation into becoming more objective and not being based on my pre-conceptions.

The primary sources consist of a major use of articles and books, and an empirical study. The articles and books are written in early 2000, and a handful written in the 1990s and beyond, makes the set of the literature comply to the contemporaneousness criterion. I also used secondary sources such as ICA’s website and a printed copy of store document.

When it comes to the empirical data, I tried to adhere to the contemporaneousness criterion by recording the interviews and transcribing it immediately. I have anticipated that the interpretation and analysis might get delayed considering the time and resources constraints I have which prompted me to write down brief overall comments and observation directly after the interviews, to ensure that vital information does not wane through the passing of days.

Finally, the dependency criterion discusses if the sources and the literature used are interdependent (Alvesson & Sköldbberg, 1994, in Holmgren et al., 2003). I believe that the sources and literature are interdependent, in one way or the other, as it is not uncommon to find familiar authors in many of the sources used, as they either use each other as a reference, to corroborate with, disagree with or just by having a similar topic making use of same or similar source/s. Concerning the primary data, it would be worth mentioning that during the process of seeking interview appointment/s, it was only general information on the subject that was given to all interviewees, except for ICA’s CSR Manager. The CSR Manager received more details as to the scope of the interview but none of the interviewees received the questions in advance. Also, there was no specified choice of store personnel; not knowing the position of the personnel contrived me from associating any pre-conception associated to a particular job description. In short, had I chosen an employee in-charge of meat processing, chances are there that I might probe unnecessarily, and that both parties would feel an extra tinge of unease (as the effect of

the incident might still be fresh). But true to my guess, none of the two store managers gave me an interviewee from the meat section.

2.2 Practical Approach

The empirical study conducted for this thesis is for the purpose of, as already mentioned, finding a gap on the transfer or communication of values within an organization – with focus on CSR core values, from the corporate level down to the store level of a retail company.

2.2.1 Case study/interviews

Considering the nature of the focus of this study wherein I, as an investigator, do not have control over actual behavioural events, and the type of questions I focus on in this thesis, choosing a qualitative study is an obvious choice of method for the empirical research. Moreover, I believe that making use of a case study is the most appropriate strategy for the empirical data collection. I find support for this choice from Yin (2003) and Bryman & Bell (2007).

According to Yin (2003), a qualitative case study research is appropriate when:

1. The research questions “how” and “why” are being posed;
2. The investigator does not have much control over the events; and
3. The focus is on a contemporary phenomenon within some real-life context.

The basic case study entails the detailed and intensive analysis of a single case (Bryman & Bell, 2007:62). As Stake (1995) observes, case study research is concerned with the complexity and particular nature of the case at hand. From the best known studies in business and management research based on this design such as case as a single organisation, a single location, a person, or a single event, my study used a single case organisation – ICA (Sweden). According to Bryman & Bell (2007:63), the case (study) is an object of interest in its own right and the researcher intends to provide an in-depth elucidation of it.

I chose a single case study for several reasons. First, because I want to do an in-depth study which would be possible through conducting a single case study according to my assessment and after considering what the literatures say. Second, since CSR as core value is a relatively unexplored subject, I deemed it logical to test this concept on a single company as a first investigative step. Third, considering that I am alone in this study, it is most feasible to concentrate on one single company to ensure that depth is not compromised against subject multiplicity. I specifically chose ICA because this company is vocal about their CSR initiatives and because they are one of the leading retailers in Sweden. The late 2007 ground meat scandal involving four ICA stores provided more

curiosity considering that they supposedly take seriously their responsibility on product quality.

As mentioned earlier, this study adopts a qualitative semi-structured interview. The first interview was conducted at ICA's Head Office in Solna, Stockholm on 17 April 2008. The interviewee was ICA's Environment and Corporate Responsibility Manager³. Since this paper is about CSR as core value and internal marketing, it was deemed most appropriate to interview the CSR Manager. Attempts to interview the HR Manager and Brand Manager were made. Even they have shown some initial sign of willingness to participate, time constraint, both on their part and mine, made it impossible to follow-through this task.

The second interview was held in ICA Tuna somewhere in Skåne, on the 6th of May 2008 with the Store Manager and two personnel, followed by ICA Maxi in Löddeköpinge, with the Store Owner or the "Handlare" and two personnel on the 8th of May 2008. As mentioned earlier, there were special points noted from the first interview that made me curious whether these points could lead me into finding answers for the research questions. The approach used can be described as iterative, 'where there is a repetitive play between the collection and analysis of data' (Bryman & Bell, 2007:582); the analysis began after some of the data have been collected (from the first interview) and the implication of that analysis then formed the next steps in the data collection process (during the succeeding interviews). Hence, the questions raised for these two interviews were in accordance to the points noted from the first interview. Furthermore, since this thesis is about CSR as core value and how this value is transferred to the employees, the concepts surrounding core values and CSR were applied/incorporated into the questions raised and discussions carried out during the interviews. For instance, core value according to the literature is something that identifies a company, something that tells *who* a company is. The questions such as what does ICA stand for, what is ICA's identity, what are ICA's core values, what is CSR for ICA, how does CSR affects you as an employee and how does your functions as an employee affect CSR were in line with what the theories indicate. These questions, among others, were for the purpose of establishing the extent of the employees' awareness as to what ICA stands for and its core values, if CSR indeed is their core value and how this is communicated internally.

2.2.2 Reflections on the Research Design Chosen

I would not claim that the findings of my study can be generalized, and that was not my purpose in the first place. I was interested in finding out if there is any gap in the internal communication of values with particular focus on CSR core values. This necessitated an inquiry where I used a single case study in order to obtain an in-depth understanding of the topic.

The scope of the findings of qualitative investigations is restricted as often suggested. If for instance, unstructured interviews are conducted with a small number of individuals in

³ Environment and Corporate Responsibility Manager and CSR Manager will be used here interchangeably.

a certain organisation or locality, it is argued that it is impossible to know how the findings can be generalized to other settings. A case study is not a sample of one drawn from a known population. Similarly, the people participating in a qualitative interview are not meant to be representative of a population. Instead, “the findings of a qualitative research are to generalize to theory rather than to populations”. (Bryman & Bell, 2007:423-24) It is ‘the cogency of the theoretical reasoning’ (J.C. Mitchell 1983:207), rather than statistical criteria, that is decisive in considering the generalizability of the findings of qualitative research. This means that it is the quality of the theoretical inferences produced by qualitative data that is crucial to the assessment of generalization. (Bryman & Bell, 2007)

3. The Theories

In this chapter, the concepts surrounding core values, CSR and internal marketing will be presented that constitute the theoretical framework of this thesis.

3.1 Concepts surrounding core values

The first step in building a value driven organization is creating a genuine and inspirational vision and mission, according to Barrett, (1998) in Apéria and Back (2004:23-24). This makes it logical to start off this Section by presenting the literature on Brand Relations Management where vision, mission and core values are discussed, followed by Corporate Branding, Corporate Reputation, and Brand Identity and Brand image. These concepts are necessary to acquire an understanding as to what are central in core values – what core values are for, how is reputation or identity related to core values and vice versa. This Section ends with the previous research on core values.

3.1.1 Brand Relations Management

A good mission should awake employees' inner motivation and allow them achieve personal fulfillment that is beyond the value of their salary (Apéria and Back 2004:108). Instead of 'mission', some researchers use the words 'brand purpose' and 'core purpose'. Regardless of the term chosen, most researchers believe that the mission should provide answers to these questions:

- Why does the company exist? What does it contribute to the world?
What is its reason for existence beyond short-term profit?
- How does the mission motivate, inspire and guide employees?

Summing up the two questions above, de Chernatony (2001:33, in Apéria and Back 2004:24) says:

"The brand purpose, considers how the world is going to be a better place as a consequence of the brand – and will this enthuse and guide staff?"

Furthermore, a mission should inspire and motivate while at the same time be aligned with what consumers believe to be important: (Barrett, 1998:108)

"The mission statement should inspire employees and resonate with their inner motivations. It should also align with customers' concerns. Employees want to find personal fulfillment through their work. Customers want superior products and services that are affordable, environmentally friendly, and produced under conditions that do not degrade human dignity".(in Apéria and Back 2004:25)

Vision, according to Thornberry (1997), should relate to where the company is heading and should seek to coopt the employees towards the same direction. Wiberg (2001:28) believes that vision can provide individual employees and parts of the organization with a common focus, so that they work independently but towards the same point in areas like quality, productivity, participation and learning. (in Apéria and Back, 2004:26)

For Barrett (1998:105), vision explains a company's intentions regarding the future it wants to create; for the employees, it describes the future the organization intends to provide for them. Hence, vision provides a source of long term motivation, unites the employees and the company and creates goodwill in the community. Further, Barrett (1998:109-110) claims that values are deeply rooted rules and are demonstrated in how we act. An organization's values explain how everybody in the organization is expected to act, including leaders and managers. The aim of values is to create a code which is followed in the construction of a culture and supports the mission. Values provide employees a frame of reference when they decide how to act. (in Apéria and Back 2004)

Moreover, values are the essential and enduring beliefs of an organization, as described by Collins and Porras (1996). Core values are a small set of timeless guiding principles that require no external justification; they have intrinsic value and importance to those inside the organization. Moreover, Hatch (1997) believes that values can be defined as the goals and social principles that are essential to a culture; they show what is right and wrong and form the basis for moral judgments. (in Apéria and Back, 2004:27,29) The origin of this feature of brand values is attributable to organisational culture, usually defined in the branding literature as a set of shared employee assumptions, values and mental models (Tarnovskaya, 2007:72). According to de Chernatony (2002), to ensure employees' consistent brand behaviours, the values inherent in the culture should be aligned with brand values (Tarnovskaya, 2007).

Ind (2001:77) argues that people not only need to know what values the company has, but how they are relevant to their daily lives as well.

"A value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence."
(Rokeach, 1973, in Apéria and Back, 2004:29)

There are three components of vision that de Chernatony (2001:35) has devised. First is *vision of the future* which attempts to predict the future and encourages leaders to think about the environment they want to see in some years; the second component is the *purpose/mission* which should focus on how the world would be a better place as a consequence of the company's existence and how this should inspire the employees accordingly. A company's objective should be more than profitability, as this should be taken as given, in the same way as you have to breathe to stay alive; and thirdly, *values*. Values determine the employees' behaviour regarding the delivery of the brand's promise. (Apéria and Back, 2004:28-29)

Collins and Porras (1996) believe that truly great companies should understand the difference between what should never change (preserving the core) and what (such as peripheral values) should be open for change (stimulating progress). Their version of the components of vision is similar to that of de Chernatony's (2001), only that they have two central elements of vision: 'core ideology' (the Yin) and 'envisioned future' (the Yang).

- Core ideology is what the company stands for and why it exists. This is more stable and has two subcomponents: core values and core purpose.
- Envisioned future is what the company wants to be. This is less stable in nature and has a number of subcomponents: BHAGs⁴ and a living, vivid description of the vision. (Apéria and Back, 2004:31)

Researchers argue that it is more important to know *who* you are than where you are going, because your destination changes as the world around you changes. Core ideology consists of core values and a mission and Collins and Porras (1996) believe that these must be stable for a company to become successful. Core ideology provides the thread that holds an organization together as it grows, decentralizes, diversifies, expands and develops workplace diversity. Core values provide an answer to the question why a company exists, provide a dogmatic foundation for the organization and have meaning for those who work for or belong to the organization. (Apéria and Back, 2004:32-33)

Moreover, according to Urde (2001), "core values can be defined as all-embracing terms that sum up the identity of the brand as well as being the guiding principles for all internal and external brand building processes". Corporate brands can no longer "just stand there, they must stand for something" (Wrench, 2001) in an era where sustaining a competitive advantage is becoming increasingly important (Balmer, 1999, in Urde, 2001). Urde (2001) further claims that core values, although must be seen as lasting factors, must also be dynamic by nature and be adapted and developed continually in order to make it challenging that is both relevant internally and externally. Because the requirements of core values are continually revised, it is not possible to satisfy these requirements which therefore requires action from a company to be able to achieve its core values. Urde (2001) likewise claims that it is not possible to choose or create a core value that is not already firmly established in the organisation; and if this is the case, then they are just empty words; Urde further says that a core value does not have to be unique, but it is a requirement that interpretation and expression are.

Furthermore, establishing a unifying common thread is the purpose of a core-value based brand building process. Comparing internal and external brand building processes, according to Urde (2001), in the former the core values link mission, vision, and organisational values, and affect the brand architecture, product attributes, brand positioning and communications strategy as well; while in the latter the core values are realised through added values and should be understood that they will also affect the image of the corporate brand. (Urde, 2001:1036)

⁴ BHAGs – Big, Hairy, Audacious Goals

3.1.2 Corporate Branding

Authors like Balmer, 1995, 2001b; Hatch and Schultz, 1997, 2001, 2003; Harris and de Chernatony, 2002, place emphasis on the nature and strategic role of the corporate brand, its dynamics, the role of core brand values, the role of employees and organisational culture, relationships with multiple stakeholder groups, the impact of identification with the organization, etc. (Tarnovskaya, 2007).

The modern field of corporate branding represents the convergence of two academic lines of thinking: the marketing and organisation theory perspectives (Balmer 2001; Knox and Bickerton, 2003). The former perspective is originally taken from customer focus and brands viewed in terms of customer-value generators (e.g. Kapferer, 1997; Aaker, 1996; Ind 1997; Macrae, 1999; Tilley, 1999), while the latter perspective has started from the relationships between corporation and customer, and developed into the broader framework of corporate personality, corporate identity and their relationships to employees and stakeholders (e.g. Olins, 1995; Balmer, 2001a). These two aspects are characterised by recognition of the legitimacy of an "outside in" customer focus and the "inside out" organisation focus, development of which is attributable to the work of Hatch and Schultz, 2001; 2003), Harris and de Chernatony (2001), Knox et al (2000). (ibid.)

Brand reputation is used to capture "the set of associations that individuals outside the organization believe are central, enduring and distinctive to the organization (Brown, et al, 2006:104). Brand identity concept on the other hand is defined by van Riel and Balmer (1997) as organization's ethos, aims and values that create a sense of individuality which differentiates the brand. Identity is defined by Brown et al (2006:104) as "shared mental associations about the organisation held by organisational members". According to Harris and de Chernatony, identity is concerned with how managers and employees make their brand unique. (Tarnovskaya, 2007:71)

The concept of corporate identity refers to the distinct attributes of an organisation and it addresses the questions *what we are* and *who we are*. The identity concept is applicable to all entities in a way that corporate branding is not (Balmer and Greyser, 2003). "A corporate brand involves the conscious decision by senior management to distil and make known the attributes of the organisation's identity in the form of a clearly defined branding proposition" as expressed in Balmer (2001b:12). (Tarnovskaya, 2007:68)

3.1.3 Corporate Reputation

Reputation is important because it creates value. Companies compete not only in product, capital, and labor markets, but in reputational markets as well. Fombrun (2003) proposes this definition:

”A corporate reputation is a collective representation of a company’s past actions and future prospects that describes how key resource providers interpret a company’s initiatives and asses its ability to deliver valued outcomes” (Apéria and Back, 2004:155-156)

Being recognized for a good reputation is something a company cares about because it attracts support from customers, investors and potential employees. When considering corporate branding, four organizational departments – marketing department (for product branding), R&D (for new product development), PR and external affairs (in charge of the corporate brand), and the HR department (responsible for the internal branding) should be integrated. (Apéria and Back, 2004:156-157)

Fombrun and van Riel (2004:53), developed the Reputation Quotient (RQ) instrument with six main dimensions of importance:

1. Emotional appeal – you like, admire or trust the company.
2. Products and services – you think the company sells products or services of high quality, innovative, reliable or offer good value for money.
3. Financial performance – you have been happy with the company’s profitability, believe it has good future prospects, and it is not too risky to invest in.
4. Vision and leadership – you feel the company has strong leadership and a clear vision for the future.
5. Workplace environment – you believe the company is well-managed, has the best employees, and would be great to work for.
6. Social responsibility – you think the company is a good citizen – it doesn’t damage the environment, it supports good causes, and does a lot of good in the local community. (Apéria and Back, 2004:160)

3.1.4 Brand identity and brand image

Brand identity is an internal perspective, how a firm sees and perceives itself. “While brand image focuses on consumers’ perceptions of brand identity, identity is more concerned with how managers and employees make a brand unique” (Harris and de Chernatony, 2001:442, in Karlsson, 2006:24). According to Melin (1999), brand identity is something that is constructed, can be changed and has recently become one of the most interesting and important concepts of the branding literature (Karlsson, 2006:24-25). Brand identity is communicated by the firm through physical aspects of the brand and through the brand personality; the overall goal of which is to develop a core identity that

is consistent over time. If the firm is successful in communicating an intended identity, the picture of the sender corresponds with the picture of the recipient . (ibid.)

