Corporate Social Responsibility - A case study about how to improve a company's CSR work.

MÖLNLYCKE
HEALTH CARE

Acknowledgments:

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Abstract

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Title: Corporate Social Responsibility - A Case study about how to improve a company's CSR work.

Background: Since the start of the twenty-first century it has become very important for companies to act in a responsible manner, in guides of CSR. The idea is that companies have more responsibilities than to achieve a higher profit for their shareholders. They should also care about the society and act in a responsible way.

Problem discussion: Problems concerning CSR are that the internal part of the sustainability work has not encountered the same level as the external part of the sustainability work. Companies are today struggling with implementing CSR into their business strategies.

Research questions:
   1. What does a company has to consider when working with CSR?
   2. How can management control systems help the implementation of CSR into the organisation?

Purpose: The purpose of this thesis is to examine what a company has to consider when working with CSR and how management control systems can help the implementation of CSR into the organisation. The intention is that this thesis will constitute an input for how Mölnlycke Health Care can continue their further work with developing CSR.

Delimitations: This thesis focuses on one company, Mölnlycke Health Care, and how they can improve their CSR-work within their organisation.

Method: The research is carried out through a qualitative research approach, with the primary data collected through interviews.

Conclusions: Important to consider when working with CSR is that the initiative has to come from the top and be communicated throughout the organisation. Further, the company studied in this case, has to identify its external stakeholders needs, in the process of evolving the CSR work. Moreover, in the process of implementing CSR into the organisation and the business strategies, management control systems can be used. By first identifying the stakeholders' interest and then creating goals, the company reduces the risk of creating wrong goals. It is in the implementation process important to use both formal measurement and informal control in the implementation process.

Suggestions for further research: It would be interesting to further study if the results presented in this thesis would be different, if inputs from interviews with external stakeholders had been included in the research.

Key words: CSR, stakeholders, benchmarking, management control systems, strategies and sustainable development.

Table of content

1. Introduction

This chapter presents a short background of CSR, and the increased importance for corporates to contribute to a sustainable development. It discusses problems that can occur when adopting CSR and difficulties to implement it successfully within the business strategy, introducing stakeholders and benchmarking. The chapter continuously include research questions, purpose of this study and ends with delimitations.

1.1 Background

The way for companies to think in a social and environmental manner, also known as corporate social responsibility (CSR) started in the 1960s and beyond. The idea of CSR is that companies have more responsibilities than to achieve a high profit for their shareholders. They should also care about the society and act in a responsible way. (Carroll & Shabana, 2010)

It was not until the end of the 1980s and the publishing of the Brundtland report, which was written by the World Commission on behalf of the United Nations, however, that the debate about sustainability started for real. The report became a starting point for the world's environmental organisations when it introduced the term "sustainable development". Sustainable development is a more general definition and guiding of sustainability, it is defined by the Brundtland report as;
"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs". (Our common future, 1987)

Sustainable development has three dimensions, social, environmental and financial, which are interdependent. The social part includes how to increase human welfare and fairness around the world. The environmental part focuses on how to minimize global warming and the emission of carbon dioxide in an attempt to slow down the Greenhouse gas effect. The financial part focuses on maintaining a long-term economic profitability while addressing social and environmental issues. Another focus is on how to achieve a more equal economic growth than if not a sustainable perspective is adopted. (GEO4, 2007)

Therefore, there are many similarities between the concept of "sustainable development" and "CSR", because CSR concerns how organisations should act in order to contribute to a sustainable development. (Larsson and Ljungdahl, 2008:12) The concept "Sustainability" is often used as a synonym to CSR when speaking to the broader audience (Kassel, 2012).

Since the start of the twenty-first century it has become even more important for companies to act in a responsible manner, in accordance of CSR (Adams and Zutshi, 2004). Dominique Ménard, a partner at PWC (2013), says; "the emergence of social values in business is no passing trend. It is a response to the current growth pattern that is putting people and ethics back at the heart of business" This investigation highlights the importance for companies to acknowledge and engage in CSR.

1.2 Problem discussion

CSR issues are something necessary to most organisations today as well as to put emphasis on CSR, even though many still see it as a cost instead of an opportunity, an investigation by PWC shows. The main issue for companies today is how to improve their work with CSR simultaneously as increasing shareholder return. (Hart and Milstein, 2003) One of the biggest challenges with CSR is the paradox of improving environmental, social and financial goals at the same time. In the long-term, social and financial initiatives benefit each other, but in the short-run, they are instead often conflicting with each other, as they are using the same resources. CSR related decision-making is therefore often seen as a trade-off the company has to make to achieve a more sustainable organisation. If managers feel controlled by financial goals in their work, they are less willing and enthusiastic to engage in social and environmental goals at the risk of not meeting set financial goals. Therefore it is important that managers are provided the opportunity to set and follow other goals than financial. (Epstein, Buhovac and Yuthas, 2010)

During the last decades different external frameworks and guidelines have emerged, such as GRI, global compact and ISO 26000. These frameworks and guidelines have been developed to improve companies reporting and transparency towards their stakeholders. Communication to the company's external stakeholders is an essential part for companies to receive the benefits, which adoptions to a CSR perspective provide. Although the external part of the sustainability work has grown and become something that many companies engage in, the internal part of the sustainability work has not encountered the same level. Companies are today struggling with implementing sustainability and CSR into their business strategies. Today, there are very limited frameworks of implementation for companies, as working with CSR is something relatively new and not regulated by law. The implementation is therefore in many ways challenging for companies, since there is no right way of approaching it. (Durden, 2007)

In the process of approaching and implementing CSR issues into the business strategies it is important that the main stakeholders are identified early in the process, in order to make the implementation successful. It is important that the companies are not only focusing on the needs of the shareholders, but also on other stakeholders. Otherwise the company´s right to operate can be questioned, as customers, suppliers and society feel neglected. Today also involving non-governmental organisations, shorten NGO´s, are important to companies, as their ability to effect has increased significantly. For CSR to be profitable the company need not only to know, but also to meet, its stakeholder needs. One challenge is to find a balance between what is the most important to the company and what the stakeholders find most important. Difficulties with CSR are not only limited to find out what the stakeholders are requesting, it is also to transform those needs into strategies and policies and then implement it into the organisation (Weber and Marley, 2010). It is equally important to involve the stakeholders in the process of the CSR work and strategy making. By involving the stakeholders both the company´s and the stakeholder´s needs can be better met. (Durden, 2007) A relevant question that has to be answered is, who are the organisation's main stakeholders?

Research also shows that in areas concerning sustainability and CSR, benchmarking can be a helpful tool, which companies can use in order to improve its CSR work. Important CSR issues can be identified and examined by looking at how competitors and other successful

companies are working. By adopting relevant parts from the benchmarking and transform it into the company's own strategies and policies, the company may improve its sustainability work. However, difficulties can occur with benchmarking, both about determination of suitable companies to benchmark but also to obtain the right information and inputs from other companies. Even though CSR issues are something that companies intend to be transparent about, information regarding how companies are working with implementing CSR into their business strategies, might be hard to obtain. Benchmarking is, however, still an effective tool to use in order to receive new ideas that other companies are using successfully. The information received from the benchmarking can then be transformed and implemented into the company´s own business. (Pojsek, 2010) An interesting question to answer is therefore, what have other companies done to become successful in their work with CSR issues?

In order to implement CSR issues, within the business strategies in a successful way, a useful tool to apply is management control (Durden, 2007). Management control consists of all systems a manager use to ensure that the employees are acting in the organisation's best interest (Merchant and Van der Stede, 2012: s 6-13). Durden (2007) has created a framework showing how a company can integrate management control systems and CSR goal. However, reviewing management control from a CSR perspective, there are many difficulties that can occur. According to Durden (2007) it is important for companies to have a strong stakeholder focus when creating strategies and policies, to deal with this problem a company can use an appropriate management control system that control and evaluate the employees and their work. The framework emphasise how important it is for companies to find and connect their stakeholders with their CSR goals, in order to create CSR outcomes. (Durden, 2007)

Mölnlycke Health Care, the company studied in this thesis, is a company that has initiated their work with CSR. They have introduced a new brand concept "Life. Proud to be part of it", which will be a part of their way to improve the CSR work. This project is however, still at a starting point and what Mölnlycke Health Care strives to accomplish is to take this concept and move on to the next level. By next level Mölnlycke Health Care means that the company wants to find the right ambition level. At present the ambition level is far from what it should and can be according to Mölnlycke Health Care. When writing this thesis we were appointed an assignment and a contact person at Mölnlycke Health Care, who would introduce us into their CSR work.

1.3 Research Questions

This thesis examines how a company can proceed in the work with CSR within the organisation; focus is on finding and formulating strategies, which the stakeholders inquire for. Thus, the following research questions will be examined:

1. What does a company has to consider when working with CSR?

2. How can management control systems help the implementation of CSR into the organisation?

1.4 Purpose of this study

The purpose of this thesis is to examine what a company has to consider when working with CSR and how management control systems can help the implementation of CSR into the organisation. The intention is that the thesis will constitute an input for how Mölnlycke Health Care can continue their further work with developing CSR.

1.5 Delimitations

This thesis focuses on the company Mölnlycke Health Care and how they work with CSR issues. In this thesis no interviews or surveys are conducted with external stakeholders, such as customers, suppliers or governments. Their opinions and needs do instead emerge from interviews with internal stakeholders.

2. Methods

This chapter presents how this thesis has been conducted, the research approach, how the company was chosen, a review to the approach for the interviews and also how the data was collected is included in this part. This chapter ends with the weaknesses of the thesis.

2.1 Research Approach

The most suitable method to conduct this study has been by combining qualitative data, from the interviews, with qualitative content analysis from documents, articles and literature. The choice of a qualitative study was made, as the result of the study does not have a given answer. Using quantitative data means measuring and collecting data through pre decided forms, for example with questions on a scale 1-10. Seeing that this thesis and the subject that it examines do not have right or wrong answers, the use of qualitative data was decided. When collecting qualitative data no pre stated answers or results are used, instead the outcome of the research is based on given information. (Jacobsen, 2006: 91-133) This thesis also consists of a case study, which can be described as a study that can be limited in time and space and focuses on one unit (Jacobsen, 2006: 95-98). This case study focuses on the company Mölnlycke Health Care. It will examine what Mölnlycke Health Care could work with considering CSR and how they with management control systems, could implement it into the organisation.