Urde (1999) discusses the relationship between brand identity – organisational identity (the sender), and consumer identity (the recipient). Brands become a part of consumers' self-image and identity when they communicate through symbols such as brands. Whereas when a company tries to define its identity, they should ask: who are we? What do others think of us? What do we want to be? With these, employees need to understand that brands are an expression of an organisational identity. (in Karlsson, 2006)

There are two categories of brand identity, the external and internal. External identity refers to how others perceive the brand while internal identity is the company's approach to the brand. The overall picture of the brand is comprised of these two identities (Urde, 1999, in Karlsson, 2006).

Aaker (1996) suggests that brand identity refers how the brand would like to be perceived while brand image refers to how the brand is perceived. Moreover, brand identity is the core nature of the brand (Kapferer, 1996; Aaker, 1996; Urde, 2003). (in Karlsson, 2006:26)

The present study deals more on the organisational type of brand identity, focusing on the employees role in living the brand through its core values. For this reason other brand building concepts such as brand positioning and brand equity will not be dealt with hereof.

3.1.5 Previous research on Core Values

Urde's (2001) article on core value-based corporate brand building has given great insight on this paper's discussions surrounding core values and brand building. According to Urde core values are overarching concepts that summarise the identity of the corporate brand and serve as guiding light for the brand building process. In my study it will be confirmed that core values indeed summarise the corporate brand. Moreover, the motivations a company has for engaging in CSR values and the process on how this is 'sold' inside the company will be focused on.

Tarnovskaya's (2007) study includes values, core brand values, identity and corporate culture that serve as IKEA's guide into its international expansion such that in Russia. Her research has given me some helpful idea on this topic. Although her focus is the mechanism of market driving with a corporate brand, Tarnovskaya tackles many concepts that are relevant to my study, such as the relationship between the concepts of corporate identity and corporate brand. The concept of corporate identity, according to Tarnovskaya (2007:68) refers to the distinct attributes of an organisation and it addresses the questions *what we are* and *who we are*. This is also found in the concept of core value, which is a major part of my study.

3.2 Corporate Social Responsibility

This Section is comprised of the relevant theories about CSR. The first part will provide a brief history as to how and when CSR started to gain attention and momentum, followed by the definitions of CSR, the CSR dimensions, and finally, previous research on CSR. There has not been a consensus as to what the real definition of CSR is and the definitions will be provided here for the purpose of giving an idea as to how the definitions and meanings of CSR have evolved, and for this same reason, no attempt will be made to explain these definitions.

3.2.1 CSR background

*Gain all you can
But not at the expense of your conscience
Not at the expense of your neighbour's wealth
Not at the expense of your neighbour's health.*

By John Wesley, preacher and speaker

This is the way Hancock (2005) sums up how in the 19th century, those who built the Cadbury Rowntree and Lever Brothers businesses, the Great Western Railway, and many other enlightened employers, ran their businesses as large families. They provided decent housing, community facilities and libraries as they knew how their workers' lives could be made better. They put their beliefs and convictions into practice, and manifested their honesty and decency when conducting business. This shows that the exercise of CSR within a business operating system is neither new nor radical.

The idea that corporations as organizations have responsibilities towards a wider society became popular in the 1950s and continued growing in the 1960s and 1970s (Davis, 1983). Firms were compared to governments and considered to have rights and obligations to society and this idea of a social contract between business and society became the foundation of CSR (Wartick & Cochran, 1985). Business was portrayed as evil by liberal consumerist media when repressive labour practices in some of the most admired corporations were revealed in the 1960s, together with the unfolding of unsafe products sold and findings of the ecological environment to be suffering due to business activity; this resulted to heightened claims on corporate social responsibility (Lantos, 2001). (Cerne 2003)

Seventy percent of chief executives globally agree that CSR is vital to profitability, as shown by a survey undertaken by PricewaterhouseCoopers/World Economic Forum. According to Business in the Community, more than 70 percent of business leaders believe that companies become more competitive and profitable when responsible business practices are integrated. After the corporate governance scandals in the US in 2001, CSR shifted away from the philanthropic tradition it used to have and instead headed towards a greater alignment of CSR into business strategy. CSR is now seen as an

antidote to corporate greed and rebuilding trust among stakeholders. (Hancock, 2004:8-10)

According to John Hancock (2005:1), "the very term corporate social responsibility falls on some ears with the dull and ominous thud of another burden on business, another book of forms to be completed, yet more boxes to tick". CSR is associated with non-productive, time-wasting and costly exercises to comply with some regulator's whims or extreme demands of people with insufficient experience of the real world. Some even construe that these demands are beyond reach because 'these people', like some trade union negotiators, will merely treat every task as a modus operandi base line for their next campaign.

This forms part of the reason why CSR as a marketing tool is sometimes given a negative connotation. John Hancock (2005) further says that what is significant about CSR is not that it attracts campaigners but that CSR is now being embraced by many powerful global corporations as their core business principle. CSR instead of being a burden, provides an opportunity to revitalize the business and is an idea worth exploring and worth considering for incorporation in one's own business plans.

Further to what is mentioned in earlier, this thesis is to investigate whether there is a gap in the transfer or communication of CSR core values internally. Hence it is of importance to know how CSR is communicated within the chain, from the headquarters down to the individual stores. Accordingly, this research is to pay attention to the role of the employees (through the organisation's internal marketing) and how they perform their functions in relation to CSR, how the employees understand the relevance of CSR to company's identity and reputation, and how and in what degree the employees share and support the company's CSR efforts. The way the brand is communicated inside the corporation is as important as the brand's communication to stakeholders, as argued by many authors (Tarnovskaya, 2007:74).

3.2.2 What is CSR?

The lack of consensus on what social responsibility really mean was one of the factors contributing to the ambiguity that often shrouded the discussions on the concept (Carroll, 1979). Although there has been definition ambiguity, some definitions of CSR that have evolved through times. Due to this ambiguity and lack of consensus, I will not make any attempt to explain these definitions and will just provide the definitions to give an idea as to how the scope and meaning of CSR has progressed over the years:

When people talk about corporate social responsibilities they are thinking in terms of the problems that arise when corporate enterprise casts its shadow on the social scene, and of the ethical principles that ought to govern the relationships between the corporation and society (Eells and Walton, 1961:457-458).

The idea of social responsibilities supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations (Joseph McGuire, 1963:144).

CSR is the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm . . . (to) accomplish social benefits along with the traditional economic gains which the firm seeks (Davis, 1973:312).

The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (Wood, 1991). (Carroll, 1979)

According to Maignan and Ralston (2002), there is still much debate regarding CSR even though there already have been many definitions advanced in the past on this complex concept. Wood (1991:693) incorporated much of the previous work in an acknowledged definition of corporate social performance as the “configuration of the principles of social responsibility, processes of social responsiveness, and policies, programs and observable outcomes as they relate to the firm's societal relationships”. Advocates of the stakeholder view of the firm (e.g. Clarkson, 1995; Maignan et al. 1999; Wood & Jones, 1995) who claim that businesses are only responsible toward their stakeholders and not toward society in general, gave this approach their complements. Consolidating these two views, Maignan and Ralston (2002) proposed that a firm committed to CSR has principles and processes in place to minimize its negative impacts and maximize its positive impacts on selected stakeholder issues.

3.2.3 Motivations for CSR

Companies engage in CSR for different reasons and purposes. Maignan and Ralston (2002), based on suggestions made by Swanson (1995), presented three main types of CSR motivations:

1. Utilitarian perspective – CSR can be viewed as a tool to help achieve its performance objectives defined in terms of profitability, return on investment (ROI), or sales volume;
2. Negative duty approach – businesses are compelled to adopt social responsibility initiatives in order to conform to stakeholder pressures or norms defining appropriate behavior;
3. Positive duty approach – businesses may be self-motivated to have a positive impact regardless of social norms calling for CSR initiatives.

Following a positive duty view, CSR principles form part of the corporate identity; they portray values considered by organisational members as central, enduring, and distinctive to the company (Hooghiemstra, 2000). This is in contrary to the negative duty approach which implies that CSR efforts mainly constitute a legitimacy instrument wherein the firm shows its conformity to the stakeholder norms and expectations (Handelman and Arnold, 1999). Lastly, negative duty approach as well as utilitarian perspective imply that CSR can be utilized as an impression management tool employed to affect the perception of stakeholders towards the company (Hooghiemstra, 2000). Stakeholders include customers, employees, shareholders, suppliers, the government, and the community members. These stakeholders may advocate issues affecting their own welfare, such as improved product safety, as well as other issues affecting others, such as abstention from child labor. (in Maignan and Ralston, 2002)

Previous studies (e.g. Adams et al. 1998; Esrock and Leichty, 1998; Hooghiemstra, 2000) have shown that many business are ardent to display their CSR principles and processes in order to communicate a positive image of their identity and to gain legitimacy together with support from stakeholders (in Maignan and Ralston, 2002).

In Maignan and Ralston's (2002) study where they compared the extent and content of businesses' communications about CSR in France, the Netherlands, the U.K. and the US, in terms of the nature of CSR principles used, as well as processes and stakeholder issues, they used a categorization of CSR principles and process during the analysis of the empirical data they have gathered.

Following are the principles motivating CSR that Maignan and Ralston (2002) have used, which I will utilize in my own study to help establish and determine the motivations of ICA for engaging in CSR initiatives.

Principles motivating CSR

1. Value-driven CSR

CSR is presented as being a part of the company's culture, or as expression of its core values.

2. Performance-driven CSR

CSR is introduced as a part of the firm's economic mission, as an instrument to improve its financial performance and competitive posture.

3. Stakeholder-driven CSR

CSR is presented as a response to the pressures and scrutiny of one or more Stakeholder groups.

Based on the above descriptions of CSR motivations and principles motivating CSR, utilitarian perspective and performance-driven CSR refer to same thing which is profitability or financial performance/objectives. Negative duty approach and stakeholder-driven CSR also refer to one and the same thing – and that is CSR is presented as response to stakeholder pressures or norm. Whereas, positive-duty approach and value-driven CSR is when business aims for positive impact regardless of social norms calling CSR initiatives and CSR as being a part of the company’s culture or as expression of its core values. I would like to simplify these concepts by consolidating them, (consolidation figure 2 on the following page):

Utilitarian perspective = performance-driven CSR
 Negative duty approach = stakeholder-driven CSR
 Positive duty approach = value-driven CSR

	Performance-driven CSR	Stakeholder-driven CSR	Value-driven CSR
Utilitarian perspective CSR can be viewed as a tool to help achieve its performance objectives defined in terms of profitability, ROI, or sales volume.	CSR is introduced as a part of the firm’s economic mission, as an instrument to improve its financial performance and competitive posture.		
Negative-duty approach Businesses are compelled to adopt social responsibility initiatives in order to conform to stakeholder pressures or norms defining appropriate behavior.		CSR is presented as a response to the pressures and scrutiny of one or more stakeholder groups.	
Positive-duty approach Businesses may be self-motivated to have a positive impact regardless of social norms calling for CSR initiatives.			CSR is presented as being a part of the company’s culture, or as expression of its core values.

Figure 2: CSR Motivations and Principles Motivating CSR Consolidation

Moving on, in order to bring motivational principles into practice, there is a need for adoption of processes to guide managerial procedures. These processes, as highlighted by Wood (1991) are: environmental management, issues management, and stakeholder management. These processes, once implemented throughout the organisation, help the firm in being informed of and accordingly address stakeholder demands (Maignan and Ralston, 2002).

To reiterate, the present research would use the principles motivating CSR when doing the analysis to find out what motivations ICA has for engaging in CSR initiatives. However, this study does not adopt the processes as suggested by Wood (1991), as I do not focus on the direct process applied by ICA in its CSR initiatives, or any written process they have for that matter, but instead focus on the end-result of their CSR internal communication. The end-result would be how the CSR initiatives are understood or perceived by the employees. Inasmuch as theories belonging to the field of human resources management is excluded, and organisational behaviour only partly addressed (through organisational identity and core values theory), the analysis of the data gathered will be conducted through finding notions, opinions, reactions and perceptions that are common amongst the employees interviewed. This is in accordance with the recommendation given by Bryman and Bell (2007:594) as to what to look for: 'what is it that strikes me as especially interesting, important and significant?'

3.2.4 The CSR dimensions

An exploratory study on CSR and the positioning of grocery brands, with focus on building CSR image – that is, how a brand is perceived by customers, has been conducted by Anselmsson and Johansson (2006). The analysis of their study has led to a more simplified description of the basic dimensions of CSR, from the six dimensions often depicted in the literature, to three dimensions such as human responsibility, product responsibility and environmental responsibility. This simplified set of CSR dimensions is adopted in the present research to facilitate a simpler and less complex process of tracking down the employees' level of understanding and support for CSR initiatives.

CSR dimensions

Human responsibility means that the company deals with suppliers who comply to principles of natural and good breeding and farming of animals, as well as fair and positive working conditions and environments for their employees. Maresca (2000) and Colvin (2001) have discussed both human and work-related responsibilities.

Environmental responsibility has previously been studied by Henderson (2002) and Maresca (2000) and signifies that a company is perceived to produce environmental-friendly, ecological and non-harmful products.

Finally, product responsibility which has been discussed in wide terms such as product safety, research and development marketing controversies, and anti-trust disputes. (in Anselmsson and Johansson, 2006)

3.2.5 Previous research on CSR

Some recent research include focus on CSR as a possible excellent instrument to enhance the legitimacy of the firm among its stakeholders (e.g. Handelman and Arnold, 1999), to develop positive social responsibility images (e.g. Brown and Dacin, 1997; Sen and Bhattacharya, 2001) and on how businesses use communications to highlight their commitment to CSR (e.g. Esrock and Leichty, 1998; Hooghiemstra, 2000; Maignan and Ralston, 2002) (in Maignan and Ralston, 2002).

According to Cerne (2003), most of the literature regarding conceptualization of CSR (Carroll, 1999; Frederick, 1978) finds that CSR is complex and provides no generally accepted definition of CSR. For instance, even it is something that has occupied several academic writers (Balabanis et al, 1998; Carroll, 1979; Waddock & Graves, 1997), there is no clear picture in the literature as to where CSR is heading, CSR's connection to economic results and how corporate social performance is treated. There is also the issue of which stakeholders to take into account, but only deals with motivation behind the adoption of CSR and not on how it is to be done or how it can be carried out in a strategic manner. Although Brown & Dacin (1997) and Osterhus (1997) consider CSR strategically, they focus just on the communication to consumers and how this may affect a company's reputation and its products and leave (ibid.) management intra- and inter-organisational issues out. Moreover, according to Cerne (2003), authors like Murray & Motanari (1986) also fall short in focus on intra- and inter-organisational complexities while suggesting that CSR should be treated as a product in marketing strategy perspective. Maignan et al (2001) focus on CSR integration into the buying process and like the previously mentioned authors, do not take intra- and inter-organisational aspects into consideration. However, in Weaver et al (1999a) and Weaver et al (1999b) intra-organisational control of CSR is treated and intra-organisational CSR programmes are studied, respectively; but these were neither taken from a marketing strategic view, nor from an inter-organisational perspective, and were not supported by any empirical insight. (in Cerne, 2003)

Anselmsson and Johansson's (2006) research is on CSR and the positioning of grocery brands – using the brand ICA. Although this particular study is also about CSR and ICA, its focus has been the external stakeholders – the customer, at point of purchase.

Likewise, Cerne's (2003) study is also about CSR and includes another food retail chain, Coop, as one of her case studies, although its focus is on the integration of CSR with marketing strategies in retailing.

The above shows that there have been many researches done on CSR, on core values, on retail as case study, but none so far that I have identified focused on or treated CSR as core value and investigated how this is perceived internally, such as the focus of this present study.

3.3 Internal Marketing and Internal Branding

In this chapter, I will present the concepts of internal marketing and internal branding. Under internal marketing, the barriers to developing and sustaining effective internal marketing in an organisation are introduced and will later be used in the analysis of the empirical data collected. This will be followed by internal branding concept with the seven dimensions and factors of failure and success in internal branding. These dimensions and factors, like the barriers in the internal marketing concept, will be used as well for analysing the findings from the empirical research.

Internal branding is “the concerted, inter-departmental and multi-directional internal communications effort carried out in order to create and maintain an internal brand. Thus, internal branding can be identified as a specific tool and placed in the wider context of internal marketing” (Mahnert & Torres, 2007). Although in this thesis, internal marketing and internal branding might be used interchangeably, it is still deemed necessary to discuss the significant elements that these two concepts possess.

3.3.1 Internal Marketing

Internal marketing (IM) has a potential role for managing employees towards the achievement of company goals. Winter (1985:69) was one of the earliest to bring this to prominence:

”Aligning, educating and motivating staff towards institutional objectives the process by which personnel understand and recognize not only the value of the program but their place in it”. (Ahmed and Rafiq, 2002)

Ahmed and Rafiq (2002:7-9), after analyzing the key IM conceptual and empirical literature, identified five main elements of internal marketing:

- Employee motivation and satisfaction.
- Customer orientation and customer satisfaction.
- Inter-functional coordination and integration.
- Marketing-like approach to the above.
- Implementation of specific corporate or functional strategies.

Integration of the above elements resulted to a more rigorous definition:

”Internal marketing is a planned effort using a marketing-like approach directed at motivating employees, for implementing and integrating organizational strategies towards customer orientation.” (ibid. p.11)

Many authors (Ind, 2001, 2003; Mitchell, 2002; Harris and de Chernatony, 2001; de Chernatony, 1999, 2001; Hatch and Schultz, 2001, 2003; Christensen, 2002) have discussed the role of employees in corporate branding. Balmer (2001a) stressed that

organisation-wide personnel commitment to brand promise is an essential element of corporate branding (Tarnovskaya, 2007). One of the most important challenges managers face is the creation of context within which employees feel motivated and will act in order to achieve the goals of the organisation. By influencing the context, managers may affect the degree of motivation among the employees (in Gudmundson & Lundberg, 2001:1).

Why do organisations need internal marketing?

Internal marketing concept emerged from service marketing, main concern of which was: “to get everyone who was involved in service encounters – the front line or contact staff – to perform better in the interaction with customer” (Gummesson, 2000:27). From this context, the concept of *internal marketing* has been introduced. One of the objectives of internal marketing is “to develop motivated and customer-conscious employees”(Grönroos, 1983:93). The firm needs to create an internal environment in which the employees behave in a preferred way, which is facilitated by active and interfunctional activities, in order to achieve internal marketing’s overall objective (Grönroos, 1983). When it comes to commitment, research suggests that it is a beneficial predictor of for instance turnover, absenteeism and job performance (Paxon, 1993; Eby et al. 1999; Bishop et al., 2000). (in Gudmundson & Lundberg, 2001:2-3)

The literature offers two types of commitment referred to as attitudinal or affective commitment and calculative or continuance commitment (Paxon, 1993). Staying with the company because the employees want to, shows attitudinal commitment, whereas if decision to stay is because for instance the cost of leaving is too high reflects a calculative commitment (Paxon, 1993). The nature of commitment may influence the value of commitment to the organisation (Paxon, 1993; Singh & Vinnicombe, 1998). According to Wright (1989), questions like how to enhance productivity and to obtain committed employees are not easy answer. It is important though to obtain a basic understanding of what motivates and what satisfies employees at their places of work in order to change or influence employee behavior. (in Gudmundson & Lundberg, 2001:4)

Employee involvement (EI) is defined by Lawyer (1986) as part of organisational systems rather than belonging to individuals in an “extension of power to make decisions and of business information, rewards for performance and technical and social skills (knowledge) to the lowest levels of the organisation”. Whereas, a definition which those belonging within an organisation can easily identify with is provided by Washington et al. (1994): ”EI describes activities which are initiated principally by management and are designed to increase the amount of information which employees receive about their organisation, provide them with the opportunity to contribute to decisions made at workplace level and ultimately enhance their commitment to their employer”. (in Parkes, Scully, West and Dawson, 2007:308)

3.3.2 IM in Managerial Interactions Context

Further to the earlier discussions on internal marketing and internal branding, according to Audrey Gilmore (Varey and Lewis, 2000), the term 'internal marketing' has been widely used in organisations but often to loosely describe various managerial initiatives with the aim of improving the application effectiveness and efficiency of organisational resources. In this context, it does not merely mean the application or performance of marketing activity, rather and more specifically, it means a focus on marketing concepts and theories that can be adopted to manage organisational efforts to meet the needs of the internal customers – the employees. This in turn, enables the employees to understand and value the philosophy of providing satisfaction for the external customers. (ibid.)

The employees are the internal market within the organisation, and this market needs to be educated and informed about the organisation's mission, the benefits of its products and services, and the expectations of its customers. Therefore, the overwhelming purpose of internal marketing is to 'involve' employees in the organisation's mission and strategic direction, and to assist them understand and appreciate the corporate objectives. This would result in achieving a 'balance' between management objectives and operational efficiency. (Audrey Gilmore in Varey and Lewis, 2000)

3.3.3 IM in an organisational context

Kohli and Jaworski (1990) define marketing orientation as an emphasis on the production of marketing intelligence, and its dissemination across departments, along with an organisation-wide response to it. An essential part of a marketing orientation is internal marketing, or the use of marketing techniques within the organisation to create and communicate corporate values. (Hogg and Carter in Varey and Lewis, 2000:109)

Due to internal and external circumstances, organisational structures gradually change; as an organisation develops, grows and reorganises, management decision making evolves, managers move and the structures change. More structure develops along an organisation's growth. Usually as organisations become larger, they can become complex and the overall objective of an organisation can become obsolete, overlooked or vague. This then results to different types of decision at different levels. (Audrey Gilmore in Varey and Lewis, 2000:77)

When an organisational structure becomes inappropriate for the nature and type of management decisions necessary to stay competitive, it reflects the management's failure to understand the arising organisational development problems. Organisations are networks of groups interacting with each other, where power dependencies and relationships occur between internal departments. This interaction and organisational relationships need to be recognized considering that internal marketing occurs within an organisational environment. (Audrey Gilmore in Varey and Lewis, 2000)

Audrey Gilmore identifies some of the common barriers to developing and sustaining effective internal marketing in an organisation (Varey and Lewis, 2000). The discussions above shows relevance to the case company being investigated in this study. It is deemed that the barriers presented below if used to the present case might aid in determining what affects the level of understanding and support of the employees to the CSR and core values of the company; and if the findings of the study would show any other possible barriers.

Barrier one: resistance to change

Organisational 'resistance to change' is common to many organisations. A 'built-in' natural resistance of management to change can cause many problems (Kotler, 1990; Piercy and Morgan, 1990); often, this is due to reluctance of management and employees to consider new ideas, where key managers (and gatekeepers) may feel their power could be eroded, and an overall fear of the unknown and concern about matters like job security or future promotion. Organisation's daily life can be designed around the implementation of past plans, thus any new plans will require different company patterns and habits and these are often resisted. Kotler (1990) writes that the more different the new strategy from the old, the greater the resistance from implementing it. (in Varey and Lewis, 2000)

Barrier two: inter-functional conflict

According to Hofstede (1991), senior managers may not be aware of the problems and issues which obstruct the productive accomplishment of cooperation and integration within their organisations. Functional conflicts may exist in many organisations, where one function fails to recognize that other functions' perspective may have different priorities and emphasis and will see things in a different way. (ibid.)

Barrier three: intra-functional conflict

This conflict occurs where organisational and departmental goals may be very different from individual and personal goals. For instance, where there is a small number of internal promotions available for a large number of people, colleagues can become very competitive in their work-related activities. This leads to work-related "possessiveness" that entails poor communication in not letting others know the whole perspective in any work context. (in Varey and Lewis, 2000)

Barrier four: lack of individual responsibility

This type of barrier occurs when action is required but managers are unable or not willing to take on new decisions or decisive action. Finding individuals to actively transform plans into actions is a problem also addressed in the management literature by Belbin (1981). Knowing why and how to communicate at all levels, with peers, supervisors and subordinates regarding duties and responsibilities is an art individuals need to master. Managers need to see their jobs as an ongoing learning process in which they acquire new knowledge and skills. Donegan (1990) from his experience with British Petroleum recognized the constant change that organisations go through and suggests that people should be trained and facilitated in helping companies to adapt to change. (ibid.)

Specific managerial competencies are necessary at all levels within an organisation if internal marketing is to help integrate the organisational goals. The existence of employee requirement is implicit in this requirement, which entails giving employees the discretion to make day to day decisions about their job-related activities. (in Varey and Lewis, 2000)

3.3.4 Internal Branding

The activities employed by a company to ensure intellectual and emotional staff buy-in (Thomson et al., 1999) into not only the corporate culture, but the certain brand personality invoked within this culture as well, is called internal branding (Mahnert & Torres, 2007).

Brands acquire meaning not only for external stakeholders such as customers, but also for employees who deal with the brand on a daily basis through brand's description in terms of personality, character, attitudes, motivations and even emotions (Mahnert & Torres, 2007). According to Jacobs (2003), the main objective of internal branding is the attainment of competitive advantage not through easily replicated core business practices and policies, but through people (Mahnert & Torres, 2007). Inasmuch as this objective becomes all the more relevant to recent trend of growing organisations through mergers and acquisitions where 'speaking with one voice' (Einwell & Will, 2002:100), especially in multi-cultural organisations, becomes more difficult (Vallaster, 2004), this challenge can also be traced in a complex retail chain (such as ICA) where store owner is considered a company of its own. Being able to 'speak with one voice' despite and/or regardless of the complexity of the nature of the organisation, is a real challenge a company needs to deal with. This explains the vital role that internal branding plays.

According to Mahnert & Torres (2007), there are three core elements of internal branding as based from the descriptions and definitions found in internal branding literature. The first element is the reflection of brand values to consumers by committed employees; followed by the realisation of the brand promise, that includes internal consistency of the brand image to guarantee intellectual and emotional employee buy-in (Thomson et al., 1999), communicated to the internal and external market; and the third element which is the importance of multi-direction – wherein internal branding needs to be applied at all organisational levels in order to align management and staff behaviour and values. Taking these elements into consideration, this definition is offered (Mahnert & Torres, 2007):

“Internal branding is the concerted, inter-departmental and multi-directional internal communications effort carried out in order to create and maintain an internal brand. Internal branding attempts to achieve consistency with the external brand and encourage brand commitment and the propensity for brand championship among employees. To this end, internal branding is the reflection of the values and the realisation of the promise of the brand internally and externally” (ibid.).

The seven dimensions and factors of failure and success in internal branding conceptualized by Mahnert & Torres (2007), as presented below will be used in the

analysis to facilitate my investigation on how CSR core values are communicated within ICA. The organisation of factors into these dimensions, according to Mahnert & Torres (2007), is undertaken according to the context in which these factors were cited in the literature; and that these dimensions are not entirely mutually exclusive.

Organisational dimension

The scope and intangibility of organisational dimension factors makes it difficult to change or influence it all; hence, while culture possess a strong impact on internal branding programmes, awareness, rather than change of this culture, may be appropriate (Hogg, Carter and Dunne, 1998). Cultural change may be appropriate though, if fit between the prevailing culture and the objectives of the internal branding programme does not exist (Bergstrom, Blumenthal and Crothers, 2002). Also, to reduce internal competition and departmentalised thinking, cross-functional coordination and cooperation have been suggested (Bak et al., 1994; Sartain, 2005). (Mahnert & Torres, 2007)

Informational dimension

Internal branding programme's effectiveness and overall success relies on an in-depth knowledge and understanding of both the internal and external organisational environment. Although market research gives such kind of information (Berry and Parasuraman, 1992; Mitchell, 2002; Schultz, 2002; Beagrie, 2003), it is the measurement of target performances and feedback collection from all organisational levels and from outside the organisation that enables management to assess the fit of the current programme to the organisation (Reynoso and Moores, 1995; Lings and Brooks, 1998; Bruhn, 2003) and lifts up whatever necessary changes there are to be made (Jacobs, 2003). (ibid.)

Management dimension

This dimension is about the degree and nature of visible support given by management to the internal branding programme (Joseph, 1996; Tosti and Stotz, 2001; Jacobs, 2003; Thomson, 2003; Turpin, 2003). The management has to give its support to the programme as well as show adherence to it in order to be regarded as legitimate by the target audience (Farrell, 2002; Jacobs, 2003). The responsibility for the internal branding effort should lie with the CEO of an organisation, considering that role's intensive association with the organisation's strategy and brand (de Chernatony, Drury and Segal-Horn, 2003; Lintemeier, 2005). Moreover, the importance of the HR function is also important for internal branding, as well as the impact of the composition and management of brand teams on internal programmes. (Mahnert & Torres, 2007)

Management support will be presented under the analysis of the empirical data, but will not be dealt with in detail, such as *who is responsible for what*, which I have already mentioned under Delimitations. This constraint also applies to the role of HR.

Communication dimension

Making information available to everyone is a must but without exposing individuals to too much detail in order to avoid information overload (Haynes, Lackman and Guskey, 1999). The objectives of internal branding programme should be in line with the overall

business objectives and properly translated to the target audience (Davis, 1996; Straughan and Cooper, 2002), and the messages be aligned internally and externally to avoid confusion (Yaniv and Farkas, 2005). Also, for communication to be effective, there should be constant reinforcement on one hand (Ind, 2001; Mortimer, 2002; Papasolomou-Doukakis, 2002), and on the other hand, adaptation to external and internal changes. (Mahnert & Torres, 2007)

Strategic dimension

All strategies and programmes employed by an organisation, including the fit between the internal (or external) brand and the objectives of the business should be aligned (Jacobs, 2003). If there is no match or fit between these, it will reduce the appeal and credibility of the brand and greatly reduce a programme's effectiveness. (ibid.)

Staff dimension

Employee readiness to adopt to a new or altered strategic direction with respect to internal brand is influenced by recruiting, motivating and rewarding staff (Bergstrom, Blumenthal and Crothers, 2002). This dimension also emphasises the importance of gaining not only leadership support, but the support of employees at all levels as well (Thomson et al., 1999; Davis, 2001; Jacobs, 2003; Buckley, 2002; Papasolomou-Doukakis, 2003). Additionally, where significant differences exist between employee groups, as for instance in the case of geographically or culturally separated business units, segmentation of the target audience may be useful (Joseph, 1996). (Mahnert & Torres, 2007)

Educational dimension

The need for education of staff and management arises out of the previous six dimensions (Barnes, Fox and Morris, 2004) in order to avoid some of the failures that may occur during internal branding programmes as a result of ignorance (de Chernatony, 1997) and flawed preconceptions. Identification of such beliefs, attitudes, and mental models (de Chernatony, 1999) is called for, for this dimension. (ibid.)

3.3.5 Previous research on internal marketing/branding

There are some research made on internal marketing and/or branding such as those by Holmgren et al. (2003); Mahnert & Torres (2007); Karlsson (2006); Gudmundson and Lundberg (2001), but there is little or perhaps no study done that directly addresses the motivations for incorporating CSR in a company's set of core values and investigating thereof how this set of values are perceived and received by the employees in a food retail chain scenario, specifically ICA.

My study used internal marketing, not as the goal of the study itself, but as a tool in gauging how ICA communicates its CSR and other core values, within the organisation. The interviews provided an idea how CSR and ICA's core values are understood, perceived and interpreted by the employees in the stores.

3.4 The Link between CSR, Core Values and Internal Marketing

Why CSR as core value? CSR is now being embraced by many powerful global corporations as their core value business principle. CSR provides an opportunity to revitalize the business and is an idea worth exploring and considering for incorporation in one's own business plans; it has shifted away from the philanthropic tradition it used to have and instead headed towards a greater alignment of CSR into business strategy. CSR is now seen as an antidote to corporate greed and rebuilding trust among stakeholders; it forms part of the corporate identity. "The idea of social responsibilities supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations". Through the principles motivating CSR – value-driven, performance-driven or stakeholder-driven or whichever of these is elected, many businesses are ardent to display their CSR principles and processes in order to communicate a positive image of their identity and to gain legitimacy together with support from stakeholders.