2.2 Methods of data Collection

2.2.1 Selection of company and interviews

In the process of choosing a company to study for this thesis some requirements were set by the authors. The company should preferably be Sweden based, this to enhance the chance of contact with higher-level managers, the company should also preferably be in the manufacturing business and have initiated their work with CSR. Already before, in the starting process of this thesis the company Mölnlycke Health Care came up as an option to contact, as one of the authors has been working at the company before. Mölnlycke Health Care also met all the set requirements, an email was therefore sent to the director of Legal, Regulatory and Quality Affairs, who the author also had been in contact with before. Due to the workload at the company, an initial meeting was decided and conducted during the fourth week of the thesis. In the meeting discussions were made about further cooperation and a sponsor input was provided to the authors containing information about Mölnlycke Health Cares expectation of the thesis, and also what support the company could provide to the authors. Weekly meetings were set up with the contact person, from the Legal, Regulatory and Quality Affairs department, appointed by the company where the authors were provided with the opportunity to ask questions and gain access to company documents, such as ISO 26000, sustainability reports and code of conduct. The authors were also provided the opportunity to sit at the Gothenburg office and write the thesis.

The study is based on the work already done by Mölnlycke Health Care considering CSR. What will be examined in the study is how the company is acting and working today, resulting in what they can do to become better and more committed going forward. In order to

conduct the thesis the input of the company's stakeholders were required. To find out what the stakeholders require ten interviews were set up with internal stakeholders within the organisation. The results of the interviews represent the primary data of this study and provides the basis for our empirical discussion and furthermore the analysis.

2.2.2 Interviews Approach

Mölnlycke Health Care is today divided into two divisions, Wound care and Surgical. Each division has their own departments of manufacturing, sales, marketing and R&D. They have also joint departments of Human Resources, Finance, Central IT, Corporate Communications, Corporate Development, Supply Chain Management, and Legal, Regulatory and Quality Affairs.
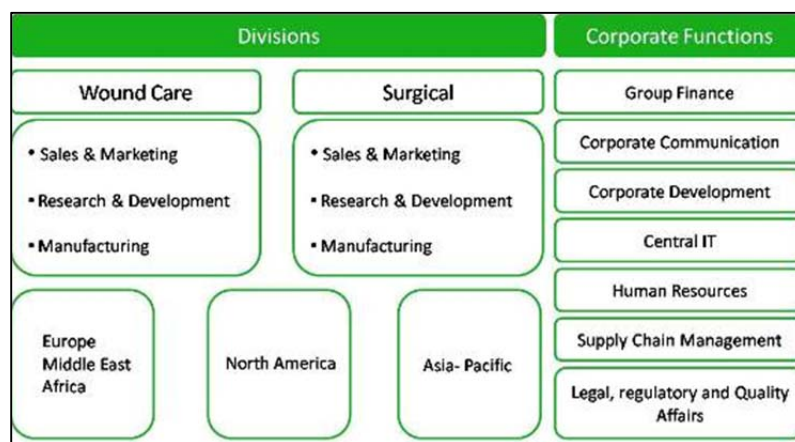

Figure 1. Organisation structure (Mölnlycke Health Care, 2013)

The provided work assignment from Mölnlycke Health Care included the implementation of interviews with concerned people and the company itself had therefore preselected the interviewees. The interviewees were people from the two divisions Surgical and Wound care, with global responsibility within the areas of market, sales, production and R&D. The interviewees were also from the department corporate communication. The interviews were conducted in both Swedish and in English, at the Mölnlycke Health Care headquarter office in Gothenburg. Due to heavy workload and the thesis being written closely to Christmas, three interviews were not possible to conduct. The interviewees missing were from the department's sales and production. Before the interviews were conducted an interview guide was made. The guide was made by looking at Durden´s (2007) article and an old thesis about CSR, provided with useful inputs to formulate the questions. The questions were then sent to the respondents in advance, to provide the respondent the opportunity to prepare. The interview guide also informed the interviewees that the interview would be recorded, with their consent, and that the interviewee´s identity would be anonymous in the thesis. This was done to prevent the interviewee´s from containing sensitive information. Numbers from 1-7 therefore mentions the respondents throughout the thesis. The interviews were conducted with one respondent at a time, with one author asking questions and the other author writing down the answers, all interviews were approximately 45 minutes long. The interviews where conducted between 13th of December and 17th of December.

The interviews consisted of primarily standard questions that were asked to all interviewees, which was complemented by area specific questions to the respondents. The questions were semi open, so that the respondent's answers would be open. (Jacobsen, 2006: 162-163) Follow up questions were asked when needed. Due to the interviewees having different competence and knowledge in the area of CSR, some found it hard to answer all the provided questions. New questions were therefore also formulated during the interviews in order to cover as much as possible.

Because the interviews were conducted late in the process no transcriptions were made, information from the interviews has instead been written and collected during the interviews. Since the interviews were recorded the authors could, when needed, listen to the recordings to complement missing parts from the interviews.

2.2.3 Secondary data

Throughout this thesis secondary data has been used to a large extent. The secondary data consist of two different parts; one consisting of preformed benchmarking towards two companies and the second one consisting of gathered information from articles. According to Jacobsen (2006) secondary data is data collected by others in another purpose than what is later examined.

In the sponsor input, provided to the authors, requirements of conducting benchmarking towards other successful companies were expressed. Benchmarking has therefore been done to receive valuable inputs and information about what are best practices for CSR. In order to find relevant companies to benchmark the Dow Jones sustainability index was evaluated. The company with the highest index from the Pharmaceuticals, Biotechnology and Life Sciences industry 2013 and also the health care industry between 2009-2012 was chosen, Roche. In addition the company 3M was chosen, which is one of Mölnlycke Health Cares competitors and was proposed by our contact person at the company and also through some of the interviews. Collection of data has mainly been gathered through the benchmarked companies websites, sustainability reports and also their annual reports.

When gathering data for the theoretical framework the following online databases were used: GUPEA, Libris, Retriever Business, Emerald, Science Direct, Business Source Premier and JSTOR. Search words used were, among others: "CSR", "corporate social responsibility", "management control", "benchmarking", "stakeholders" and "CSR and strategies". The chosen articles were all published in professional magazines and academic journal.

2.3 Weakness of the Thesis

A weakness with the thesis is that interviews only were conducted with internal stakeholders. Due to the interviewees varying knowledge of CSR, the result of the primary data could be questioned. With this taken into consideration not the result of the study is questionable, but its applicability towards other studies could be considered. Another weakness of the study is that the external stakeholders requests were collected through the interviews with the internal stakeholders. This enhances the risk of subjectivity in the provided information and has been taken under consideration in the study. A possible risk with the thesis is that most of the interviews have been conducted in Swedish, and quotes have therefore been directly translated from Swedish to English by the authors.

3. Theoretical framework

This chapter provides a description of the different theories concerning CSR, models and areas concerned in this thesis, which have been divided into four parts. This theory is provided to understand the subject of this thesis. In the first part the concept CSR is thoroughly presented, followed by introduction to the different concepts stakeholders, benchmarking, and ends with frameworks for implementing CSR.

3.1 CSR

3.1.1 Introduction to CSR

Corporate social responsibility (CSR) has grown significantly in importance during the last decades. The idea behind is that corporations should not only care to enhance the shareholders return, they should also take responsibility and act in a responsible manner towards the environment and people. Many companies, especially multinational ones, have to improve their engagement in CSR and reconsider how to establish it into the every-day operations (Carroll & Shabana, 2010).

CSR can be explained as: "The integration of business operations and values where by the interest of all stakeholders, including customers, employees, investors, and the environment are reflected in the organisation's policies and actions". (Smith, 2002: 42)

And also: "Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large". (World business council for sustainable development, 1998)

CSR can be described in various ways, the meaning may shift depending different things in different places to different people, and at different times. For instance, historically during the industrial revolution, it may have been considered to have CSR by reducing the work day from fourteen hours to ten, but today it would be almost unthinkable to work more than eight hours in an advanced capitalist country, if not overtime compensation are paid. (Campbell, 2007) However, according to an investigation made by Dahlsrud in 2006, who has examined the characteristics behind 37 of the most frequently used definitions of CSR from articles and different websites. CSR can be referred to include five different dimensions, environmental, social, financial, stakeholders and voluntariness. The environmental dimension focus on reducing the environmental impact and to integrate an environmental concern into business operations. The social dimension focus on contribute to a better society, integrate a social concern in the business operations and also consider the business's all impacts on the community. The financial dimension has a main focus on contribution to economic development and also preserving profitability in the business operations. The stakeholders dimension has a focus on the business interaction with its stakeholders, which means how they interact with suppliers, employees, customers and communities and how they treat them. The last dimension voluntariness has its values based on ethic and the main focus is on how the company want to act beyond legal obligations. Dahlsrud summarizes in a conveniently way through his examination, what different dimensions organisations and companies nowadays mean are included in CSR. He also concludes that the challenge with CSR is "to

understand how CSR is socially constructed in a specific context and how to take this into account when business strategies are developed". (Dahlsrud, 2006)

3.1.2 Motives for adopting CSR

According to the still current article of Adams and Zutshi's (2004) there are two key drivers why a corporation should act in a responsible manner. One is their power and ability to actually affect the society and environment. As multinational companies increases in size, it provides them not only larger influence on other companies, but also on governments. This is an important reason why corporations should set an example and behave in a responsible manner. The second reason is that acting in a responsible way is also of interest to the company itself. It will improve the company's image and make the company reduce its costs by installing better internal control systems, which will improve the decision making within the organization, as risks will be more evaluated. (Adams and Zutshi, 2004)

According to the two accounting firms EY and PwC (2013) the importance of CSR have increased during the latest years, and will increase even more in the future. As a result from the global financial crisis of 2008-2009, new tougher regulations have to be set by the government to avoid forthcoming crisis. (EY, 2013)

"Our research highlights that companies are increasingly aware of issues such as the environment and corporate social responsibility (CSR), as well as of immediate problems such as tightening regulation. Post crisis, they will find themselves needing to listen and engage with a wider field of stakeholders than their shareholders alone" (EY, 2013).

A result from the increasing involvement of government's is higher regulations and requirements on companies. Adoption to CSR issues is not only important for organizations to avoid penalties from the regulators; also it is important to satisfy stakeholders and the society's perception. EY has listed "the top ten risks and opportunities in 2013 and beyond" and they have also made a forecast for 2015. In their report "Leveraging CSR and public confidence" is new on the "opportunity ranking" for 2013, placed as number eight, and it will raise its position to be number seven in 2015. EY's investigation highlights the importance of CSR and the opportunities for companies, which choose to adopt it. As written in the report "This is especially true in rapid-growth markets, where such activities can be an integral part of receiving a license to operate" (EY, 2013:24). In addition, it appears in the report that investors require greater transparency regarding how companies are handing their environmental and social issues, as it may affect the company's long-term view. (EY, 2013: 24-26)

Although a common obstacle with CSR work is that it is often associated with higher costs and lower return. According to Ménard (2013) a partner at PwC, there are numerous of financial opportunities with CSR when integrating it within the organization. These include a higher quality and consistency in decision-making processes with a better system for anticipation and management with risks. This will both increase the company's productivity and innovative ability. The company's competitiveness towards other companies will improve, and it will also give the company a positive image. Benefits also include making the company a more attractive employer, which will be both motivating and help retain competent employees. To adopt a CSR perspective can also reassure investors. (PwC, 2013)

3.1.3 External frameworks and guidelines of sustainability reporting

According to Dahlsrud (2006) one of the biggest challenges with CSR is that it does not provide any guidance on how corporations and their managers can adopt and integrate CSR within the organization's business strategy (Dahlsrud, 2006). However, different external frameworks have been constructed for companies as a tool to help them find suitable CSR parameters to focus on and also provide guidance for companies to formulate a report where the information can be available externally to stakeholders (Durden, 2007).

GRI or Global Reporting Initiative was founded in 1997 as the world's first official external Sustainability Reporting framework. Since the introduction, the guidelines have gained a large acceptance around the world and GRI is today the leading frameworks on sustainability. The intention with GRI is to provide organizations with guidelines, in order to measure, understand and communicate their sustainability work to the organization's stakeholders. When using the GRI guidelines, the organization can achieve a score by three different levels A, B or C and also with a + after, which means the report is externally assessed by an accounting firm. A is the most advanced level, B is the middle level and C is the basic step. (Global reporting initiative, 2013)

ISO 26000 is developed by the International Organization for Standardization and unlike regular ISO certifications, ISO 26000 does not give any certificate. Instead, it provides companies with guidance concerning corporate social responsibility and about how to contribute to the sustainable development. (International Organization for Standardization, 2010)

Global compact has been developed by the United Nations and is today the world's largest initiative on corporate citizenship. It is a principle based frameworks for business and it consists of ten principles in the areas of human rights, labour, anti corruption and environmental issues. The principles encourage corporations around the world to participate and adopt sustainable and socially responsible issues in order to work toward "the vision of a sustainable and inclusive global economy, which delivers lasting benefits to people, communities, and markets". (United nations global compact, 2013)

Dow Jones Sustainability Indices shorten DJSI is "the world's largest global resource for index-based concepts, data and research" (S&P Dow Jones Indices, 2013). Their sustainability index is made in collaboration with the RobecoSAM, and the main purpose is to identify and rank the top business within every industry concerning their sustainability work. The assessment provides information to other companies, what key sustainability issues to consider in order to improve their own work. (Dow Jones Sustainability Indices, 2013)

3.2 Stakeholders and CSR

In a company´s work with CSR questions one very important aspect is the stakeholders. Who they are and what they require. For the CSR work to be successful the identification of the stakeholders are extremely important to the companies, also a deeper understanding of the definition of a stakeholder is needed. (Gjerdrum Petersen, 2011) Carroll and Bushholtz (2000) describes a stakeholder as:

"An individual or a group that has one or more of the various kinds of stakes in a business. Just as stakeholders may be affected by the actions, decisions, policies, or practices of the business firm, these stakeholders also may affect the organization's actions, decisions, policies, or practices. With stakeholders, therefore, there is a potential two-way interaction or exchange of influence" (Carroll and Bushholtz 2000: 65-66).

In an influential and still current article on stakeholder theory, Donaldson and Preston (1995), discuss the distinction between a traditional "input-output model" with "the stakeholder model". It describes differences in the value creation process.
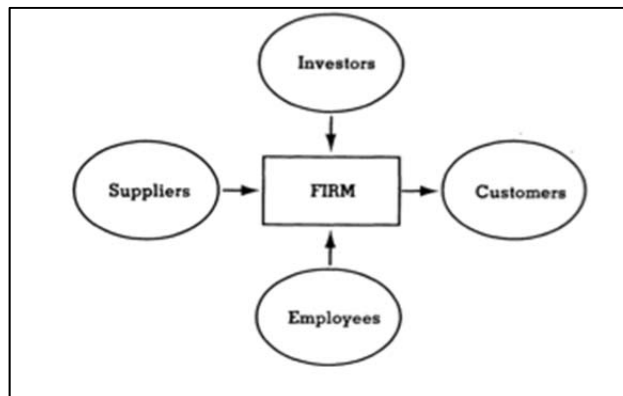
Figure 2. Input-output model (Donaldson and Preston 1995)

In the Input-output model the firm transform the supplied goods into products to its customer, who in this process are the real winners, shown by the arrows going in just one direction. The customers are the winners since they through this process and perspective receive the lowest possible price. (Donaldson and Preston, 1995)
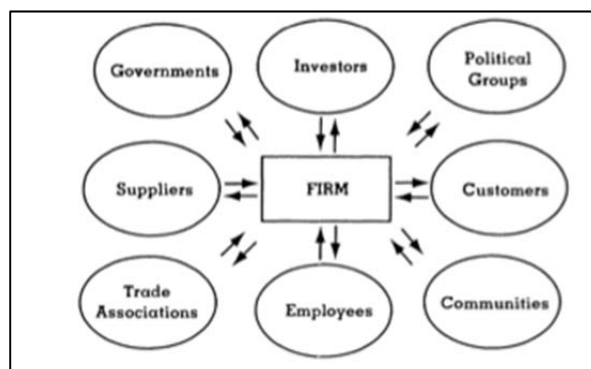
Figure 3. The stakeholder model (Donaldson and Preston 1995)

By instead using the perspective of the stakeholder model every stakeholder interest is included, seeing that the arrows go two ways. The stakeholder model argues that all

11

stakeholders with legitimate use are equally important and that they all want to gain from doing business (Donaldson and Preston, 1995).

According to Lawrence and Weber (2008) you can divide stakeholders into groups of primary and secondary stakeholder. Primary or so called market based stakeholders are the employees, customer and shareholders, the secondary or nonmarket based stakeholders are the media government agencies and community activist groups (Lawrence and Weber, 2008). Mitchell, Agle and Wood (1997) did in an article try to understand, by composing a model of how companies priorities their stakeholders. They found three different attributes possessed by the stakeholders: power, legitimacy and urgency that the companies could identify and thereby decide what priority different stakeholder have. (Mitchell, Agle and Wood, 1997)
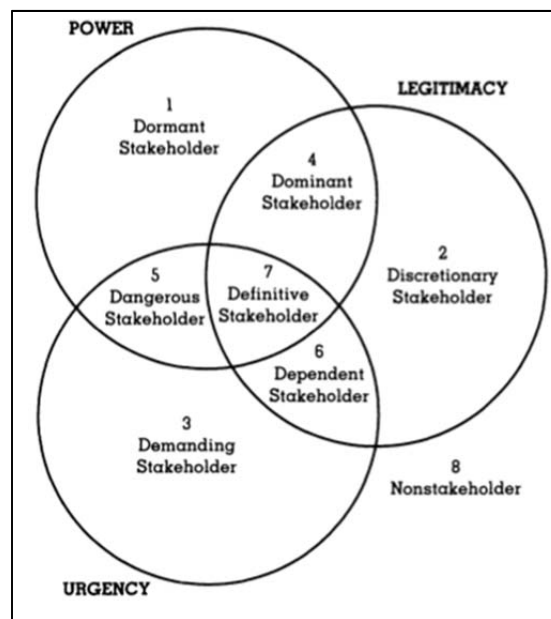

Figure 4. Stakeholder typology: one, two or three attributes present. (Mitchell et al, 1997)

The figure shows three circles of different attributes with the seven different stakeholders inside: Dormant, Discretionary, Demanding, Dominant, Dangerous, Dependent, Definitive and Nonstakeholder. Depending on where the stakeholder is and what attribute it possess its importance to the company is decided. The attributes can also shift and they are dependent of each other. This means that even if a stakeholder has a lot of power, it might not be of importance to the company since it lacks legitimacy and urgency. For a stakeholder to be of great importance to the company it has to possess all three attributes. It is first when a stakeholder can affect the company that they will take action. However, the conception of the attributes are also objective, this means that what companies and stakeholder define as important can be different. Therefore there can be situations where the opinions of a stakeholder's importance cannot be decided fairly. (Mitchell et al, 1997) It is also a question about resources, a company does not possess unlimited resources and therefore cannot always act on their stakeholders needs and requests (Oliver, 1991).