Values on the other hand are deeply rooted rules and are demonstrated in how we act – including leaders and managers. The aim of values is to create a code which is followed in the construction of a culture and supports the mission. Values provide employees a frame of reference when they decide how to act. It is argued that people not only need to know what values the company has, but how they are relevant to their daily lives as well; and, that it is more important to know who you are than where you are going. Core ideology provides the thread that holds an organization together as it grows; core values explain why a company exists, provide a dogmatic foundation for the organization and have meaning for those who work for or belong to the organization.

By making CSR a core value, it does not only serve as a way of revitalizing the business, building trust among stakeholders, and portraying a positive image, but it would also provide the employees a frame of reference on the performance of their duties. Moreover, since CSR initiatives directly or indirectly involves everyone in the society, when a company treats CSR as core value, it would then be an issue or an area that becomes relevant to the employees, not only while performing their job functions but also in their daily lives as regular citizen. Treating CSR as core value highlights its importance and relevance to the company, to the employees and other stakeholders, and by so doing, makes CSR value-based initiatives easier to embrace within an organization. Irrespective of which principle or principles motivating the company's CSR initiatives is/are chosen, making this known to the employees would make it easier to get support and eventually get them to 'live' this ideology.

CSR is considered a broad and complex field. The three dimensions of CSR: human responsibility, environmental responsibility, and product responsibility simplify the scope of CSR. These specific and clear dimensions make it easier to relate to the retail scenario, where products and service – from procurement to delivery, affect humans and the environment. Knowing what these responsibilities are, what these responsibilities mean to the company, what these responsibilities mean to the stakeholders and the society as a whole could facilitate employee understanding of why, for instance, it is crucial that they

do not tamper the expiry date of fresh products such as meat, as this would jeopardize the consumers' health (human and product responsibility) which in turn affects consumers' trust on the company. Understanding the rationale behind CSR initiatives could facilitate employees' support for these values. Embracing CSR values does not only entail abstaining from foul practices (negative duty approach) but also, (or rather) it serves as an expression of the company's core values that strengthens the company culture (positive duty approach), or and lastly, these values could be for the purpose of staying competitive (utilitarian approach). This means that whatever the motivation for adopting CSR initiatives is, making these initiatives a part of the company's values would highlight its relevance and importance. By making the employees understand, and then embrace these values, could help create an internal CSR legitimacy.

The process and decision of adopting CSR as core value is one thing and the way this is communicated to the employees, to find support and commitment, is another. It is for this reason that employee communication in an internal marketing perspective is used in this thesis in order to find out how CSR core values are perceived internally.

It is important to involve all the employees in this philosophy and to target this internal public with a responsible policy because corporate responsibility begins inside the company. Having said this, the role of employees is without (a) doubt important in transforming CSR values into action. As argued by many authors, the brand's communication to stakeholders is equally important as the way the brand is communicated inside the corporation. By using CSR as core values, CSR becomes what the brand stands for, CSR defines *who* that brand is – a brand 'who' is socially responsible. Once a company is branded as socially responsible, how could it not be relevant to any employee? After all, society is comprised of people and citizens, and employees are part of *the* people and *the* citizens, and these people and citizens are *the* society.

According to theory, the firm needs to create an internal environment in which the employees behave in a preferred way, which is facilitated by active and interfunctional activities, in order to achieve internal marketing's overall objective. CSR core values could provide this internal environment that would guide the employees in such a way that would help the company meet its social responsibilities and other goals, achievement of which can be enhanced by embracing CSR values. Thus, the overwhelming purpose of internal marketing which is to 'involve' employees in the organisation's mission and strategic direction, and to assist them understand and appreciate the corporate objectives – is paramount in the case of ICA, in order to facilitate the transfer of the core values from the management level to the store level.

When it comes to internal branding, its main objective is the attainment of competitive advantage not through easily replicated core business practices and policies, but through people. This objective becomes all the more relevant to recent trend of growing organisations through mergers and acquisitions where 'speaking with one voice' especially in multi-cultural organisations, becomes more difficult. This challenge can also be traced in a complex retail chain, such as ICA, where store owner is considered a

company of its own. Being able to 'speak with one voice' despite and/or regardless of the complexity of the nature of the organisation, is a real challenge a company needs to deal with. This explains the vital role that internal branding plays. In order to find out how the values are transferred internally, apart from the barriers in internal marketing (5.1.2), the dimensions and factors of failure and success in internal branding (5.2) will also be used to study and analyze ICA's communication of CSR values.

To reiterate, the purpose of this thesis is to find any possible gap on the transfer or communication of core values within a company – between the corporate level and the operational level. During the course of this search process, it is hoped to establish how CSR is perceived by the employees in order to gauge if treating CSR as core values could strengthen the ideologies of CSR, and if the employees could identify the relevance of their role in the organisation for strengthening CSR. Taking into consideration this purpose, an illustration is presented below to help the readers follow the analysis of the empirical data gathered from the interviews.

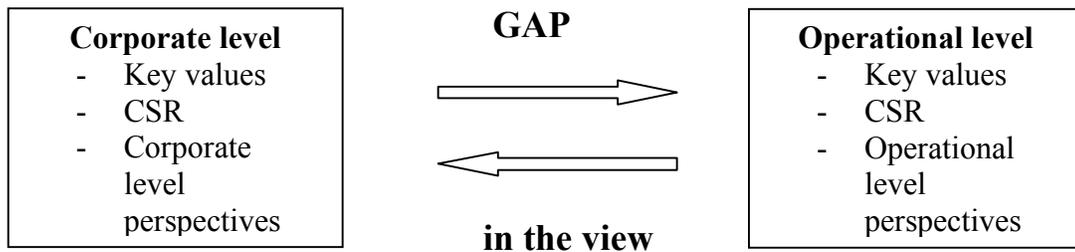


Figure 3: Core value-transfer process
 (source: author's own model in collaboration with the advisors)

4. Case study: ICA

The results from the empirical research with ICA as case study are presented in this chapter. The chapter is primarily built on the interviews described in chapter 2, and on secondary sources in form of documents produced by ICA that are found on their website (www.ica.se) including printed material obtained from the store (*Personalhandbok*). The quotations in the text from the interview with ICA's CSR Manager are direct quotations in English while those from the store personnel interviews are translated from Swedish, unless other sources are stated. ICA is also operating in Norway and in the Baltics which means that ICA is considered international. They have for instance corporate vision and mission, financial and CSR strategies that are common to all the countries where ICA operates. The focus of this study, though, is their operations in Sweden, and for this thesis ICA Sverige will be addressed as ICA.

In this chapter I will try to establish a connection between the relevant theories presented in the previous sections and the results of the empirical studies made. This would hopefully show if the selected theories could find room for application in practice and if what is being practised could find support from the theories.

To facilitate an easy grasp of the flow of information, I will start off by giving some general information about ICA (4.1), followed by the sub-section called The Corporate Level (4.2), then ICA and CSR (4.2.1) that mostly consist of the results of the interview with the CSR Manager, Kerstin Lindvall. The questions raised with Kerstin were inspired by what the literature says on CSR, core values and internal marketing. In turn, this interview has been the departure point for most, if not all, of the questions raised and discussions carried out with the store employees.

Afterwards, the findings from the interviews with the operational level will follow (4.3), labeled as The Store Level, where the results will be aligned as much as possible with that of the interview results from the corporate level. The answer that is most representative of the total of six store employees interviewed will be presented, and/or the lack of unanimity, and/or whatever seems unusual compared to the other answers. I recommend browsing of Appendix 1 where I made a condensed but rich summary of the interview results.

Finally, during the overall analysis of the empirical data (5.), the results will be analysed through conjugating them against the possible barriers to developing and sustaining effective internal marketing in an organization and the dimensions and factors for failure and success in internal branding. The motivating principles of CSR will also be analysed in order to find out what principle is acquired by ICA for its adoption of CSR.

4.1 Company Presentation

ICA is one of Sweden's leading retail companies. It is the principal supplier to ICA retailers, who own and manage their stores independently. By the end of 2007, sales was in the amount of SEK 51,438 million and with an average number of employees at 5,107. (www.ica.se)

ICA has four retail concepts where the smallest store is designed for convenience and good service with limited product offerings and quality fresh foods, while the biggest offers everything under one roof, from fresh products to kitchen wares, books and other non-food items. These are the store concepts:

ICA Sverige's store formats as of December 31, 2007	
Store formats	Description
	ICA Nära are small, convenient stores with good service, a narrow product range and quality fresh foods. Many serve as pick-up sites for Apoteket and Systembolaget, the state-run pharmacy and alcohol monopolies, and handle sales for ATG, the Swedish off-track betting service.
	At ICA Supermarket, customers can find most of what they need on a daily basis or for special occasions. Personal service is high, and the stores carry a wide range of fresh foods.
	ICA Kvantum stores are designed to be the leading supermarket in their communities, with food for everyday, weekends and special occasions. They offer a variety of fresh food items, anti-allergy foods, healthy, organic alternatives and local products.
	At Maxi ICA Hypermarkets, customers will find everything they need at good prices under one roof. In addition to a wide variety of foods, these stores carry books, clothes, housewares, sporting goods and everything for the garden. They have extended opening hours and are conveniently located for customers who drive to the store.

ICA's Goals and Strategies include its mission, vision, financial goals and strategies (www.ica.se).

ICA's Vision: "We aim to make everyday a little easier"

ICA's Mission: "We aim to be the leading retail company with focus on food and meals".

Their long term financial goal is to increase sales faster than the total market is growing in each sector. As part of its strategies where ICA aims to be a far-sighted, dynamic company with solid finances and a commitment to the environment and social issues, the

following have been formulated as ICA's operational strategies⁵, presented on ICA's website in this order:

- Utilize economies of scales by coordinating central functions and concepts
- Locally adapted concepts
- Price and assortment
- Format strategy
- New stores and renovations
- Offer an attractive product range focusing on private labels, fresh foods and non-foods
- Corporate responsibility

4.2 The Corporate Level

ICA's Corporate Responsibility strategy (www.ica.se) states that they will maintain a strong local presence wherever it operates. They will contribute to a sustainable society by minimizing the impact of its operations on the environment and taking responsibility for the conditions under which its own products are produced. Moreover, ICA promotes the health of customers and employees by offering safe and nutritious products and continuously improving its work environments.

According to ICA (www.ica.se) "ICA is a company people know and respect, and we are expected to take social responsibility. We want people to feel confident about the way we do business, so our work with sustainable development is an important part of our day-to-day activities. We call our approach to ethics and social responsibility "ICA's good business", and have summarized our views in seven "Basic Values" covering areas where we can and should be involved". ICA should be:

- driven by profitability and high ethical standard
- listen to customers and always proceed from their needs
- nurture the diversity and the development of our own staff
- maintain an open dialogue internally and with the surrounding world
- guarantee product safety and quality
- promote a healthy lifestyle
- contribute to environmental improvements and sustainable development initiatives

⁵ For complete scope of the strategies, refer to Appendix 2.

This is the ICA pyramid that sums up the information about ICA mentioned above. The Global Compact can be found as an attachment – Appendix 3.



Figure 4: ICA Pyramid
(source: www.ica.se)

ICA's Good Business and the Global Compact's principles are an integral part of operations and imperative in order to live up to ICA's core values and achieve the Group's mission and vision, and to be a sustainable company. (www.ica.se)

According to ICA's 'The Corporate Responsibility Report'⁶ (March 2007), the information and key indicators presented in the report have been selected using Global Reporting Initiative's (GRI) core indicators and principles for defining report content and the UN's Global Compact. The selection was based on the impact of activities from a sustainability perspective and on people and the environment, as well as their strategic importance for the Group⁷ as a whole. The report also mentions events that have affected ICA during the year and activities that employees are proud of. The report aimed at a broad target audience of employees, customers, authorities, owners, analysts, business partners, students and NGOs.

ICA realizes that its success is dependent on its employees and their skills. Only through its employees can ICA create attractive work places, a unique store experience and long term profitability. (ibid.)

The company's Nordic-wide leadership program 2007 covers a number of aspects of leadership, including understanding the company, building and leading teams, helping employees improve their skills, handling conflict and change, recruiting, accounting and

⁶ Published together with ICA's Annual Report 2007, www.ica.se

⁷ The Group pertains to the group owners of ICA.

legal affairs. The target group for the program is 900 managers in offices and logistics and 400 store managers.

ICA has also developed an introductory program for new office and logistics employees in Sweden and Norway which is scheduled for launch in 2008. The aim is that all ICA employees will share the same platform when it comes to knowledge about the company, its values and ways of working. (www.ica.se)

During the interview with ICA's CSR Manager Kerstin Lindvall on 17 April 2008, at ICA's main office in Stockholm, Kerstin said that ICA's CSR Department is headed by Mrs. Lisbeth Kohls, SVP Corporate Responsibility. According to Kerstin Lindvall, Lisbeth Kohls started with the environmental issues in the late 80s and formed ICA's first environmental strategy and policy in 1987. From thereon, ICA built quality and health into the policy before the ICA's good business as an overall umbrella policy came into life. The umbrella policy was built in order to map-in the different policies. The CSR policy or the ICA's good business as named by Kerstin Lindvall interchangeably, was finalized in 2003-2004 but many of the policies she said, are maybe 10-15 years old already.

4.2.1. ICA and CSR

The three components of vision – vision of the future, purpose/mission and values are interrelated and all play an important and relevant role for this thesis, especially so that the focus of this paper is CSR as a core value, establishing how this value is communicated internally and re-confirming the importance of the role of employees in achieving company goals through its core value.

It has been established earlier that there should already be an existing set of values in order to derive or elect a core value. For the case of ICA, environmental and corporate responsibility form part of their ICA's Good Business (as presented under 7.2). ICA considers their Good Business as their core values and basic company guideline; also they use CSR and ICA's Good Business interchangeably, pertaining to both as their core values.

CSR as core value

ICA's perspective on ethics and social responsibility is based upon UN and ILO Convention. The ICA's Good Business has seven standpoints that were developed within ICA in 2003 where all Swedish employees were asked through e-mail as to what within CSR issues are of concern for them, how do they want to see ICA as an employer within the field of CSR and what is of importance for them. ICA also did deep dive interviews with about 20-30 managers where they obtained the seven standpoints. These standpoints are most important for employees within ICA.

“So we said that these ICA Good Businesses should be the basis for everything and on top of that we could build our brand, our mission and our vision. So it is always in the bottom for us.”

ICA’s Good Business is the company’s main framework, it is what defines them, it is what defines their goals and what defines how to reach these goals. Since CSR is included in ICA’s Good Business and they consider these two as one and same thing, and use these terms interchangeably, it can be concluded that they treat CSR as core value. ICA’s management team for business ethics – comprised by the CEO, the VPs, the Marketing Director, Buying Director and Finance Director, is responsible for ICA’s Good Business and reports back to the management about dilemmas that the company might have, the changes that they might need to do, etc.

The ICA Management is aware of the importance of CSR and the role of leadership in their CSR initiatives. They claim to be very much up-to-date on CSR issues and they take it seriously. The challenge that ICA has is going from this standpoint to practical work and the daily business.

According to the corporate level, having CSR as core value would probably help decrease the need for reviews or auditing but still there is a need to have some checkpoints:

“We call it that you grade your compass now and then. Now and then you look at the policies, now and then you go through the guidelines and see that well . . . I am in the right direction. If I don’t feel I’m in the right direction I need to go back and get a feeling of what is it again, why I should act like this, to put the compass right.”

What CSR for ICA is

ICA’s Good Business is comprised of seven values that includes social responsibility which is the basis of everything that ICA does. They even go as far as into saying that whenever they launch a new product, price is not the deciding factor, neither customers’ preference for that product. If that product does not fulfil ICA’s requirements according to ICA’s good business, then it will not be launched:

“Yes, it is the basis for everything. If we were to build a new brand, if we were to build something – a new business, we would start out on ICA’s Good Business and the core values. We need to meet those first.”

Considering the complexity and the many definitions of CSR, this leads to some companies getting involved in everything or some being involved just in environmental issues. For ICA all of their policies are within CSR where they have business ethics, that involve most of the business they do, be it where and why they build their stores, or who and why they do sponsoring. Although their goal for the future is to cover as much areas of CSR as possible, ICA is aware that this takes time and that it is better to concentrate on

some and do it good than concentrating on several areas and do it with less efficiency. It is important for ICA to be more realistic as it could be quite dangerous to go out and communicate a goal that is not feasible and in the end disappoint the consumers. According to ICA, this could be very clear right now within the climate issues where Tesco about a year ago said, "we will do climate analysis of all our 70,000 products". ICA argued that this is not possible because there is no available data in the world to do it. From the promise of 70,000 products, Tesco have reached up to 30 products seventeen months later. This according to ICA is a backlash, and that is why they would rather put a challenging but realistic goal; otherwise, Tesco, in many ways, can be a model for ICA but maybe not for this issue. Tesco is worldwide a successful company, but just in this particular issue they took a goal that was extremely unrealistic, they did not check out if it was possible from the beginning.

ICA's main focus right now is health, climate/environment and product quality, while they wish to include in the future sustainable supply chain. Today, they do not completely know the whole supply chain; they sometimes know the supplier of their supplier but not all the way down to the first stage of this chain. They would very much like to be able to track, for instance, if human rights issues in 'risk'⁸ countries are not being violated by the suppliers. Not being able to map down their supply chain means an insecurity for ICA and which they would like to have a stronger focus on in the future to build security. Being able to do this would then enable ICA to pinpoint much better CSR activities.

CSR is seen by ICA as a long-term strategy and as the basis for ICA's Good Business. From their CSR Manager's perspective, to survive in the long term, 'you need to engage in CSR issues, work with it to have the customers come to you'. This is the basis for engaging in these issues where the company works with it actively.

"Because we want to be a business that is present for a long long time, we want to be a sustainable company, we want to be perceived as responsible, we want to be perceived by our customers in the long run as a company that takes its responsibility because that is how we see is our survival for the long term."

ICA wants to make it easy for the customers when they shop at ICA, they want to make the daily choices simple even if the customers choose from an ethical point of view, choose from (low) price perspective or they choose out of quality. Whatever the customers' agenda is when they come to ICA and buy, ICA needs to make it simple for the customers to do such choices. Moreover, when it comes to identity, ICA wants to be perceived as modern, honest, an open company that makes it simple for the customers.

Furthermore, the corporate level is aware that in order to achieve its CSR goals, they need to adapt and develop their strategies, and their goals should be feasible and challenging. If they were to ask the customers ICA expects them to recommend an absolute absence of child labour on everything that ICA sells. This is the corporate level's ultimate goal, and

⁸ 'Risk' countries is interpreted here as supplier countries where human rights are not considered on the top agenda.

since they know that right now it is not possible to check it, they have to prioritize among the CSR issues and set a time line for each. They recognize the need to address this issue because that's what their customers want them to be and they see that even it is not possible today, if they take these steps they will get closer.

Internal implementation of policies and/or core values and the challenges involved

According to ICA, apart from good products, employees mean everything for ICA, especially in the stores wherein the employees meet the customers. The 13 million customers who go to the stores every week need to be pleased when they leave the store. And the people who meet the customers at the store are very important. It is important that they are up-to-date, that they know what ICA stands for to meet the customers in the right way. The employees send much feeling of ICA to the customers.

Within ICA, the most difficult issue is not to get people interested or engaged in CSR issues. The difficulty is to find people in the organisation that are the doers of CSR, how to get people to act within their areas of responsibility. For instance if you are a buyer of apples, you also need to think about the CSR issues in your daily work. Although this is just a small part of the employees' daily work it still has to be a part. Usually people are engaged in one thing but they need to have the tool on how to act within the CSR issues. Going from the more theoretical and strategic thinking over to practical way of giving people the tools is the difficulty that ICA is facing and it's what they consider their challenge.

Connected to ICA's Good Business are their policies: the business ethics policy, occupational health and safety policy, new store policy – how and where and when ICA builds the stores, health policy, information policy, customers policy, quality and environment policy and the sponsorship policy.

Both the management and stores can access these policies on ICA's intranet. ICA's Good Business training and e-learning that is about one hour is mandatory and can also be found on their website. Apart from this there is the so-called deep dive trainings about the eight policies where there is a discussion and handling of a simulated situation or a problem, involving issues that the participant takes a stand according to the policies.

In order to create a "thread" that would pull the employees within the chain together so that everyone would be heading towards the same direction, it is necessary for ICA to go from theory to practice and have some practical tools to make it easy for the people to be aware of what is expected of them. However, these practical tools are not in place yet but they do try to inform on different CSR issues on their intranet and in other medias that they have that the employees read. Since not all employees have their own e-mail box, information dissemination is also done during meetings. There are also often invitations to different educations held by ICA Skolan⁹ informing on CSR issues. There are follow-ups with the old employees every other year based on the ICA Good Business where the

⁹ ICA Skolan means ICA School.

management often ask how the employees think ICA lives up to ICA's Good business, and how well the employees are aware of the policies.

Even the corporate level considers CSR as the core value, considering the size of the company where they have many employees to reach – with huge influx of new store employees everyday, continuously training and informing people on the core values and what ICA stands for becomes almost an impossible mission and difficult to update to a 100 per cent.

The corporate level argues that one could never fulfil the CSR issues, that it is or will be an ongoing work all the time. Apart from the challenges involved in training or educating the huge number of their employees, there is the question of the nature of CSR where its strongest issue varies all the time. For instance, two years ago the climate issue was not very large, now it might be the strongest CSR issue; and in two years time they do not know what the strongest CSR issue would be.

“If CSR would be one issue, one communication, one thing to live by, it would be more simple. But the CSR issues are constantly changing, what's in and what's out, what's hot and what's not hot.”

The corporate level knows of the many challenges in making the employees become aware of CSR issues:

“It is difficult. Sometimes it is easy sometimes it is difficult, it really depends. . . . for climate issue it wouldn't be new for me but new to many employees as the climate issues is to customers, as citizens. So it is not so easy for them to see right away what they do in their job to decrease the climate impact of ICA as a company.

Employees need to first understand what for instance the problem with the climate is, and from thereon they need to understand the ICA's impact on the climate, and finally proceed to the specific impact of what the employee is doing. ICA's challenge is finding ways to explain the problems or CSR concerns from top all the way down to the specific persons on how they can work with the CSR issues in their daily work.

The employees' perception of ICA's identity, according to the corporate level, would probably differ a lot in different roles they have at ICA. For instance, in the logistics department, good speed when transporting goods from suppliers to the warehouse could be an important issue, and the perception would probably be different for a store employee or a buyer. Furthermore, these differences might be present but the general feeling of ICA employees is that they have a good range of product, they're quite safe, they're open and are honest; and the general feeling is that they do care about the CSR issues even though there are companies that are stronger than them – with stronger focus, but they still have a good basis. Moreover, the corporate level thinks that generally, the employees feel that they are a part of a company that cares and this is one of the reasons

why many of them were so disturbed by the meat incident because for them, 'that was just not ICA'.

The 'meat incident'

Companies have varied reasons for developing and managing their strategies and brand reputation has been found to be one of the most major reasons for companies to work with CSR strategies. There is a general understanding amongst the employees of the importance of CSR for ICA's reputation as a whole and for themselves as employees. They know that if they do mistakes connected to ICA's Good Business (meaning actions committed not in accordance to the Good Business), it would affect the value of their brand. This is the reason why the meat incident where four ICA Maxi stores were found tampering the expiry date of their meat products shown on TV program Uppdrag Granskning on the 5th of December 2007, is strongly described being 'not ICA'.

When asked how does ICA feel after the meat incident, this is what the CSR Manager say:

"I can just really talk for me as a person, I was not actually disappointed on my employer ICA but was feeling . . . how should I express that . . . what was shown was not ICA for me. I've been working here for quite a long time and that was as far away from the ICA that I know, how we worked with product quality, how we worked with securing products, in instructing, in obeying the law - that was as far away from the ICA I know.

But I think all of us working here, we have a feeling of ICA as an employer, we know what ICA stands for, we know where we want to be, we fight for it everyday, and this was far ahead from what we work for everyday and it was such a shock that this actually happened in an ICA store. If it was a shock to customers, it was even worse to us working within the company that know this company from A to Z and we know how hard we struggle everyday and we know how much work we put and we have rules and we do obey them and still this happens."

This incident made the corporate level realize that there is a need for a whistle blowing system. A former employee who is not happy with them as an employer should be able to say openly to the management instead of going outside. From a CSR perspective, what happened has been a very big lesson. In ICA's Good Business and the mandatory e-learning training, the employees are encouraged to contact their respective manager or any of the management team, anonymous or not, if or whenever any employee is facing an ethical dilemma or something that bothers them as an employee of ICA.

The corporate level acknowledges that the incident really happened as it was on tape, and that it was a shock for many within ICA. As a result, ICA have structured an action plan;

it has also been made official that they would do a lot of store audits in product quality and they are to build new systems, new follow-up systems, and new trainings for people working in stores. Furthermore, the corporate level stresses that even the stores are considered a company of its own, they should still abide by the ICA policies.

The corporate level opines that how employees perceive the brand could have been (one of) the reason/s this has happened – some employees probably do not know the value of the ICA brand. They consider themselves as one of Sweden’s most valuable brand, and on the local spot – meaning the store level, one may not be aware that everything he/she does will affect the ICA brand one way or another. Moreover, the corporate level suspects that the stores involved were not aware of what the law says – that they can’t find any solution apart from that they (stores involved) didn’t know the law. When asked whether the corporate level’s real opinion of the incident is that it is a matter of not knowing the law and not a matter of one’s moral standpoint, this was answered in a rather evasive tone, saying:

“I wouldn’t know. I haven’t talked to any of these stores or the people working in these stores.”

4.3 The Store Level

As mentioned earlier, the questions raised and discussions carried out during the interviews with the store personnel were mostly based on the outcome of the first interview, from the corporate level. Some deviation arose as a result of the nature of the interview (being semi-structure), which allowed me to ask open-ended questions and get answers or reactions that were not completely under my control. This in the end made the whole process richer and more in-depth.

From the corporate interview, I draw an interpretation that ICA’s commitment to CSR is intense that make them come up with ICA’s Good Business which is said to be synonymous to CSR and CSR being their core value and the basis of everything they do. If CSR receives this kind of attention and importance from the ICA management, I thought it would be interesting to know the level of awareness and understanding of the store management and employees, and eventually the level of their commitment to ICA’s CSR initiatives.

There were four questions raised that gave some similar answers. The questions were:

1. What does ICA stand for; 2. What type of identity does ICA want to portray; 3. Do you know ICA’s Good Business; and 4. Do you know ICA’s core values.

None of the respondents, neither the store manager/owner nor the store employees was able to answer question no. 3: ICA’s Good Business, all of them did not have an idea about it at all; while for question no. 4: ICA’s core values, most of the store employees did not have an idea. For the rest of the questions, the common answer was – safety,

security, quality product, good price, easy shopping/service, modern. This means that in general, what ICA stands for and ICA's identity refers to the same thing. However, the fact that no one had an idea about ICA's Good Business, which is supposed to stand for ICA's core values that includes CSR, draws attention.

It was of course natural to ask about CSR – if they have heard about it, what it means to ICA, how does it affect their respective role and how their role could make an effect on CSR. The store manager and the store owner had something to say, but all the store employees said “no” and “I don't know”. One employee mentioned environmental concern, but because she herself stands for it. Another employee who wished that there would be more often deliveries of fruits and vegetables did not associate this to CSR – not until I asked him in retrospect after the interview, as to what more often delivery would mean to the environment. He mentioned though Fairtrade and was able to explain what Fairtrade means but did not have a direct association to CSR.

Store manager:

“It has to do with customers and personnel. It has to do with the daily activities. How to respond to customers, possibility to create . . . when I employ, I take some type of personnel I want, which maybe adjusts/adapts to environment and how one works too.

There always comes increased demand/requirement on the stores, how one acts, how one recruits/employs, employee rights and obligations – it increases all the time.

Of course it is good (to have rules and regulations) but sometimes it becomes a little bit of an exaggeration. It becomes too much, just this own control and the stores should have a lot of written documentation.”

Store owner:

“Child labor, suppliers taking responsibility.

I buy from ICA and I trust ICA. That with Indian food that came up – I trust that ICA is going to take care of and other things that the media discovers.

Like I said earlier, it's good with laws and rules, it ensures what is right – for example with racism, but it can be too much sometimes.”

What has been peculiar with both the store manager and store owner's comments was the shared view on laws, rules and regulations being sort of a burden, being too much that takes a great part of their time that they could otherwise use 'on the floor'. The store manager was more open on his opinion compared to the store owner who said a couple of times that rules and regulations were good in order to keep everything on track, but in the end commented that it could be too much sometimes.

For the question as to what is the common feeling or view the employees have about ICA, the system, CSR and their role as employees, both the store manager and store owner said that ICA is a secure or trustworthy company. The store manager said that he hopes that the employees feel that what is centrally controlled is good; while the store owner said that when employees think about ICA it's probably about the service, customer treatment, ways of being. However, both claimed that when it comes to the store, it can't be considered 'ICA' rather it's 'Tuna' or 'Maxi'. They see themselves as a separate company. This is how they expressed this view:

Store Manager:

“ When it comes to the store, it can't be considered or said 'ICA' – rather it's in the end my responsibility to take care of the individuals.”

Store Owner:

“ . . . We see ourselves as a separate company, they see themselves as 'Maxi' employees. ICA is an organisation built with structure, value and vision. Big issues as sexual harassment, racism and the like are perceived or considered by the personnel as 'ICA' but otherwise it's 'Maxi'.”

The store employees have a quite varied view on how it feels being an ICA employee. Generally, they feel good and secure. Two expressed a sense of belonging to ICA – one of them said that he is a part of the organisation and the other said she is an ICA employee. One expressed neutrality saying she shops at ICA because she thinks it's a good store but can also consider Konsum, and even can consider to work at Konsum. One said that she feels good and even proud about ICA but at the same time she doesn't feel that “we are one and the same family”. This is due to the fact that she works in the non-food section of ICA Maxi called 'Special AB'. She further said that it feels the same between the head office and Maxi (not being one same family), and that she feels more sense of belonging with 'Special' in Helsingborg because “we talk with the same language”.

In order to establish an idea as to how the store manager and store owner motivate their employees to support ICA's goal, they were asked: How do you pull your staff together into one same direction that ICA wants to reach? How do you inspire your employees to support the organisation's common goal? The store manager's answer focused more on the store environment or performance level – on how he helps the employees, when to give them praise and constructive criticism. The store owner on the other hand said that it's mostly that he pulls the employees into a direction that he wants to have for his store. He said: *“ . . . I have an 'aktiebolag' (limited company) and I talk mostly about my guidelines or objectives. It's slightly towards ICA way – it's included but mostly it's my own objectives.* This and the preceding question/topic can be construed, without much doubt, as a sign of departmentalized thinking or mentality. The 'we' and 'them' pronouns are prominent during these lines of discussion.

Since the meat incident happened not so long ago which in fact has made me curious about ICA and their CSR core values in the first place, it was for me a topic I had to raise to get some insight from the employees of ICA themselves. Everyone was unanimous with the view that it was about money and/or greed, majority claimed that everyone (referring to the stores involved) must have known about the law that forbids re-packing of meat or extending the expiry date. They also admitted that this practice was common and was allowed some ten years ago and that people continued doing the same despite the new regulation. Some of them said that they don't think though that it was done with an intention of causing damage to the company or any intention of making anyone sick; that it could have possibly been a result of a habit that they weren't able to put a stop on. They attributed this behaviour to greed or for earning money.

The interesting part here is when most of them said that there isn't much that can be done to avoid a similar incident, and the skepticism over the situation's improvement. Some argued that it's difficult for the management to sit and check every store; that there's always room for this practice for people who do not want to adapt him/herself. Another part of interest is that they did not associate greed with ethical values. They said that increased ethical values among employees would not help, or depleting the problem will never happen, or that it is not the main office's responsibility rather the store's, or because they (referring to the stores involved) were greedy. Not until after some needed probing they or some of them expressed that increased ethical standards would probably help.

The store employees are very much abreast on what is expected of them in relation to their particular function - how their store should look like, how they should treat the customers etc. They are also aware that ICA is one of the leading food retailers in Sweden and that they have a wide assortment of quality product, they offer good price and good service. They also put emphasis on products being safe/secure that consumers would not get sick from. It seems that their understanding of what ICA stands for is based on ICA store's business idea or concept. For instance, ICA Kvantum/Malmborgs Tuna's personnel manual (*Personalhandbok*) states and focuses on the store's business idea. This is to offer the customers a wide food and daily product variety in a store filled with food inspiration/joy, value for money product offers, and service. The business idea answers the questions:

What? What is it that we offer? A wide food- and daily products variety

To whom? To the customers.