Power as an attribute is according to Mitchell et al. (1997) article that a party can make another party do something that they otherwise would not do, meaning that a stakeholder possesses influence over the company. A stakeholder, who possess power and can combine and can support it with legitimacy, will gain authority. (Mitchell, et al, 1997)

3.3 Benchmarking and CSR

According to Pojasek (2010) "benchmarking is a powerful tool that can help an organisation plan, implement, and improve its sustainability program". By identifying and examine how competitors and other successful companies are working with CSR questions within their organization, the company can achieve an overview over which trends that are the most important to follow, and what the society's expectations are. (Pojasek, 2010)

When working with CSR one of the major challenges is that there are no direct frameworks for integrating the CSR questions into the organisations strategies, Pojasek (2010) therefore suggests that companies should look at each other, via benchmarking (Pojasek, 2010). Benchmarking is an effective tool, which companies can use in order to improve their knowledge and performance, by identify what is "best practice". By identifying and comparing its own business to what competitors and other successful companies are doing, a company can obtain valuable information about how to improve their own business. Benchmarking can be done either internally or externally. By using an internal perspective it is the own organisation, which is evaluated. Different parts of the organisation can share and transfer important information between each other in order to improve the whole organisation. In an external perspective it is instead organisations outside the company that are evaluated. External perspective can be either competitors, companies operating in the same industry or companies from a completely different market. However, it is important that the evaluated company is successful in what they are doing, and that there is a value to evaluate. The benchmarking process consists of a few steps, which can be described in the model below. (Elmuti and Kathawala, 1997)
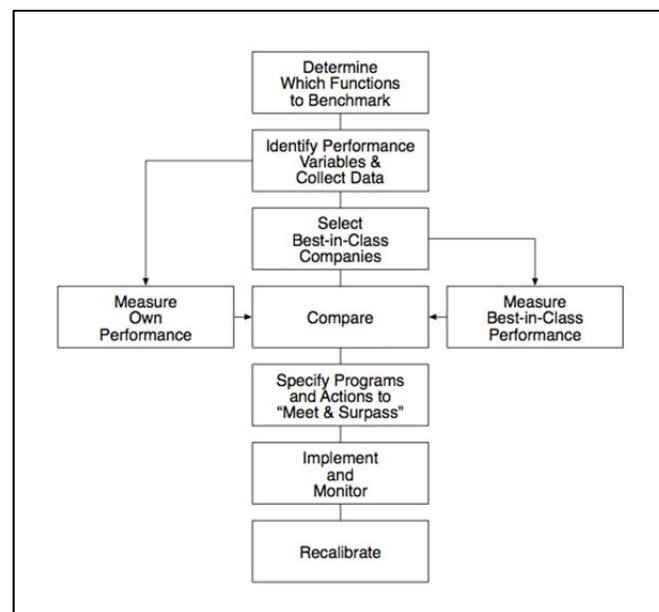
Figure 5. Benchmarking (Bateman, 1989:6)

The first step is to decide which function the company wants to benchmark and then identify which company to benchmark against. The second step involves collection of data and other information to identify how the benchmarked company process looks like. It is though important that the company already before has identified how their own process looks like. By doing this it will help the company to be conscious of its own process and how progress is

possible. Next step includes analysing the collected data from the benchmarked company, compare it to its own business and identify gaps between them. The last step is to take action and investigate what needs to be done to implement those strategies, which have been identified in the benchmarked company, and then conduct the implementation. To get the best result from the benchmarking process it is also important that employees are involved in all steps of the process. (Elmuti and Kathawala, 1997)

To achieve a successful benchmarking in sustainability it is even more important to look beyond competitors, and evaluate both companies in the same industry or in other industry sectors. It is also important to try to identify which preferences the company's stakeholders have about an ideal company to benchmark against. When using benchmarking as a tool a few things have to be taken into considerations, benchmarking is not about copying other companies ideas and strategies, instead the purpose is to adapt those ideas and strategies and transform them into the organisation's own culture and strategies. What is working for one company does not necessary means it is working for another. Benchmarking is also a process, which has to be conducted continuously to ensure that the company is aware of how the market and surrounding develops, this in order to keep its competitiveness. (Pojasek, 2010)

3.4 Implementing CSR within the business strategy

3.4.1 Hart and Milstein's model

In the process of addressing the CSR issues many corporations find themselves unable to see the profit in it. To many companies CSR work equals lower profits to the shareholders. According to Hart and Milstein (2003) managers need to see sustainable development as a multidimensional opportunity, including the financial, social and environmental concerns, instead of seeing it as a one-dimensional irritation, involving more regulations, added cost and liability. In the article written by the above-mentioned authors they describe a shareholder-value-framework that in different ways explain how companies can increase shareholder profit by performing sustainable activates. (Hart and Milstein, 2003)
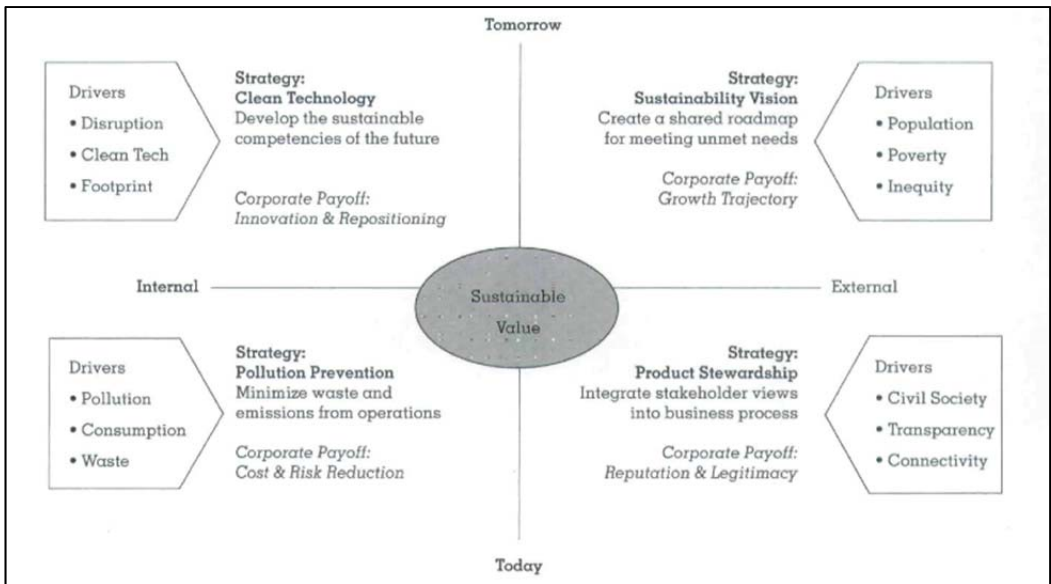

Figure 6. Sustainable value framework (Hart and Milstein, 2003)

14

The model is divided into two well-known dimensions, were the vertical axis reflects a company's need to manage the business today, while simultaneously working on creating new business opportunities tomorrow. The horizontal axis reflects a company's need to grow and retain internal skills while simultaneously introducing new knowledge and perspectives from external parts. These two axes together create a four-dimension model that explains how companies can work to generate shareholder value, which is referred to as sustainable value by the authors. The lower-left dimension shows the aspects that are mainly internal and in the near-term nature, such as cost and risk reduction. Companies can increase wealth and sustainable value by combining short-term revenues and growth with reduction of liabilities such as pollution, waste, consumption and suppliers. The lower-right dimension also focuses on performances in the near-term nature, but does also include input from external stakeholders. Without including stakeholders such as customers, suppliers, regulators, communities, NGOs, and also the media a company's right to operate can be questioned. By including the external stakeholders a company's legitimacy and reputation can enhance and thereby the sustainable value can increase.

The upper-left dimension of the model explains that it is important for company's to not only focus on being efficient in the business today but that it is equally important to generate product and services for the future. By constantly developing or acquiring new competencies, skills and technologies it will increase a company´s future growth. This will in term translate into innovation and reposition to the company, which will generate increased sustainable value to the company. The last dimension, the upper-right, concerns a company´s external stakeholder in a long-term perspective, the future expectations. Here the importance of having a clear vision and being able to communicate it to the stakeholders is highlighted, by doing this a company´s future growth trajectory will increase. For a company to gain maximum sustainable value it must perform well in all four dimensions. By performing in only one or two dimensions the risk of suboptimal performance or even failure arises. (Hart and Milstein, 2003)

3.4.2 Working with CSR

Furthermore a study made by Epstein et al. (2010), states that CSR or sustainability decisions are often moved down from top management to individual managers at business unit level. The main reason is because sustainability impacts are mostly local, which implies that the managers have to make right trade off decisions, regarding environmental and social verses the financial decisions. Problems can occur if these managers are not being supported when these decisions are made. Epstein et al. (2010) argues that it is important that the leaders are supportive and provide managers with the opportunity to actually make trade offs regarding sustainability decisions. "Once people understand the goal, creativity and innovation immediately follow" (Epstein et al, 2010). The role of the organisation culture is also an important part in the process. As a culture that builds on and supports sustainability helps managers to deal with the trade offs, environment and social verses financial goals often cause. (Epstein et al, 2010)

In the study Epstein et al. (2010) also highlights the importance of communication from the CEO – " CEOs should communicate – and overcommunicate – the importance of sustainability and establish a culture of integrating sustainability into day-to-day management decisions. Commitment to social and environmental concerns must be communicated consistently, both in word and actions" (Epstein et al, 2010). Epstein et al. (2010) also argue that when the company has its sustainability strategy and systems in place a special CSR

department is playing an important role, in order to educate business units regarding *Why* the company should engage in CSR issues and also *How* the company can improve and include CSR into the decisions making. (Epstein et al, 2010)

3.4.3 Durden's framework

In order to then implement CSR into the business strategies a useful tool to apply is management control systems (Durden, 2007). Management control consists of all systems a manager need to use to ensure that the employees are acting in the organisation's best interest, commonly referred to as management control systems. The main focus is on the internal part of the company, and evaluation whether or not the company's employees are consistent with the business objectives and strategies. According to Merchant and Van der Stede (2012) management control has the same meaning as the terms execution and strategy implementation, which is the last part of a management process involving objectives setting, strategy formulation, and management control. Management control systems plays an important role in order to achieve a successful strategy implementation and an increased probability that the organisations will achieve its objectives. (Merchant and Van der Stede, 2012: s 6-13)
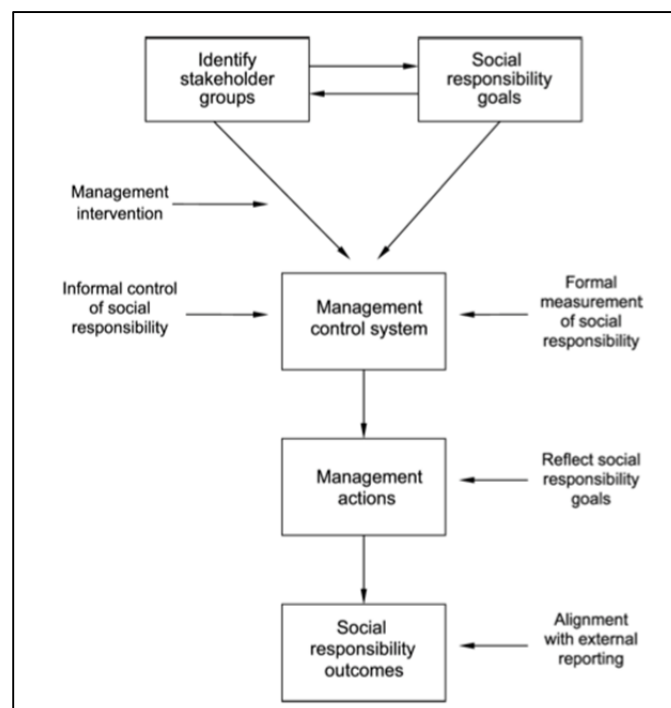
Figure 7. MCS and social responsibility (Durden, 2007)

Durden (2007) has created a framework, based on prior literature, showing how a company can integrate management control systems and CSR goals. The framework emphasise how important it is for companies to find and connect their stakeholders with their CSR goals, in order to create CSR outcomes. The first a company has to do it to identify and study their stakeholders and their needs. It is here important that the stakeholder needs are understood and taken into consideration when moving forward with creating CSR goals. Meaning there has to be a two way process, the company should not first develop goals and then advise their stakeholders, but include them in the process so that their needs are included in the goals. The goals should then be implemented into the management controls systems. Durden (2007)

describes this part of the process as a symbolization of how an organisation should translate descriptive CSR goals into workable components of the management control systems. Durden (2007) highlights how important a direct and focused management is to the integration, this by thoroughly monitoring and measuring to avoid hinders. Without or with poor monitoring and measurement, it risk failing, mainly due to misinterpreted or completely missed identification of stakeholders and their needs. Which lead to wrongly created CSR goals. (Durden, 2007)

In the next step of the model Durden (2007) refers to Norris and O`Dwyer (2004) who talks of two key dimensions that are especially important for the management control system to adopt CSR, formal measurement and informal control. Without functioning of these two dimensions the integration risk to fail. Formal measurement means that a company has to have an approach that supports CSR aspects, this through measuring and systematic monitoring. The informal control says that the formal measurement should be implanted in the company culture. With a functioning formal dimension it implies to the managers that the stakeholders and CSR goals are important to the organisation, it must though be recognized that a formal approach by itself may cause confusion among the managers leading to dysfunction and failure in the process. It is therefore equally important to have both functioning formal measurement and informal control. (Durden, 2007) Also Epstein et al. (2010) highlights the importance of not only using the formal or hard implementation systems, which are usually promoted in literature of management control systems and strategy implementations. Informal or soft systems are important to motivate and coordinate employee's actions with the corporate culture. Formal implementation systems are later often necessary when CSR issues are already implemented into the organisation's business strategy, in order to encourage and pursue the employees to maintain CSR into the organisation. It is also important that the formal systems are built on principles such as objectivity, measurability and fairness. (Epstein et al, 2010)

The fourth step of Durden's framework is management actions, which imply the importance of management control systems as a guide for management decision making, to reflect and cover the CSR aspects. The last step of the framework is the final outcome of how the integration of CSR goals with the management control systems result in desired CSR outcomes, which also should be congruent with the organisation's external reporting. (Durden, 2007)

Further, if the management control systems process fail, and the goals are not achieved, according to Merchant and Van der Stede (2012) it might be due to employees do not understand what is expected of them, that the employees have problems with their motivation or that they have lack of competence. Awareness of potential problems can reduce the likeliness that they will occur and also increase the probability of success of a good management control systems. (Merchant and Van der Stede, 2012: 6-13)

4. Results

This Chapter is divided into four different sections; the first section will provide a description of the company, which this thesis is focusing on, Mölnlycke Health Care. Their current CSR work will then be presented in the second section through a short resume of their sustainability report from 2012. Followed by the third section where data is consolidated from the interviews, which have been conducted with different managers within Mölnlycke Health Care. The information will provide both a background of Mölnlycke Health Care's CSR work today, and also different managers view of the company's work so far. The fourth section will finish with the results gathered from the benchmarking, this section is divided into two parts, one with Roche and one with 3M.

4.1 Mölnlycke Health Care

4.1.1 The company

The brand name Mölnlycke comes from the name of the town in which the company was founded in 1849. Mölnlycke Health Care started as a small textile manufacturer and has since then grown into one of the world's leading manufacturer of wound care and single-use surgical products. SCA bought the factory in 1975 and Mölnlycke Health Care was established as an independent company 1998 through an acquisition between SCA's division Clinical and the Finnish Tamro-Group division Kolmi-Set. Investor purchased the company in 2007 and is still owns it.

Mölnlycke Health Care has more than 7.400 employees in over 90 countries. The Group Mölnlycke Health Care's global headquarter is located in Gothenburg where also everyone in the management team is placed. Apart from Gothenburg they have 22 sales offices around Europe, Africa and the Middle East, 7 sales offices in Asia-Pacific and 2 located in North America. Their manufacturing plants are located in Finland, France, Belgium, Czech Republic, Poland, Malaysia, Thailand, the UK and the US. Mölnlycke Health Care's vision is "Our passion for excellence and innovation will make us the most trusted healthcare brand in the world", with the mission "To be a global company that provides outstanding solutions for safe, efficient surgical procedures and gentle, effective wound care". The company is today divided into two divisions, wound care and surgical. The Surgical division manufacture world leading products and service solutions to minimize the risk of infections for patients, to protect the health care professionals and also increase the effectiveness. Products include surgical staff clothing as gowns, masks, headwear, gloves, drapes and other medical single-use products within surgery as antiseptics and a special self-warming blanket. The wound care division offer a wide range of products within wound care for hospitals and private use. The products include for instance wound care dressings, advanced wound care systems compression bandage and stockings, supplementary products such as gloves, saline, swabs and sponges.

Mölnlycke Health Care works with three core values: passion, learning and integrity. These values work through the entire organisation, the meaning of passion is that every employee should feel enthusiastic about their work and that all products and services should be of best quality to patients, healthcare professionals and stakeholders. Mölnlycke Health Care also works a lot with learning, and taking what they learn into making new ideas and better

solutions for the customers. Integrity is very important to Mölnlycke Health Care, to believe in what they do and stand up for it, and also to deliver what they promise. Mölnlycke Health Care has developed a new branding concept over the last year "Life. Proud to be part of it" this to better communicate to all employees the pride of the company. Through this concept Mölnlycke Health Care are responding to the most profound human instinct, to care for and improve the lives of others. (Mölnlycke Health Care, 2013)

4.1.2 Current sustainability work

This part provides information about Mölnlycke Health Care's current commitment and what they are communicating to the stakeholders through their sustainability report. Mölnlycke Health Care does today apply to the United Nation's Agenda 21, declaration of human rights, global compact's ten principles. They follow the OECD guidelines for multinational companies, Relevant ILO (International Labour Organisation) conventions, and ISO 26000 the guidance on social responsibility. The sustainability report is issued once a year in agreement with the Global initiative guidelines (GRI), to provide their stakeholders an overview and a genuine picture of the organization`s sustainability performance. They follow the GRI guidelines version G3 and report on level C. Some of the parts from the sustainability report are described below. (Mölnlycke Health Care sustainability report 2012)

Code of conduct: All employees and everyone who represents Mölnlycke Health Care have to be familiar with the company's code of conducts. In the code of conduct it is stated basic standards regarding compliance with the law, the employee's responsibility, corporate and ethical responsibility, equality and respect in the workplace, environmental management and working proactively with the health and safety policies. Even suppliers are expected to act in consistency with the special code of conduct for suppliers, which they also have to sign before starting to work with Mölnlycke Health Care.

Our Employees: This part summarizes different surveys and indexes set up by Mölnlycke Health Care. The surveys are divided in white collar and blue-collar workers at Mölnlycke Health Care. Of the white collar workers 91 % are proud working there, 87 % feels respected by their manager, and 80 % feels motivated at work. Of the blue-collar workers 78 % are proud working at Mölnlycke, 76 % feels respected and 70 % feels motivated at work. The employees are Mölnlycke Health Care's most important asset, and to improve their employees situation Human Resources (HR) are represented in all countries management and executive teams. Of the over 7.400 employees 69 % are women and 31 % are men, the executive team consist of 7 men. Indexes and KPIs of health and safety for employees are also presented in this part. Mölnlycke Health Care is constantly working to be a better employer and reduce accidents at work.

Responsibility for our products: It is important for Mölnlycke Health Care that their products offer the highest quality, safety and efficiency. As Mölnlycke Health Care is operating within the health care industry, with both medical devices and pharmaceuticals, they have numerous of standards and regulations, which they have to fulfil. In order to live up to these requirements, Mölnlycke Health Care has a special quality department called Quality Affairs, which aim is to support the quality management system and ensure compliance with all the requirements and regulations are followed. Mölnlycke Health Care has today several certifications, for instance ISO 14001, ISO 9001 and ISO 13485.

Minimizing environmental impact: Mölnlycke Health Care has since 2001 an environmental management system, ISO 14001. The system is included in the Quality Affair department where strategies, objectives and policies are developed in order meet the environmental goals. They are constantly striving to reduce waste, emissions, energy, water, material and chemical consumptions to minimize their environmental impact, but on the same time without compromising their reliability and efficiency of their products and services.

Community support: Mölnlycke Health Care has during 2012 donated products, time and funds to different organizations and projects around the world. For instance they are involved in the project "Operating Smile", a medical volunteer organization, which provide reconstructive surgery for children born with facial deformations. They are also involved with the charity organization Debra. Debra is helping people with the genetic disease Epidermolysis Bullosa (EB), which is causing painful blisters in the skin at the slightest touch. (Mölnlycke Health Care sustainability report 2012)

4.2 Interviews

The interviewed people within Mölnlycke Health Care, are from both the Surgical and Wound care divisions. Their titles are Director of Production, Market and R&D. Interviews were also conducted with the Director of Corporate Communication and the PR and Media Relations Manager. The interviewed have been working between four months and 25 years within the company, and most of them have also worked in other positions within the company before they were assigned their current position.