How? How do we do it? Through a store filled with food inspiration/joy, value-for-money product offers, and service.

By mentioning service and good/safe products, the store personnel in a way shows that these are some of the factors that contribute to the ICA brand and make ICA one of the leading retailers in Sweden. The common answer is focused on the store level, the store experience itself – how/what the products are, how the service is, and the like. However,

it was obvious that they have more idea on what ICA stands for and ICA's identity than ICA's core values, and nothing about ICA's Good Business. As mentioned earlier, the store level and corporate level are in unison as to what ICA stands for and its identity being: safe, secure, quality product, easy shopping, good service, modern; although it's only the corporate level that included honest and CSR – under the category 'safe'. Also, and more importantly, they see themselves as 'we', meaning in the store i.e. (ICA) Tuna or (ICA) Maxi, and 'ICA' meaning the head office.

5. The theories and empirical findings: An analysis

In this chapter I will compare and analyse the statements and views from the first interview – the 'corporate level' against those with the store employees – 'store level'. To reiterate, the questions raised to the corporate level were designed by adapting to what the theories say. This means that even there would be no explicit mention, the theories would have already been incorporated, while the empirical results are being compared and analysed.

According to the literature, there should already be a set of values before a core value or values could be elected. In the case of ICA, they have a set of values – their ICA's Good Business that includes CSR. They address ICA's Good Business as their CSR core values and use these terms interchangeably. This means that the first requisite in making a core value is met, and there is now an initial support for making or treating CSR a core value. Moreover, the management of ICA's core values lies on several members of the management group, and not solely on the shoulders of the CEO, as what the literature says.

The empirical study revealed that there are some serious discrepancies on what the corporate level claims and what is actual in reality within the store level. There is, for instance, gaps and differences in the level of awareness, least understanding and support, in several areas/points, on the part of the store level in comparison to what the corporate level claims.

ICA's Good Business according to the corporate level is the basis for everything that ICA does; that CSR is their long-term strategy. According to the corporate level they engage in CSR initiatives because they want to be perceived by the customers as a responsible company and this would be for their survival. But the store level has a total lack of idea of what ICA's Good Business is about, they even have not heard of this term before (even when the Swedish equivalent 'ICA's Goda Affärer' was used). They also lack an idea, or have a very vague idea as to what CSR is all about. Moreover, they don't find any association between CSR and their role as employees. The store manager even think that a single owner can't do anything or much for CSR; although not mentioned earlier, a good example is the store owner's comment that if for instance ICA stops selling Chiquita banana (because its producer/supplier is allegedly supporting a group involved in armed violence), it wouldn't be noticed and wouldn't make a difference because Sweden is a small country. The positive thing here is at least both the corporate level and the store level are more or less in unison when it comes to what ICA stands for and ICA's identity, except that the store level did not mention honesty and CSR.

The corporate level said that in order to pull the employees together towards one same direction, there should be a transformation from theory to practice where employees are given some practical tools. These tools though are not in place yet and not specified, neither who, eventually, would be responsible for its implementation. The store level's focus on mostly everything is very local – the store itself. They see themselves as a separate company hence their priority agenda is their store. ICA in general comes into the

picture only when the issues are huge, for instance sexual harassment or racism, otherwise it is just about the store. This in a way is not strange or unexpected because even the corporate level describes the store level as a company of its own. Despite this, the corporate level expects that the store level abide by the ICA policies.

ICA is facing some challenges within the CSR area according to the corporate level. They know that people need to understand, for instance, the problem with the climate in order to understand ICA's impact on climate. They claim that they need to start from the top explaining what the problem is; and then go down to the specific persons. The problematic part here is how the corporate level could make the store level understand the company's rationale or motives for CSR initiatives if they (the store level) do not know what CSR is or do not have enough idea about it in the first place.

Furthermore, the corporate level claims that "the employees have a general understanding of the importance of CSR for ICA's reputation as a whole and for themselves as employees". But then again, they didn't know ICA's Good Business and not much about CSR.

The corporate level also encourages employees to contact the headquarters on any ethical dilemma they have (like the meat incident) if they can not approach anyone within the store level; and instead of going to outside players like the media. This e-learning training is supposed to provide information on ICA's Good Business and CSR and include information that encourages the employees to contact the head office in case of any ethical dilemma. The interview with the store level revealed that only one out of seven had gone through a web-based training that resembles the e-learning training that the corporate level claims every employee should have undergone. It can not be said that this is due to employees being new, because the respondents' tenure of service with ICA ranges from 6 to over 20 years.

The meat incident according to the corporate level "was not ICA". However, the store level expressed that since the practice of extending the expiry date was not against the law for about ten years ago, it has continued even after the passing of the new law prohibiting it, until the reportage in Uppdrag Granskning exposing this malpractice. The store level is unanimous in their opinion that this is due to greed/money. Moreover, the store level opined that a similar incident can not be avoided, that the situation can't be improved. Again, the interesting part here is the general skepticism over change and improvement and the fact that they do not associate greed (or cheating for that matter) with one's ethical values.

After the meat incident, the corporate level said that an action plan was in place and that more audits and control was underway. Another area of concern here is the store level's apparent resistance to more laws, more audits/control and more written documentation. The store level considers these as an exaggeration and sort of a burden as it takes so much of their time that they could otherwise use on the floor.

In order to cross check what has been said by the corporate level, I tried to find some more information as to what ICA does in order to increase the employees' awareness about CSR. What is noticeable when browsing ICA's website content (Social Responsibility/Annual Report 2007) that is employee related, is their focus on the skills of the employees – on safety and quality of products, and not much or not equally on educating employees on CSR core values. This is for me remarkable considering they have used a total of 31 pages for the Social Responsibility Report, and with the fact that CSR is considered as ICA's core values and this being synonymous to ICA's Good Business, as what the corporate level claims. Also, it is said that the obligatory e-learning training, which I assume is the same as the introductory program mentioned above, has been going on for some time now, and not recently launched. All of the interviewed store personnel, has not heard of, least undergone, this e-learning training except for one who has undergone a similar web-based training. The reason could be either that the e-learning training is the same as the introductory program (which has been launched just recently) hence (it) has not yet reached the ICA stores in Skåne, or there has simply been a loophole in the implementation of this e-learning training. I consider this e-learning training important because according to the corporate level, this training provides all employees the information they need regarding the company and its core values/Good Business.

Another striking point here is why the store level does not know anything about ICA's Good Business which is available on the net, when in fact they claim, at least most of them, that inter/intranet is a common tool for ICA's internal communication. Do they use the intranet only to check operations-related matters, i.e. product launch or promotions? Does this mean or confirm that they really are primarily focusing on the store level – more on how to get the job done 'on the floor' (that they use the intranet more for operations-related information) and not much on issues that concerns the entirety of ICA?

Furthermore, the ICA pyramid shown earlier (4.2) depicts ICA's vision, mission, core values and Good Business. The vision, mission and Good Business, were clearly explained by the corporate level during the interview and further confirmed by what is stated on ICA's website. According to the corporate level, ICA's core values involve CSR issues which are summarized in ICA's Good Business; saying time and again that CSR is ICA's core value and is synonymous to ICA's Good Business. But the pyramid shows Core Values and Good Business individually. What are ICA's core values then? Could this terminology overlap and interchangeability be the aggravating factor that makes it difficult for the store level, and even the corporate level to some extent, to understand and communicate ICA's core values internally? Another point I need to raise is my own usage of these terminologies. With both the corporate and store levels, I used the questions: What does ICA stand for, What is ICA's identity, and What are ICA's core values, for the purpose of getting an idea how much they really 'know' their company and to test the literature that says that core value is what a brand stands for; and that identity is usually identified by what a brand stands for – how the employees see themselves or their company. In principle, the store level has some level of awareness on what ICA stands for such as product safety and quality, and making it easy for the customers/service – which are a *part* of ICA's Good Business (that they don't know or haven't heard of). But then again, the corporate level has put a lot of emphasis on CSR, which *is* (supposed to be)

what the brand stands for, being ICA's core value, and which the store level has a very little knowledge of or understanding for.

What can be surmised from the empirical findings is that there is a gap in the transfer or communication of the organisational values within ICA – between the corporate level and the store level. There is also an inaccurate picture in the mind of the corporate level about the store level's 'reality' that includes their 'regular' practices, over-all view on laws and regulations and their sense of belonging – being 'we/us' and 'they/them' that obviously shows a departmentalized way of thinking or mentality.

Now I will try to relate these identified gaps and peculiarities into the barriers to developing and sustaining effective internal marketing in an organisation (Audrey Gilmore in Varey and Lewis, 2000) as presented in Chapter 3.3.3:

Barrier one: resistance to change

Around ten years ago, re-packing of meat produce or extending expiry date is a normal practice within ICA as claimed by the store level. After the advent of new laws and regulations, this old practice became a matter of the law. Despite this, the stores (at least some of them) continued doing the same, which according to the respondents are attributable to greed or love for money. The respondents further said that the mentality of those involved in the meat incident could be that 'I have been doing this for a long time, why suddenly change?' and that there is a difference between 'throwing stuff' and 'getting paid for stuff'.

Barrier two: interfunctional conflict

ICA has its policies and regulations that the store level has to abide, apart from the laws that the government requires everyone to follow. Although laws do not originate from the corporate level, when combined with the company regulations, they become too much for the store level and seen as a burden that takes too much of their time. The corporate standpoint on this matter seems to be in conflict with the perspective of the store employees involved; that the store level just need to abide by everything, apparently without enough understanding as to why the rules need to be followed in full. This could have been aggravated by the fact that both the corporate level and the store level reinforces the issue of ownership – each store being a company of its own, and fall short in realizing (especially on the part of the store level) that everyone is a part of the whole ICA identity.

Barrier three: intra-functional conflict

Although it can not be directly considered a conflict, the sort of departmentalized sense of belonging was mentioned by an employee who works at the ICA Special section. She said that she feels more sense of belonging with their Special counterpart in Helsingborg as they 'speak of the same language' and does not feel as part of ICA in general or Maxi in particular. The rest of the respondents expressed a similar feeling, being 'Tuna' or 'Maxi' in a regular setting.

Barrier four: lack of individual responsibility

Since each ICA store is considered a company of its own, it is in many ways empowered to run their own store, and of course not without corresponding obligations that the corporate level expects it to take. On the one hand the store level's attitude probably affects the effectivity of policy implementation; on the other hand, the corporate level may be lacking in its way of reaching the employees, on efforts in making them understand the rationale behind the company's core values – what ICA stands for. It has to be reiterated that proper tools are to be made available (although not specified when) to ensure that the store level incorporate CSR and other company values into their day-to-day performance.

It is obvious that there is a gap between the corporate level and the store level when it comes to communication. If ICA's Good Business, which is considered by the corporate level as CSR core values, is to be taken specifically, it can be argued that there is not just a gap rather an almost complete lack of awareness and understanding on the part of the store level. Awareness is without doubt a necessary prerequisite for understanding the rationale behind the company's CSR initiatives. It is therefore improbable for the store level to support ICA's CSR efforts without knowing and understanding the importance of these for the company, for themselves as employees, and for the society in general.

I would therefore like to suggest an inclusion of a fifth barrier that affects employee attitudes and responses to IM – ineffective and one-way communication. It is not enough that a company considers CSR as core value and communicate it to the outside world. It is equally or more important to first communicate it effectively in the internal sphere if these core values are to stand for and define the brand. This means that awareness through proper communication system is a prerequisite if the employees are to support the core values and finally live the brand. This gets support from Kohli and Jaworski (1990) who define marketing orientation as an emphasis on the production of marketing intelligence, and its dissemination across departments, along with an organisation-wide response to it. Moreover, internal marketing is an essential part of a marketing orientation, or the use of marketing techniques within the organisation to create and communicate corporate values. (Hogg and Carter in Varey and Lewis, 2000)

According to the literature on internal branding, brand acquire meaning not only for external stakeholders such as customers, but also for employees who deal with the brand on a daily basis. The main objective of internal branding is the attainment of competitive advantage not through easily replicated core business practices and policies, but through people (Jacobs, 2003). (Mahnert & Torres, 2007)

'Speaking with one voice' (Einwell & Will, 2002) especially in multi-cultural organisations becomes more difficult (Vallaster, 2004). This challenge can also be traced in a complex retail scenario such as in ICA where each store is considered a company of its own. The seven dimensions and factors of failure and success in internal branding (Mahnert & Torres, 2007) would further help facilitate my analysis of how CSR values are communicated within ICA.

Organisational dimension

While culture possesses a strong impact on internal branding programmes, *awareness*, rather than change of the culture is maybe appropriate (Hogg et al. 1998). Cross-functional coordination and cooperation have been suggested (Bak et al., 1994; Sartain, 2005) in order to reduce internal competition and departmentalized thinking.

For the case of ICA, the employees' low level of awareness hinders them from understanding the company's CSR core values, and finally supporting these values. Also, the store level's departmentalized thinking of being *us* and *them* could make 'living the brand' through core values a more difficult task and goal.

Informational dimension

It is the measurement of target performances and *feedback collection from all the organisational levels* and from outside the organisation that enables the management to assess the fit of the current programme to the organisation (Reynoso and Moores, 1995; Lings and Brooks, 1998; Brunh, 2003) and lifts up whatever necessary changes there are to be made (Jacobs, 2003).

With the case at hand, the question would be: does the corporate level know the (low) level of awareness and understanding that the store level have on the company's CSR initiatives?

Management dimension

The management has to give its support to the programme as well as show adherence to it in order to be regarded as legitimate by the target audience (Farrell, 2002; Jacobs, 2003). The responsibility for the internal branding effort should lie with the CEO of an organisation (de Chernatony, Drury and Segal-Horn, 2003; Lintemeier, 2005).

According to ICA's CSR Manager, the management gives its full support to their CSR initiatives as they themselves are very much up-to-date in this area. Moreover, it is not only the CEO who has the responsibility for their CSR efforts but he is also joined by other members of the management team.

Communication dimension

Making information available to everyone is a must but the individuals should not be exposed to too much detail in order to avoid information overload (Haynes et al., 1999). The objectives of internal branding programme should be in line with the overall business objectives and properly translated to the target audience (Davis, 1996; Straughan and Cooper, 2002).

Apart from resistance to change mentioned earlier, an information overload could possibly be one of the reasons why there is an apparent dislike on the part of the store manager and store owner respondents against too much regulations and rules to follow within ICA. This probably calls for a more systematic flow of information within ICA where the priority areas are given more emphasis at a given time. The motivations for engaging in CSR should probably be highlighted – make employees understand the

importance of CSR for the whole organisation, sort of aligning the external factors involved in adopting CSR initiatives to internal goals and functions. An example would be as what the corporate level said during the interview – that by engaging in CSR initiatives the company will be perceived as responsible and therefore customers would want to come back to the store. Based on the interviews conducted, I am very hesitant to claim that the store level is aware of the importance and relevance of CSR to the company, to themselves as employees and the relevance of their role to CSR. Without this awareness and understanding, I doubt that there would be the kind of support for CSR initiatives that the corporate level wants to receive from its employees.

Strategic dimension

From a strategic perspective, all programmes including the fit between the internal (or external) brand and the objectives of the business should be aligned (Jacobs, 2003).

ICA's mission is to become the leading retailing company, and it is well aware that not being socially responsible would jeopardize its chances of achieving this goal. This is the reason why the store level has been interviewed; in order to find out how they perceive the company's core values and inquire how they view actions that are in conflict with what ICA stands for, for instance the meat incident. The store level is aware of the incident's damage to ICA's reputation that affects the rest of the stores. Despite this, they do not directly associate greed with one's ethical values.

Staff dimension

This dimension is mostly focused on employee readiness to adopt to new or altered strategic direction that is influenced by recruiting, motivating and rewarding staff. This dimension falls under human resource perspective that this thesis does not focus on. However, the support of the staff to strategic direction being vital has already been established earlier.

Education dimension

In order to avoid some of the failures that may occur during internal branding programmes as a result of ignorance (de Chernatony, 1997) and flawed preconceptions, there is a need for education of staff and management (Barnes et al., 2004).