4.2.1 CSR according to the respondents

This part of the result is connected to the present work with CSR done at Mölnlycke Health Care today. Throughout the interviews and the respondent's answers a picture was provided about their current work. From both the Surgical and the Wound care division all the respondents think that CSR is something important to address and work with. However, the reasons to address it varies, the respondents 1, 2, 5, 6, and 7 thinks that CSR consist of three dimensions; environmental, social and financial, and that evolving the social part is of great interest to them. Working with issues as child-labour, fair working hours and conditions to all factories employees, give back to the society and support them in contact with their product are all of great importance to these respondents. As respondent 3 states "CSR is a good way to show the stakeholders what the company does and also that being part of a community means acting accordingly to what is expected of you. Seeing that CSR is important to especially the customers, acting in a socially responsible way is important to the company, as our right to operate otherwise can be questioned". Today the company follow all laws and regulations, which are strictly regulated from national, regional and local authorities. By complying with laws and regulations the foundation of a CSR work is already set in the organisation. With the development of the brand concept Life. proud to be part of it, they have initiated the process to enhance their CSR work. Respondent 2 refers to the concept as "as of now no one is really working with it, it has been launched but not yet implemented. We will fill this brand concept with values and take it to the next level".

One of the main focuses today internally is on the company's code of conduct, which every employee is tested on and has to pass, this is tested through an online-based questionnaire. All

the respondents find the code of conduct to be important to the company and a good way to be responsible, even though respondent 1, 2 and 7 think that just working with a code of conduct is too little and that more is needed. For instance according to respondent 2, the company does today not have any education within the CSR area. Furthermore they also have a supplier's code of conduct, which all the suppliers must sign and comply to. According to respondent 1, "to reassure that our suppliers are acting in accordance to the suppliers code of conduct, we conduct inspections in all the factories every or every second year. We also use a third party to conduct additional inspections in strategically important factories, depending on how important their inputs are in our process or if they are manufacturing complete product. These inspections are not made annually in every factory, but approximately 5 times per year in total".

Mölnlycke Health Care has as a policy to always follow local laws, which in some cases can be difficult seeing that Mölnlycke Health Care policies sometimes are in violation of the local law. For instance they support trade unions to all their employees, but in China the law forbids involvement with trade unions. Other difficulties that they meet according to respondent 1, regarding suppliers and their compliance to Mölnlycke Health Cares policies, is that they in many factories have higher demands than other companies using the same factory. Problems then arise concerning who should pay to reassure that the factory fulfils these demands. A problem expressed by all the respondents is that the CSR work today lacks off management and guidance. All the departments are today working separately with some CSR issues, and collaboration between the departments is wanted.

4.2.2 How the work with strategies proceeds

Mölnlycke Health Care is a decentralized organization that is divided into the two divisions Surgical and Wound care, which according to respondent 2 are two "completely divided departments". Each division have their own departments of manufacturing, sales, marketing and R&D. Despite of this both divisions and all the departments follow a similar procedure when they create strategies. From the interviews with respondents 1,2 and 4 the authors are introduced into the process behind creating strategies, which involve overall strategies from the management to the division managers, which then is broken down into sub-goal to the employees. All the respondents work actively with this process but apply it in various ways. As Respondent 4 states "we create different strategies for different business areas, where aspects such as financial prospect and what activities can support these strategies are included. These strategies are then consolidated into the budget process". Further respondent 4 states, "The strategies are transformed into business plans and then broken down into individual goals. The goals and performance of every employee is afterwards evaluated in the objective-setting meetings with the manager " respondent 4 also describes the further work with the strategies. "In the process of implementing the strategies into the daily work we use communication, objective-setting meetings and the big picture, which is a way in explaining the strategies to the employees". According to the interviewed respondents from the surgical division the big picture, a painting, is something all managers in the Surgical division use in order to explain strategies to the employees.

Respondent 1 also discusses the importance of strategies and that every employee are working towards the same goal and in the same direction. "If different departments and employees are working on conflicting goals there is a great risk of sub optimization. Departments therefore have to work together and strive after the same goal for the company to be successful".

A shortcoming with the strategy process according to respondents 1 and 2 is that many feel that it is very time consuming, since the strategies are updated and reformed every year, and that the process in many ways is redundant. Respondent 1 still feels that creating strategies are important and worth working with. Further, respondent 2 expresses that "due to the fact that the process of developing these strategies takes a long time, it results in the information that been gathered as foundation for the strategies no longer is up to date". Another shortcoming is according to respondent 2 "all employees are today working on many project with no priority, meaning that there is no system for prioritizing different project after how important they are and in what order they should be attended to". This according to the respondent creates stress among the employees and many feel that they do not have the time to perform at their best.

To monitor how the strategies are evolving and how they are being followed Mölnlycke Health Care measure through many different KPIs and communication channels. Respondent 7 states that they constantly try to measure on a monthly basis, but that "it is not micro management but it is definitely something constantly on-going, we want to see things moving forward". According to respondent 1 are some of the KPIs used, more time consuming than others to estimate. A fundamental issue regarding measurement is to know what is most relevant to measure.

4.2.3 Their main stakeholders

All the respondents expressed the main stakeholder groups to be, suppliers, customers, society and shareholders. Also stakeholders such as employees, governments, NGOs, and financial decision makers were mentioned.

The suppliers are divided after their geographical position, Europe, Middle East, Africa, the US and Asia-pacific. None of the respondents mention any demands from the suppliers on Mölnlycke Health Care, instead the respondents referred to that Mölnlycke Health Care have high demands on their suppliers. According to respondent 1, many suppliers feel that Mölnlycke Health Care has higher demands than other company´s using their factories. This is according to respondent 1 something, which can create tension between the company and the supplying factory, since the factory do not think that the cost of fulfilling the high demand from Mölnlycke Health Care is theirs to pay. As respondent 1 state "a dilemma arise, should we lower our demands towards suppliers or should we take the cost to ensure that the factories are fulfilling our demands".

The customers are referred to in different ways; respondents 4 and 7 refer to the actual buyers of the products, the hospitals and county councils. Respondent 1, 2, 3 and 6 talk about the customers as consisting of different groups; the patients, the nurses, the doctors and also patients families. From the interviewees contact with customers a varying demand after an increased CSR work been requested, respondent 3 states "since we in the surgical division work with products that go directly into the operating room, we have not seen any demand from patients and doctors about having different packaging to reduce waste. This since it could risk the quality of the product and bring a higher risk of infection". In the Wound care division, where they work with products that are not as infection sensitive, the work towards more sustainable products, as a demand from customers, proceeds. According to respondent 7 "of course we can work with developing new environmentally good packaging for our bandages, that has less impact on the environment". Respondent 1, 3 and 7 further states that

they see a higher demand for increased CSR work from the Scandinavian countries, than from any other country. But also countries as England, France and Spain have during the last year become more demanding for involvement in CSR issues. The overall response from customers according to respondent 1 is "they feel that it is good that the demands and requirements are getting higher, this since it means that the quality of the products will be better and safer". Also according to the respondent this is good for competition, since higher demands lead to unserious companies that are not following regulations will disappear.

The society is referred to as an important part to the company, both as part of being able to operate but also as to what they can do for the society. Respondent 3 states that "we are a part of a society and that means acknowledge and meeting the requests and needs that the society put on us". Respondent 6 instead refers to what the company can do for the society, about helping and supporting the local area where Mölnlycke Health Care is operating. Another important part of the society is the NGOs. As respondent 5 states "Something that has increased in importance is the NGOs influence as a stakeholder. Since the progress of internet and the digital world, such as social media the NGOs have also received more airtime". The respondent think that it is important to work closely with different NGOs, both because they can have a negative effect on the company, but also because they can bring new knowledge to the company. Respondent 5 does though feel that their relation with NGOs is good today and that they have a good collaboration. As expressed by respondent 1 "it is crucial to work with NGOs and media since you do not want bad publicity exposed". Another important stakeholder according to respondent 1 are different governments, this since they possess the power to change and create new laws and regulations that can affect the company.

4.2.4 Managers interest in future CSR work

Throughout the interviews a great interest in advancing the CSR work have emerged and also many ideas of how they can improve it. For instance many of the respondents talk of doing more in the local area, to work more with patients and their families, caring of sick relatives, more recycling at the office and reduce waste. Respondent 6 express a deep compassion for actions such as employees with caring responsibilities. As the respondent states "today one out of seven in a workforce is caring for someone, who is ill, frail or has a disability." The respondent refers to the organisation, employers for carers, and highlights that a company can gain by provide these employees with extra support, such as more flexible working hours and special support in order for the employees to remain at work.

Respondent 6 also suggests that Mölnlycke Health Care should engage more in charity to patient-support groups, involving those patients who are in contact with their products. The respondent feels that supporting those with a relation to the company´s products is a good way to evolve the CSR work. For instance respondent 6 suggests more involvement in charity work as with diabetes care and also burn patients should be interesting areas to cover. Respondents 2 and 6 also feel strongly about that everyone; employees, their families, customers and suppliers should feel proud about working with Mölnlycke Health Care. "When feeling proud the efforts you make, the way you talk about the company and the way you feel about your employer, reflects the company in a good way". To them an important part in evolving the CSR work is to make sure that everyone working at or with Mölnlycke Health Care should be proud of it.

It is though expressed that what the respondents mostly search for in the process of evolving the CSR work is a direct and clear management in the area. Today the company lacks a responsible person in the area of CSR, instead the work is done separately in the different divisions and departments. All the respondents therefore requests for a responsible person. This person should be globally responsible and active so that instead of having different priorities and work processes in every department, the work will be coordinated throughout all departments to strive for a likewise work.

What is also requested is a better way to make CSR issues a part of the strategies, today it is according to respondent 6 a lack from the management side in involving CSR. Due to the lack of proper support from the executive team, this result in difficulties for managers at department level to work thoroughly with CSR questions. Not said that CSR issues are not important to the executive team, just that financial priorities are higher. Additionally respondent 6 suggest that a CSR plan should be developed to reassure that the CSR aspects are included when developing new strategies. Respondent 7 think the current work on CSR is good but that "everything can be improved, it's a part for the quality department to rise the question even more", also respondent 3 thinks that developing CSR and improving the company's involvement should come from the Quality Affairs department, but they are at the same time willing to engage more to increase the CSR work.

From the interviews some current problems are also expressed, which the respondents think is important to attend in order to advance the CSR work and take it to the next level. Respondent 1 expresses some concerns about suppliers, and how far back in the supply chain Mölnlycke Health Care can and should control and be responsible for. The respondent thinks that Mölnlycke Health Care "should have demands towards our suppliers and the subcontractor, but further down the chain is very hard to control. Not said that we do not care and have requests, but that controlling further down the supply chain is harder and almost impossible as they are too many and controlling all would be too expensive".

Other concerns, express by respondent 2 is the matter of workload, resulting in stress and difficulties being away from work. Today due to that the company has grown heavily in the last decade, many projects are in place at the same time with no prioritising, resulting in difficulties being away from work even though you are allowed. Another concern which respondent 2 mentions is the very high consumption of paper cups at the office, which is accessible in every assembly room in the Gothenburg office. "Today almost every employee use 4-5 paper cups daily, which adds up to approximately 800 cups yearly per person. This is a huge unnecessary waste, but the problem is that we can not use mugs either, because then there is the problem that some people do not clean after themselves". Respondent 2 and 5 also expresses that their communication need to be improved both concerning CSR and in general, suggesting that they should be more active on social medias. Respondent 5 point out that the company need more external publicity in order for the company to become more known to the public. The respondent think that an increased work with CSR can be a good way in showing the public what the company really does.

4.3 Benchmarking

In addition to the interviews benchmarking is conducted towards two companies within the healthcare industry, to better understand what Mölnlycke Health Care could do to evolve their CSR work. The focus of the benchmarking process is to find aspects, which can be relevant for Mölnlycke Health Care. This part is divided into two subparts, the first about Roche and the second about 3M. Both subparts will start with a short presentation of each company and continue with the successful CSR work performed by the companies.

4.3.1 Roche

Roche was founded 1896 in Switzerland. It is today one of the worlds largest healthcare companies, with more than 80,000 employees in over 150 countries. Roche is a research-focused company, and they "discovers, develops and provides innovative diagnostic and therapeutic products and services that deliver significant benefits to patients and healthcare professionals". The company consists of two divisions pharmaceuticals and diagnostics. The pharmaceuticals part is focusing on developing drugs to treat Cancer, Infectious disease, Inflammation and diseases within Metabolism and Central Nervous System. The diagnostics part is focusing on discovering of diseases, targeted screening and monitoring and evaluation of diseases.

Roche and their CSR work

Roche is following the GRI guidelines and report on the highest-level A+. Their report has been assessed by PwC Switzerland. They recognize and follow ISO 26000 the international standard guidance on social responsibility and also the global compact principles.

Roche is involved in several projects around the world, most of them with their products and solutions. However, they also try to make long-term investments in some local areas, such as in developing countries where they do not have adequate health care systems and where knowledge is often poor. Instead of only provide the hospital with diagnostic or medication donations, they try to invest in prevention and education of the health care workers with intention to provide a more sustainable solution for the local area. For instance since 2012 they are running a programme to improve breast cancer diagnosis in Asia. The programme has so far educated more than 1000 laboratories and 9000 pathologist, technicians and surgeons to monitor and improve testing parameters on an aggressive form of breast cancer. Also in Peru 2012 a program started to help the government, through education and infrastructure development, to provide access for cancer care to the 12 million poorest in the country.

To ensure that suppliers are acting in compliance with the supplier's code of conducts and other standards, audits are conducted regularly at the manufacturer both by Roche themselves and by a third party. In order to increase the CSR work Roche try to actively engage and collaborate with their suppliers, to reduce environmental impact and find innovations, but also to help them to manage risks, performance and ensure quality on the products. Apart from that they are also trying to collaborate with other companies within the healthcare industry through Pharmaceutical Supply Chain Initiative (PSCI) "who developed an unified joint sustainability audit protocol."

In order to improve the effectiveness of the SHE (Safety, Security, Health and Environment) the employees are constantly encouraged to come with innovation and share their ideas, for instance "The annual Roche Responsibility Care Award" provides a "recognition to the best contributors of good SHE practises." Competitions are also conducted to contribute with ideas of improvement concerning the CSR work. They call it ECOmpetition and in 2012, 18 employees won out of 264 contributions. The competition has resulted in several improvements regarding as reducing energy consumptions, improving logistics both packaging and transportation.

In one office in San Francisco a goal of reducing 15 % of the energy consumption within five years was decided. As a result 1,500 employees formed the club "Army of darkness" in 2010, which aim was "documenting lighting controls". As a result all lights could be switched to automatically turn off lights, and the project saved approximately three million kilowatt hours per year. (Roche, 2013)

4.3.2 3M

3M is a global company with more than 87.000 employees active in over 70 countries. The company consists of five different business areas; consumer, electronics and energy, healthcare, industrial and safety and graphics. The healthcare business group works with "Supplying innovative and reliable products that help healthcare professionals improve the quality of care, we are a global leader in medical and oral care products, and drug delivery and health information systems".

3M and their CSR work

3M have been working with CSR since the 1970s when their vice president of pollution control and engineering at that time, Joe Ling, expressed that preventing pollution made business sense. By reducing pollution and unnecessary waste, which contributes to inefficiency, both the planet and the company will benefit. Through this thinking the program 3P, which stands for pollution prevention pays, was developed. With this program 3M challenge all their employees to think of more and new ways to prevent the impact on the environment and also save money. Since the creation of 3P in 1975 more than 9.300 innovations have come up, leading to prevention of over 3.5 billion pounds of pollution and saved the company 1.5 billion dollars during its first active year.

3M have since 1975 created several different ways of reducing their environmental impact by the same thinking that lead to 3P and other projects have been developed, such as project life cycle management and goals to reduce their environmental footprint. A formal environmental policy has been established and followed since 1975 including goals as developing products that support a sustainable environment, ensuring that all facilities and products are in agreement with relevant national, regional and local environmental requirements and obligations and that they assist whenever possible, governmental agencies and other official organizations involved in environmental activities.

Since the first corporate environmental goal was established in the 1990s 3M have focused on developing products that help their customers, consumers and the society to reduce the environmental impact. 3M define their sustainability work as it was defined by the United Nations in the Brundtland report, meeting the needs of society today while respecting the ability of future generations to meet their needs. They believe that sustainability incorporates

environmental stewardship, economic success and social responsibility. By recognizing sustainability and actively working with it, 3M have found new and smart ways to conduct business. By working through three strategic principles they have managed to implement sustainability in everything they do.

3M's strategies for sustainability:

· "Economic Success: Build lasting customer relationships by developing differentiated, practical and ingenious solutions to their sustainability challenges

· Environmental Stewardship: Provide practical and effective solutions and products to address environmental challenges for themselves and their customers

· Social Responsibility: Engage key stakeholders in dialogue and take action to improve 3M's sustainability performance"

3M believes that their core values and the early work with 3P set the foundation for their sustainability work, but also that it has been impacted by the fact that the work always have been strongly supported and pushed from the top of the company. They work a lot with involving and engaging the employees and support them in contributing with new ideas. Through the over 60 years old technical forum, which is lead by employees, innovation and creativity is created. 3M also offer education to their employees in sustainability regarding trends and issues, through a monthly global sustainability speaker series, where both internal and external people talk about current sustainability trend and issues. In 2012 3M hosted its first Employee Sustainability Conference, to further engage the employees and to encourage their innovation regarding sustainability where employees have the chance to hear from the CEO and other executives how the company could grow through sustainability and also about the latest innovations in the sustainability work. In 3Ms work with encouraging sustainability innovation among employees everybody is motivated through the, 15 per cent time program, to spend up to 15 per cent of their time focusing on non normal job related challenges. Many new products have been developed through this program. (3M, 2013)

5. Analysis

In this chapter the information from the result is tied to the theoretical framework in order to provide an analysis. The analysis will answer the question of what a company has to consider when working with CSR, providing the inputs from stakeholders and benchmarking, and also how management control can help the implementation of CSR.

5.1 What to consider when working with CSR

The result of the interviews shows that CSR is already a part of the Mölnlycke Health Care organisation. Seeing that they operate in an area strictly regulated by national, regional and local environmental requirements and obligations from different governments, most of the work done today is mandatory. However, the company does today lack of work beyond what is mandatory. From the company´s point of view they want to evolve and take their CSR work to a new level, but from the interviews other reasons such as higher customer demands is found to be an additional reason for an increased CSR work. When the customer's interest in CSR issues increases, the company also has to improve their work in order to continue to operate. What is important for Mölnlycke Health Care to do today is to find their level of ambition for how they want to work with CSR and what they should work with. This chapter will provide, based on information from the interviews, the benchmarked company´s and also the literature input, through different ambition levels, to Mölnlycke Health Care on how and what they can work on, to reach a higher level with their CSR work.

5.1.1 What to consider regarding external and internal perspectives

Hart and Milstein's (2003) model shows different dimensions, which are important to consider when improving the CSR work within an organisation. Mölnlycke Health Care has to consider their need to manage the business today, while simultaneously working on creating new business opportunities tomorrow. They also have to consider their need to grow and retain internal skills while simultaneously introducing new knowledge and perspectives from external parts (Hart and Milstein's, 2003).

In order to improve Mölnlycke Health Care's external work today, it is important that their stakeholders are identified and involved in the process. Valuable information can then be received about, which CSR issues the stakeholders are mainly interested in. If the stakeholders interest is not identified the company may risk developing wrong CSR goals (Durdan, 2007). Accordant to Mölnlycke Health Care, their main stakeholder consists of customers, suppliers, society, shareholders, governments and NGOs.