The store level at ICA were unanimous that the meat incident was not due to ignorance of the law, rather due to old habits and mentality, and greed. It is therefore recommended that proper education, not only on how to increase the employee skills on product quality and safety and what the law says, but also on *why* it is necessary to have product quality and *why* it is necessary to follow the law. Being a socially responsible company, it is crucial to maintain the company's credibility and re-packing of meat produce for instance, is in conflict with the human and product responsibility dimensions of CSR.

5.1 ICA's vision and mission

According to the literature, the first step in building a value-driven organisation is creating a genuine and inspirational vision and mission. Vision provides a source of long term motivation, unites the employees and the company and creates goodwill in the community. Mission, on the other hand, or as some researchers call it 'brand purpose' or 'core purpose', should provide answers for these questions: Why does the company exist? What does it contribute to the world? What is its reason for existence beyond short-term profit? How does the mission motivate, inspire and guide employees?

In the case of ICA, their vision is "We aim to make everyday a little easier". Does this vision provide a source of long term motivation, unite the employees and the company and create goodwill in the community? Both the corporate level and the store level to a good extent express a similar view about ICA such that it provides its customers quality products, good service – making it easy for the customers, and that the company is one of the leading retailers in Sweden – expressing this with some touch of pride. This in a way can be considered a source of motivation on the part of the employees and the goodwill it brings to the community (or its customers), is its good products and service that makes the shopping experience easier.

ICA's mission says: "We aim to be the leading retail company with focus on food and meals". Does this mission answer the questions why the company exists, what does it contribute to the world, what is its reason for existence beyond short-term profit, how does the mission motivate, inspire and guide employees? Does this brand purpose consider how the world is going to be a better place as a consequence of the brand?

This is how ICA's mission answers the questions:

Why does the company exist: it aims to become the leading retail company with focus on food and meals – which can be interpreted as the reason why they exist, but not according to a value-based perspective as mentioned earlier. The empirical findings show almost exactly what ICA's mission is about. The majority of the respondents mentioned that ICA is one of the leading retailers in Sweden, and that they offer quality products and good service.

What does it contribute to the world, does the brand purpose consider how the world is going to be a better place as a consequence of the brand: according to their website, 'ICA will contribute to a sustainable society by minimizing the impact of its operations on the environment and taking responsibility for the conditions under which its own products are produced.' They also promote health of customers and employees by offering safe and nutritious products and continuously improving its work environments. This indeed answers the question, although is not presented on the website as ICA's mission but as ICA's Corporate Responsibility Strategy. The corporate level expressed a similar view, how important CSR is for the company's survival, although not really as their contribution to the world but as a way of staying in business.

What is its reason beyond short-term profit: also as stated on their website, 'We want people to feel confident about the way we do business, so our work with sustainable development is an important part of our day-to-day activities; we call our approach to ethics and social responsibility "ICA's Good Business"'. Again, this is not presented as ICA's mission but under their social responsibility initiatives.

How does the mission motivate, inspire and guide employees: ICA's mission in a way motivates the employees, because as mentioned earlier, almost everyone said that ICA is one of the leading retailers in Sweden and by way of saying this, it shows that it inspires and motivates them coupled with the fact that they are unanimous into saying that they offer quality products and good service.

5.2 The answers to the research questions: A summary

Apart from being able to meet the purpose of this thesis, I have also found the answers for the research questions. These answers are summarized below:

1. What are the company's motivation or rationale for engaging in CSR initiatives?

ICA's CSR initiatives are motivated by their effort to meet the demands and needs of its stakeholders such as the customers, and their objective of staying in business and in order to meet its financial goals. These are the CSR motivating principles employed by ICA:

Stakeholder-driven CSR or negative-duty approach
Performance-driven CSR or utilitarian perspective

2. How are CSR values transferred or communicated internally?

The corporate level is vocal about the reason for ICA's involvement in CSR issues but this is not communicated effectively down to the store level. Attesting to this is the low level of employee awareness about CSR, and their total lack of idea about ICA's Good Business where CSR and other values are presented.

3. How do the employees perceive the company's CSR values?

Due to the low level of awareness, the perception of the employees about the company's CSR values is difficult to pinpoint. Although there is some slight mention of CSR-related activities, such as fairtrade that entails acceptable working environment at the production point, absence of child labor, etc., there is an apparent lack of understanding as to what CSR means to ICA, what CSR means to the society, how CSR affects their role as employees, and how their role as employees could affect CSR. This justifies my previous suggestion for an inclusion of a fifth barrier that affects employee attitudes and responses to IM – ineffective and one-way communication. It is not enough that a company considers CSR as core value and communicate it to the outside world. It is equally or

more important to first communicate it effectively in the internal sphere if these core values are to stand for and define the brand. This means that awareness through proper communication system is a prerequisite if the employees are to support the core values and finally live the brand.

The above shows that the thesis purpose is met: there is an obvious gap on the transfer or communication of values, with focus on CSR as core value, between the corporate level and the operational level.

What the corporate level claims as quoted below, has remained at the corporate level:

“So we said that these ICA Good Businesses should be the basis for everything and on top of that we could build our brand, our mission and our vision. So it is always in the bottom for us.”

Finally, the employees’ low level of awareness about CSR is not just due to the inefficiency of the transfer or communication of this value from the corporate level down to the store level, but also, or most importantly due to the fact that CSR in the first place is not ICA’s core value. CSR does not define *who* they are, because CSR is not their core value. Yes, there is no denying that ICA indeed engages itself with CSR issues and initiatives, but are these initiatives enough to justify calling CSR as their core value? The facts and findings of this study does not support this. Again, this is why ICA engages in CSR issues:

“Because we want to be a business that is present for a long long time, we want to be a sustainable company, we want to be perceived as responsible, we want to be perceived by our customers in the long run as a company that takes its responsibility because that is how we see is our survival for the long term.”

6. Conclusion

In this Chapter I will draw my conclusion based on the theories together with the results and analysis presented in the previous chapters.

For now we already know that despite criticism and skepticism on corporate social responsibility (CSR), the attention that this field draws has increased considerably over the past years, and that companies have varying reasons and motives for engaging in CSR issues. I would like to briefly reiterate some parts of the theoretical discussions earlier presented: the different principles motivating CSR, and core values.

The different principles motivating CSR are value-driven CSR (positive duty approach), performance-driven CSR (utilitarian perspective), and stake-holder driven CSR (negative-duty approach) are:

Value-driven CSR or positive-duty approach:

CSR is presented as being a part of the company's culture, or as expression of its core values; business may be self-motivated to have a positive impact regardless of social norms calling for CSR initiatives.

Performance-driven CSR or utilitarian perspective:

CSR is introduced as a part of the firm's economic mission, as an instrument to improve its financial performance and competitive posture; CSR can be viewed as a tool to help achieve its performance objectives defined in terms of profitability, ROI, or sales volume.

Stakeholder-driven CSR or negative-duty approach:

CSR is presented as a response to the pressures and scrutiny of one or more stakeholder groups; businesses are compelled to adopt social responsibility initiatives in order to conform to stakeholder pressures or norms defining appropriate behavior. (Maignan and Ralston, 2002)

Core values on the other hand, can be defined as all-embracing terms that sum up the identity of the brand as well as being the guiding principles for all internal and external building processes (Urde, 2001). Core ideology provides the thread that holds an organization together as it grows. Core values provide an answer to the question why a company exists, provide a dogmatic foundation for the organization and have meaning for those who work for or belong to the organization. (Apéria and Back, 2004). Core values link mission, vision, and organisational values in an internal brand building process (Urde, 2001). Values provide employees a frame of reference when they decide to act (Porras (1996).

Considering what the theories say, there are some requirements for an effective internal transfer or communication of values or core values.

Awareness is a prerequisite before understanding and support for values can be required or expected from the employees. At the same time, it is equally important to determine what these values are all about – the nature of what is communicated. This plays a vital role if the transfer of value is to become effective. If CSR is indeed a core value, then it is intrinsic in the company's culture. If CSR defines the identity of the company it could therefore facilitate the transfer of values, because it is something that the employees can associate with.

When communicating CSR as the company's core value, it should first meet some requirements. Companies need to go beyond engaging in CSR initiatives if they are to treat and claim CSR as their core value. CSR should be the basis of everything a company does, it should be what the brand stands for. CSR as core value, among others, should:

- Sum up the identity of the brand;
- Should define 'who' you are;
- Provide an answer to the question why a company exists;
- Provide a dogmatic foundation for the organization and have meaning for those who work for or belong to the organization;
- Provide the thread that holds an organization together as it grows;
- Provide employees a frame of reference when they decide to act.

The purpose of this thesis was to find a gap in the transfer or communication of values, specifically CSR core values, within a retail company – between the corporate level and the operational level. After a careful and detailed elaboration and analysis of the theories and empirical findings, it is found that there is indeed a gap in the internal communication of CSR values within ICA. The barriers in internal marketing as well as the dimensions and factors of success and failure in internal branding were presented and utilized in the previous chapters which facilitated the search for the gap in the internal communication of CSR values. The identified communication gap justifies my suggestion for an inclusion of a fifth barrier that affects employee attitudes and responses to IM – ineffective and one-way communication. Awareness through proper communication system is a prerequisite if the employees are to support the core values and finally live the brand.

Furthermore, this gap was not just due to ineffective internal communication but also due to the nature of *what* was communicated. This study revealed that CSR to be considered a core value requires more than a set of CSR initiatives. Not knowing the nature of what is being communicated, that is CSR as or being a core value, compounds the difficulty in transferring or communicating this value.

CSR as core value should be presented as being a part of the company's culture, or as expression of its core values; the company's self-motivation may be to have a positive impact regardless of social norms calling for CSR initiatives. This means that if the motivation for engaging in CSR efforts is as a response to stakeholder pressure or a way of increasing profitability, it is not a value-driven principle, rather a strategic principle. If

CSR is to be considered core value, it should have a value-based foundation, it should be a value-driven CSR.

To reiterate, this study reveals not only the need to identify other barriers in internal marketing (such as the recommended fifth barrier: ineffective and one-way communication), but also the need to identify the nature of what is being communicated. Communicating CSR core values would not be possible and effective if CSR, in the first place, is not a core value. Here is an illustration to elucidate this findings:

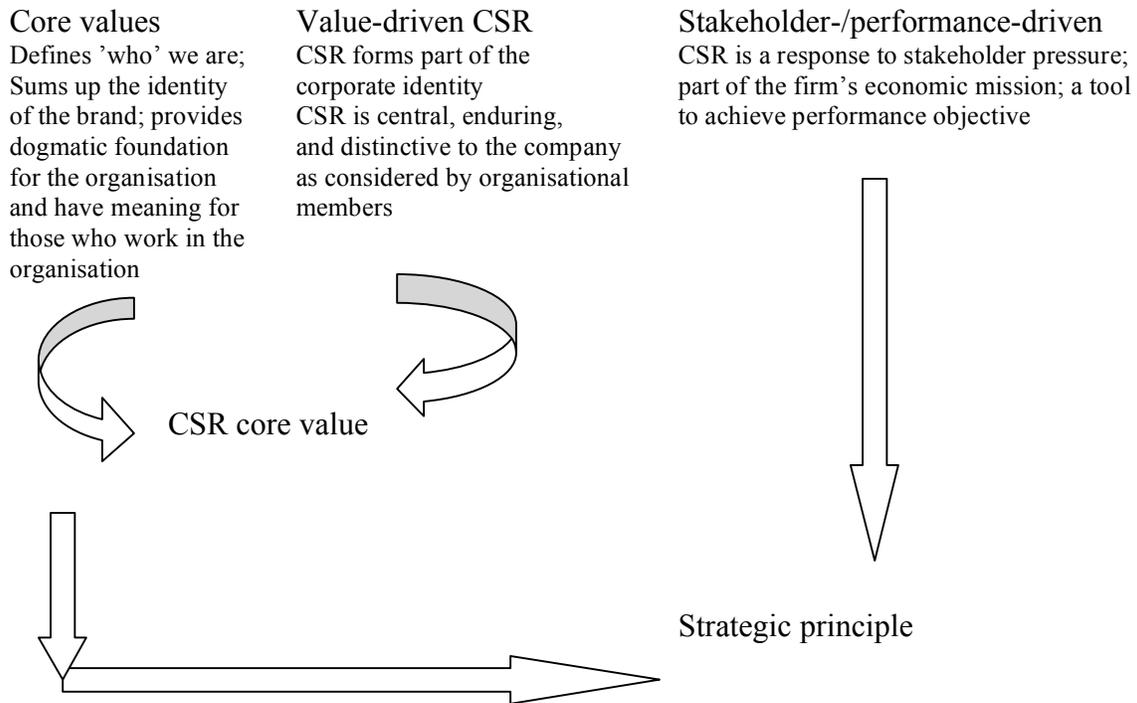


Figure 5: CSR core value
(source: author's own model)

6.1 Contribution

This focus of this study, CSR as core value, is relatively unexplored and has brought into attention what constitutes an effective communication of values and what type of CSR motivation justifies claiming CSR as core value. As a result, this thesis has produced three contributions.

The first contribution:

This thesis highlighted the importance of an effective way of transferring or communicating values from the corporate level down to the operational level. The corporate level's strong CSR standpoint remained within their level which made it a one-way agenda, due to ineffective internal communication. It is then shown that awareness is a prerequisite before support and commitment to the values can be expected from the employees. This has led to my suggestion for the inclusion of a fifth barrier that affects employee attitudes and responses to IM: Ineffective and one-way communication; which is the first contribution of this thesis.

The second contribution:

The discussions earlier have shown the importance of *how* something is communicated. This research has also brought into light that *what* is communicated is equally important. The success in the transfer or communication of values is dependent not only on *how* it is being done but is attributable as well to the nature of *what* is (or is not) communicated. Core values are supposed to define 'who' the company is. If CSR defines a company, it would be a natural part of the employees 'being'. Therefore, this research tells us that in general, failure in internal marketing or internal branding is not solely attributable to the ineffective process of communication but also to other factors involved. This study has particularly shown that the nature of what is being communicated is also a reason for the ineffective transfer of core values, which has equal weight and importance as to the way the communication is carried out. This means specifically that in order to effectively communicate CSR core values, a company should be certain that CSR is indeed their core value. For the case of ICA, CSR is part of their strategic principles through engaging in CSR initiatives, but (CSR) is not their core values. Accordingly, and advancing from the previous model/figure 1 *Core value internal communication process* used earlier, the illustration below shows how the communication process should be, if effective results are to be achieved.

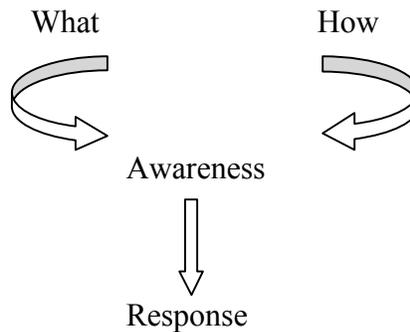


Figure 6: Communication process
(source: author's own model)

The third contribution:

This research has confirmed the theory that core value is something that is intrinsic to the organisation. It should be something that describes *who* they are and not where they are going. If CSR is to be considered a core value, it should be presented as being a part of the company's culture and is motivated to have a positive impact regardless of social norms, and not merely as a response to stakeholders or for profitability purposes. Following a positive duty view, CSR principles form part of the corporate identity; they portray values considered by organisational members as central, enduring, and distinctive to the company (Hooghiemstra, 2000, in Maignan and Ralston, 2002). In short, CSR should have a value-based foundation, and should employ value-driven approach as its principle motivating CSR, in order to be considered a core value.

What I have learned from this thesis is that intentions are not enough to be able to effectively communicate and claim a certain value. Proper two-way communication should be exercised in order for employees to live a value-based identity, and greater attention should be given to what a company wants to tell the world. A company, despite its good intentions, should be able to identify which certain claim finds legitimacy inside the organisation. Specifically, engaging in CSR initiatives is not synonymous to having CSR as core value. Different CSR rationale or motivations determines a company's intention for engaging in CSR issues. For the case of ICA, their CSR initiatives may be strong and commendable but do not constitute or qualify to be called as their core value.

6.2. Proposals for future research

In this thesis, I have investigated how values are transferred or communicated between the corporate level and the operational level. This study inquired about the motivations of a company for engaging in CSR initiatives, if CSR is treated as core value and how this is communicated internally. The main theories used are within the fields of CSR, core values and internal marketing/branding. As what other students and researchers recognize, I also acknowledge the importance of the role of human resources (HR) in an organisation, especially in all employee-related matters. I therefore encourage other students to include HR in further studies involving CSR as core value. Research on internal marketing of CSR core values from a human resources perspective would be an interesting and rich contribution:

- *How to make CSR define an organisation in a human resources perspective?*

In this thesis, I concentrated on one single retail company which made the study in-depth. It would be a good advancement for the topic to conduct further studies involving more retail companies in order to obtain a point of comparison for the purpose of knowing how CSR is employed by other (retail) companies.

Although CSR's popularity is continuously increasing, it is quite a challenge for companies to suddenly elect CSR as their core value. But since, in my opinion, embracing CSR would always bring good inputs regardless of the motivations or rationale behind its adoption – as in 'doing well by doing good', it would be interesting to find out how to make it possible for a company to embrace CSR and make it a part of its culture. It would then be an extension of my work. For instance, for companies that already focus on some CSR issues (such as ICA) – how could this help them in making CSR as their core value?

- *A managerial strategic solution into making CSR a core value*

Now that I have directed our attention to CSR as core value which means that it is a value-based principle, it would be very exciting and interesting to be able to read in the future other student's thesis that would deviate from Carroll's (1979) categories of corporate responsibilities such as economic responsibilities, legal responsibilities, ethical responsibilities, and discretionary where he focuses more on the economic aspect of CSR. A way of deviating from this is adopting and expounding what de Chernatony (2001:35) has said: "*A company's objective should be more than profitability, as this should be taken as a given, in the same way as you have to breathe to stay alive*" (in Apéria and Back, 2004).

- *Is there a 'real' CSR? CSR on a value-based perspective*
or
- *A value-driven CSR: A value-based corporate brand building*

Appendix 1

Questions	Store Owner/Manager	Store Employees
What does ICA stand for?	<p><i>One of the most popular brands in Sweden which means that there is a certain standard in both product variety and store concept.</i></p> <p><i>Safety, security, quality product, diversity. Customers can feel secure/safe that the products they buy from us are good and they would not get sick from.</i></p>	<p><i>Good price, accessibility, we stand for food, we have "Stig".</i></p> <p><i>What ICA stands for are modern, easy shopping, personal treatment, secure/safe to shop at, good quality product and service.</i></p>
What type of identity does ICA want to portray?	<p><i>I don't know what differs ... is it between the different ICA store sizes? It goes back to our suppliers, or our store size and in principle being able to find (in the store) whatever one needs. It's maybe about quality. Price comes also, if we are not the cheapest, at least we have value for money and we have the products customers want.</i></p> <p><i>Safety, security, quality, diversity.</i></p>	<p><i>To be perceived according to the business idea – easy for customers.</i></p> <p><i>No idea . . . same as what I said earlier: nice treatment to customers and good quality; a place where customers would like to come back to. Well, ICA's identity in general, I don't have an idea.</i></p>
Do you know ICA's Good Business?	<p><i>Not really. It's probably the store owner who have participated or knows about it.</i></p>	<p><i>No.</i></p> <p><i>No, but maybe those from 'Livs' Section (knows).</i></p>
Do you know ICA's core values.	<p><i>It is about purchasing synergies – appointed managers in different positions get directions to work with own stuff which they present to store owners. In the beginning, the whole ICA was to get products with good price but now it's about a lot more, especially that ICA has crossed over Swedish boundaries, that I can't explain.</i></p> <p><i>Same as ICA's identity and what ICA stands for: safety, security, quality and diversity.</i></p>	<p><i>Yes, ICA's business idea – making it easier for customers everyday. Core values are that we should be modern, easy shopping, give personal treatment, secure and safe to shop at; they can trust us, they feel being taken cared of. Good quality product and service, everything.</i></p> <p><i>No idea, it's not something we talk about here at all.</i></p> <p><i>I actually don't know. I think a little bit about environment, ecological products – I can't mention everything but this is what I, myself, stand for.</i></p> <p><i>No, I don't know.</i></p>
Do you know ICA's core values.	<p><i>It is about purchasing synergies – appointed managers in different positions get directions to work</i></p>	<p><i>Yes, ICA's business idea – making it easier for customers everyday. Core values are that we</i></p>

Questions	Store Owner/Manager	Store Employees
<p>How are the core values implemented?</p> <p>How do you do follow-ups?</p>	<p><i>We communicate through presentation materials but it's very seldom we have a single large meeting. We're open between 8-22 and we have no room that fits our size. We have a personnel folder that everyone can go through/browse.</i></p> <p><i>We don't do follow-ups. The receipt we get is how they perform on the floor.</i></p>	
<p>What is CSR/have you heard of CSR?</p> <p>What does CSR mean to ICA?</p>	<p><i>It has to do with customers and personnel. It has to do with the daily activities. How to respond to customers, possibility to create . . . when I employ, I take some type of personnel I want, which maybe adjusts/adapts to environment and how one works too.</i></p> <p><i>Child labor, suppliers taking responsibility.</i></p>	<p><i>No. (2x)</i></p> <p><i>I don't know. (2x)</i></p>
<p>How does CSR affect your role as the store owner/manager or store employee?</p> <p>How does your role affect CSR?</p> <p>Do you think it's good or what?</p>	<p><i>There always comes increased demand/requirement on the stores, how one acts, how one recruits/employs, employee rights and obligations – it increases all the time.</i></p> <p><i>A single store owner can't do anything, not much, I don't think so.</i></p> <p><i>I buy from ICA and I trust ICA. That with Indian food that came up – I trust ICA is going to take care of and other things that the media discovers. That with Chiquita banana, even for instance ICA stops buying, it wouldn't make any effect because Sweden is a small country.</i></p> <p><i>Of course it's good (referring to increased requirement) but sometimes it becomes a little bit of an exaggeration. It becomes too much, just this own control and the stores should have a lot of written documentation.</i></p>	<p><i>I don't know. (4x)</i></p> <p><i>I don't know. (4x)</i></p>
<p>How does CSR affect your role as the store owner/manager or store</p>	<p><i>There always comes increased demand/requirement on the stores, how one acts, how one recruits/employs employee rights</i></p>	<p><i>I don't know. (4x)</i></p>

Questions	Store Owner/Manager	Store Employees
<p>Have you/your staff undergone the obligatory e-learning training?</p> <p>Were ethical principles included?</p>	<p><i>We don't have most part of it. No, not any ICA version or anything like that.</i></p> <p><i>I haven't heard that term before. Yes, we have some web-based training courses about fresh products but not in those terms you said.</i></p> <p><i>There were some examples on ethical values in that course. Yes, there may have some simulation where one tries to solve a problem.</i></p>	<p><i>No. (4x)</i></p> <p><i>I don't know.</i></p>
<p>Q. for store owner/mgr: How do you find the communication line within ICA – from the HQs down to the stores?</p> <p>Q. for store employees: When you need to ventilate (on) something, does it feel you have the room or opportunity to do that (at the store level and HQs)?</p>	<p><i>I think it's okey. Often it's through the internet. If it's an important information that everyone needs to know, then we need to search for it ourselves. Sometimes we get mail from HQs, if not, it's my responsibility to go and check to keep updated.</i></p> <p><i>Apart from e-mail, it's catastrophe. One finds nothing, no structure on the net.</i></p>	<p><i>It feels that I have the opportunity (referring to ventilate concerns), that one can do that and it's okey. I can do that but wouldn't do that . . . because I'm loyal with Magnus, I feel good here that's why I'm loyal and I don't have reason to do that, even it's about a big case.</i></p> <p><i>Yes, to my immediate boss, I have confidence on Leif Persson, the store manager.</i></p> <p><i>No, I don't know that (that HQs encourage store employees to contact them if there is anything strange going on in the store that the employees can't address within the store level). No one knows about that I think. Who does one talk to? I would probably call ICA's main line.</i></p>
<p>Are the rules being communicated effectively? What do you think of all the ethical rules that need to be followed?</p>	<p><i>Like I said earlier, it's good with laws and rules but it can be too much sometimes.</i></p> <p><i>It ensures what is right, for ex. about racism. Yes, I think I share this view with other store owners.</i></p>	
<p>Are the rules being communicated effectively? What do you think of all the</p>	<p><i>Like I said earlier, it's good with laws and rules but it can be too much sometimes.</i></p> <p><i>It ensures what is right. for ex</i></p>	

Questions	Store Owner/Manager	Store Employees
<p>What is the common feeling or view the employees have about ICA, the system, CSR and their role as employees?</p>	<p><i>I think they feel okay/good. ICA is a big and trustworthy company. The fact that it has existed for a long time and it develops all the time, we work according to rules and laws. I hope that because of these, the employees feel that what is centrally controlled is good. When it comes to the store, it can't be considered or said 'ICA' – rather it's in the end my responsibility to take care of the individuals.</i></p> <p><i>It's difficult to say, they probably see ICA as a huge company, a secure place. I think when they think about 'ICA' it's about the service, customer response/treatment, ways of being. We see ourselves as a separate company, they see themselves as 'Maxi' employees. ICA as an organisation is built with structure, value and vision. Big issues as sexual harassment, racism and the like are perceived/considered by personnel as 'ICA' but otherwise it's 'Maxi'.</i></p>	<p><i>Feels good and secure, they take care of the employees. I'm a part of the organisation.</i></p> <p><i>I'm satisfied, good working hours. Being ICA or Maxi doesn't matter to me. I shop here because I think it's a good store, but I can also go to Konsum, I can work at Konsum if it has changed name so to speak.</i></p> <p><i>Yes, (ICA and the store) should stand for the same thing. I'm an ICA employee.</i></p> <p><i>No, it's not one and the same ICA because I get my salary from Special AB. It doesn't feel we are one and the same family.</i></p> <p><i>I like it as it is now; not striving for higher position but opportunity to grow is there.</i></p> <p><i>Very good, I'm proud about ICA. I'm a loyal ICA customer because maybe I'm an employee. We need more camaraderie, more often personnel party. It feels the same between HQs and Maxi - I feel more sense of belonging with 'Special'* in Helsingborg. We talk with the same language.</i></p> <p><i>*Special – is the name of the non-food section in ICA Maxi store</i></p>
<p>What is the common feeling or view the employees have about ICA, the system, CSR</p>	<p><i>I think they feel okay/good. ICA is a big and trustworthy company. The fact that it has existed for a</i></p>	<p><i>Feels good and secure, they take care of the employees. I'm a part of the organisation.</i></p>

Questions	Store Owner/Manager	Store Employees
<p>How do you pull your staff together into one same direction that ICA wants to reach? How do you inspire your employees to support the organisation's common goal?</p>	<p><i>I look around to see what I can help them with. Give praise when they do well and also constructive critique, but not until it's obviously wrong or the person knows it's wrong – there maybe reasons why something is not how it should be. It's also about working environment, I'm also responsible to see to it that people who work together can work together and they feel okey.</i></p> <p><i>It's mostly that I pull a direction that I want to have. I have an AB (aktiebolag – limited company) and I talk most about my guidelines or objectives. It's slightly towards ICA way – it's included but mostly it's my own objectives. We have management meetings where we discuss our goals.</i></p>	
<p>What do you think of those involved in the meat incident?</p> <p>Why did they do it even they knew of the new law?</p> <p>Do you think they are aware of its effect on everybody within ICA?</p>	<p><i>It's slightly about information . . . after all it's about an old rule that . . . Before it was okey for one to decide on the quality of meat packages – "I'm the meat expert, so I can do this": I take it up, smell it, look at it, this is okey, this I can sell. This was allowed before, around 10 years ago. They continued doing it even the new directives have taken effect . . . they just closed their eyes and hoped everything would work until one gets discovered/busted. They probably didn't think ahead, they damaged the whole ICA but they are not representative of all the 2300 ICA stores.</i></p> <p><i>I don't think it's an intended cheating, not as what the media says. It can be the culture in some places because that's how what people did before. It could be because of lack of knowledge – it's negligence.</i></p> <p><i>To earn money. There's a difference between throwing stuff or be paid for stuff.</i></p>	<p><i>It doesn't feel good. It feels like it's about insufficient knowledge by those who were involved; and I also think maybe their intention was not that anybody would get sick.</i></p> <p><i>For money, that's what everybody say. I don't find any other reason. Greed.</i></p> <p><i>To earn money, save some money, stinginess, they didn't want to throw the meat, it's money.</i></p> <p><i>It has been going on for a long time. It's a practice but I don't think they have put people's health to risk. It's about money. It depends from person to person. It affected everyone but I don't think they intend it that way.</i></p> <p><i>They definitely know about the law but they haven't thought it well – haven't considered they could be discovered; they thought only about the present. Didn't think it would affect everybody. It felt bad, we were embarassed.</i></p>
<p>What do you think of those involved in the meat incident?</p>	<p><i>It's slightly about information . . . after all it's about an old rule that . . . Before it was okey for one to decide on the auality of</i></p>	<p><i>It doesn't feel good. It feels like it's about insufficient knowledge by those who were involved; and I also think maybe their intention</i></p>

<p>What can be done to avoid this?</p>	<p><i>There isn't much that can be done. There's always possibility for those who don't obey the law and regulations. We don't want more rules and regulations, we have enough. But I don't want more people from the government coming to the store everyday. For those who cross the line, they probably would do the same because there would always be someone who doesn't adapt/adjust himself.</i></p>	<p><i>It's difficult for the management to sit and check every store how they handle the products, but somehow it's about trust, and they have abused that trust. They can come and do better control/audits.</i></p> <p><i>No, one can't be so sure, but I think that those who cheated have totally shun away from ICA's policies and rules and everything.</i></p> <p><i>It can't be improved. We should trust ICA and buy the pre-packed meat.</i></p> <p><i>There's a need for more audits. They need to educate people – there is a lack of education. We are an environment (conscious) store but I'm not sure if we live up to it.</i></p>
<p>Would increased ethical values among employees and owners help avoid a similar incident?</p>	<p><i>Of course it could be good to head towards that direction but if it's about depleting what is wrong – it will never happen.</i></p>	<p><i>No, it's because they were greedy. (Follow-up question: Don't you consider greed related to ethical values?) Yes, one can maybe consider it that way.</i></p> <p><i>No, it depends from person to person.</i></p> <p><i>It should be about ethical values.</i></p>
<p>What is the HQs's responsibility on this?</p>	<p><i>No, it's not their responsibility. It's every store owner's responsibility.</i></p>	

Appendix 2

ICA operational strategies:

- **Utilize economies of scales by coordinating central functions and concepts** ICA will coordinate central functions and concepts at the Nordic level to take advantage of synergies between companies. The efficiencies that are gained will be largely reinvested to prevent price increases.
- **Locally adapted concepts** While utilizing its scale to coordinate and take advantage of synergies, ICA will continue to adapt its local offerings to customer demand. These local adjustments can be made by the individual retailer or through concepts designed for different geographic markets.
- **Price and assortment** ICA will focus on cutting prices while enhancing its product range and improving efficiencies to give customers what they want.
- **Format strategy** The ICA Group has adopted a strategy for consisting of four formats: hypermarkets, supermarkets, convenience stores and discount stores.
- **New stores and renovations** ICA will open new stores and renovate the existing units. By improving the store network and its offerings, ICA will meet a variety of customer needs.
- **Offer an attractive product range focusing on private labels, fresh foods and non-foods** ICA will continue to emphasize fresh foods, non-food items and private label products. The Group's range of private label goods gives the customer greater choice, high-quality and lower prices. These measures will increase sales and profitability for both retailers and the Group.
- **Corporate responsibility** ICA will maintain a strong local presence wherever it operates. The Group will contribute to a sustainable society by minimizing the impact of its operations on the environment and taking responsibility for the conditions under which its own products are produced. Moreover, ICA promotes the health of customers and employees by offering safe and nutritious products and continuously improving its work environments.

Appendix 3 – The Global Compact

The Global Compact's ten principles for corporate responsibility
Businesses should:
1. Support and respect the protection of internationally proclaimed human rights in areas they can impact.
2. Make sure that they are not complicit in human rights abuses.
3. Uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Eliminate all forms of forced and compulsory labor.
5. Effectively abolish child labor.
6. Eliminate discrimination in respect of employment and occupation.
7. Support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.
10. Work against corruption in all its forms, including extortion and bribery.

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