The customers are stakeholders, which possess a high level of power, legitimacy and also urgency (Mitchell et al, 1997). The theory means that it is important for Mölnlycke Health Care to react to what the customers want and require. If the customers feel neglected, there is a risk that it will impact the company in a negative way, therefore it is important for Mölnlycke Health Care to take action on what the customers are interested in. From the interviews it did though occur that no closer collaboration with external stakeholders regarding CSR exists today. To enhance the collaboration and to better understand what the customers require for regarding CSR, Mölnlycke Health Care should engage more to find out

what they want. It is important that when working with stakeholders it has to be a two-way-dialog (Donaldson and Preston, 1995). Both Mölnlycke Health Care and their stakeholders should feel that they profit from the collaboration. However, it is not just the customers that are of great interest to the company, also the suppliers and society fulfils attributes that make them important to Mölnlycke Health Care. By not working closely with the suppliers, there is a risk that they will not properly work with fulfilling the demands set by Mölnlycke Health Care. This can in return become negative to the company, if becoming publicly known that Mölnlycke Health Care´s suppliers are in violation to their demands. To enhance the collaboration with the suppliers, Mölnlycke Health Care can adopt the work being done by Roche. Instead of just having demand towards the suppliers Roche works with offering support to their supplier in order to help them fulfilling the demands. This is something that Mölnlycke Health Care could work with as well. By helping the suppliers to fulfil the demands, they will also overcome the tension mentioned by respondent 1 created by who should attend the matter of reassuring that the demands are fulfilled. This is a high ambition level for Mölnlycke Health Care to strive to fulfil.

Another measure that Mölnlycke Health Care can adopt from Roche is that they collaborate with other companies within the healthcare industry through Pharmaceutical Supply Chain Initiative (PSCI). Through this collaboration companies can further reassure that the suppliers are operating in consistency with industry expectations. For Mölnlycke Health Care to engage in this kind of collaboration could enhance their control over their suppliers.

The society is a stakeholder that is important to work closely with because they have the power, if not satisfied, to questions the company´s right to operate (Mitchell et al, 1997). Another reason to work close with the society is because it is a good way to give back. As respondent 6 states the company should be more involved and engaged in the society. This can be done by becoming involved in more charity projects. The respondent express that the charity should be done towards those with a relation to the company´s products, as part of evolving the CSR work. For instance extend their charity work to also involve diabetes and burned patients. This is a good way to contribute to the society for Mölnlycke Health Care and also become more known to the public by being out there and showing their products. Roche contributes to the society by conducting charity in another way. They provide developing countries with education on how to use their product, in order to make the work more effective and also safer. This is something, which Mölnlycke Health Care could also work with. For instance, the wound care division could engage in education to developing countries, they could in collaboration with healthcare workers, educate the local staff about how to use their products in an optimal way to reduce the risk of infections.

The NGOs is another stakeholder, which have become more important during the last years, since their ability to affect has increased. According to respondent 5 Mölnlycke Health Care does not feel that this is something negative, that they are working with a close and good communication with the NGOs. Another stakeholder who possesses the attributes to affect Mölnlycke Health Care are the governments. If the governments change the laws, according to respondent 1 it could have a great impact on Mölnlycke Health Care and their work process. Since they are today following all laws and regulations necessary, new ones could have a negative affect, and it is important for Mölnlycke Health Care to always stay updated on any changes in the legal requirements.

When reviewing Mölnlycke Health Care's internal situation today and according to the sustainability report it is found that they are striving to reduce their environmental impact by

reducing waste, emissions, energy, water, material and chemical consumption. As a tool they use the environmental management system ISO 14001. However, according to the respondents more can be done in order to improve their CSR work. For instance from respondent 2 it is pointed out that as much as 4-5 paper cups are used daily by almost all employees at the Gothenburg office. As problems are seen using ceramics cups instead, since people do not clean after themselves, a reduction of the number of used paper cups could be done. A suggestion from respondent 2, is to post information about how many paper cups are used yearly at the reception desk, this to enhance employees knowledge on the problem, and hopefully thereby reduce the high usage of paper cups. This is something that Mölnlycke Health Care should consider to do since they want to become a more committed company, it is then important that the employees are also committed and try to contribute. However, the problem is not only that it creates unnecessary waste, it is also an unnecessary cost to the company. By reducing the number of used paper cups Mölnlycke Health Care can also lower their costs.

A successful energy saving measure, which the benchmarked company Roche is working with, is to involving the employees with the program "Army of darkness". This program's purpose is to engage the employees in becoming more aware of the unnecessary energy consumption, which is created from not turning the lights off. Also the purpose is to exchange all non-automatic lights in the San Francisco office to automatic once. A similar strategy can be used at Mölnlycke Health Care in order to reduce their energy consumption and also their cost. By making it into something fun to turn the lights off, it will enhance the awareness among the employees and also create cohesion between the employees in supporting each other in remembering to turn the lights off when not being used.

In order to improve Mölnlycke Health Care's internal CSR work in a long-term perspective it is important to develop sustainable ideas and improvements. An improvement for the employees, which respondent 6 speaks warmly about, is to introduce "employers for carers" at Mölnlycke Health Care. This program makes it possible for the employers to help their employees with caring responsibilities to adjust their working hours to be more flexible. In this way the employee will have the ability to both work as normal as well as care for a relative who is ill, frail or has a disability. This is something that Mölnlycke Health Care could adopt and try to work with, in order to support these employees. Looking at developing sustainable ideas, both the benchmarked companies 3M and Roche are working a lot with innovation and encouraging their employees to contribute to a long-term sustainable development in the company.

3M take their sustainability work even further by including three CSR principles in everything they do. By involving a CSR perspective within the process of developing new products 3M provide themselves with the ability to not only reduce their own impact, but also their customers. In addition 3M is working much with engaging and supporting their employees, for instance they are offering education regarding sustainability issues and trends. In 2012 a special "Employee sustainability Conference" was hosted by 3M to engage the employees and to encourage their innovation regarding sustainability. The employees had at the conference the chance to hear from the CEO and other executives how the company could grow through sustainability and also about their latest innovations in the sustainability work. Further 3M also has a special program where they encourage and motivate every employee to spend up to 15 per cent of their time focusing on non normal job related challenges, such as sustainable innovation. Also at Roche they are working much with encouraging their employees to be innovative and share their ideas. For instance through different competitions,

"The annual Roche Responsibility Care Award" they encourage employees to develop new ideas regarding SHE practises. In addition a competition called ECOmpetition is held, where ideas about reducing energy consumptions, improving logistics, both packaging and transportation, are encouraged.

In the process of evolving the CSR work at Mölnlycke Health Care, they can use the ideas and also solutions provided by both 3M and Roche. What Mölnlycke Health Care does today is to test all their employees on the content of their code of conducts. According to respondent 2 they do not offer any education within the CSR area. If the employees do not have the knowledge of what CSR is about, they have neither the ability to contribute to new ideas and improvements within CSR. By providing their employees with education, the employees can receive a higher understanding and knowledge about CSR, which also can improve the possibility for new ideas to be developed regarding CSR. This is something Mölnlycke Health Care should engage in and develop. A suggestion for Mölnlycke Health Care could be to introduce CSR in a similar way as 3M's "Employee sustainability Conference" where the employees are invited to participate in different seminars and provided with information about CSR. It is first when employees possess some knowledge about CSR issues that the company can start working with and develop programs. For instance Mölnlycke Health Care can as well as Roche have competitions where the employees can contribute with new ideas and improvements regarding CSR. Another interesting idea that Mölnlycke Health Care can adopt is 3M's 15 per cent program. As Mölnlycke Health Care is a company with employees that have great competence and are driven, this is something that they could work with. By supporting and encouraging people to think on their own, new products and ideas can be born.

5.2 How to work with and implement CSR

What is most important according to Epstein et al. (2010) and also something that have been proven to be very successful for 3M, is that the initiative to a CSR work must come from the CEO and the executive team of the company. Further a communication has to be established, where the initiative to CSR is communicated throughout the organisation to all employees. As revealed in the interviews, the organisation is today decentralised, where all departments are working separately with CSR, which lead to that the CSR work does not get the same effect as it would if they were collaborating. For Mölnlycke Health Care to address this matter, and create collaboration between the departments regarding the area of CSR could lead to that the results of the work will improve. What Mölnlycke Health Care also has to address is to appoint a CSR responsible person. This is something that all the respondents asks for and also needed in the process of developing CSR. Appointing a responsible CSR person is something Mölnlycke Health Care should do, since it could help create collaboration between the departments to strive for a likewise work. Firstly after this have been done, can they initiate the process of developing CSR and also implement it within the business strategies. A future work that Mölnlycke Health Care could develop is to advance from a responsible CSR person into creating a special CSR department, as Epstein et al. (2010) argues is a good way to enhance the CSR work even more.

However, CSR is often something which companies see as a local matter and therefore it is the managers at unit level who mainly works with it. Epstein et al. (2010) therefore argues that it is important that the leaders are supportive and provide managers with the opportunity to actually make trade offs regarding sustainability decisions. (Epstein et al, 2010) Something that 3M have created to assure that a CSR perspective is always included when developing

strategies, and also in everything else they do, is three principals, social responsibility, environmental stewardship and economic success. By including this three principles 3M have taken their CSR work further and managed to not only reduce their affect on the environment, but also their customers. This is something that Mölnlycke Health Care should try to adapt and transform into their own principal, to improve their CSR work. To adapt this it is important with support for the management. Something that Mölnlycke Health Care also has to work with is to implement these CSR principles into their strategy process. However, implementing CSR into everything they do and helping their customers reduce their waste might be a too high ambition level for them today, but to implement CSR into the strategies is something that they could work with. Ideas for strategies that could be developed occurred from the interviews and the benchmarking, such as including the reduction of used paper cups and energy consumption within the individual goal provided to every employee. By doing this Mölnlycke Health Care will have implemented CSR into their strategies and also involved the employees in the process. In order for Mölnlycke Health Care to implement CSR issues within the previously mentioned business strategy process they need to develop and improve their CSR work within every department of the organisation. They then need to break down all CSR strategies to goals for the employees. By this every employee gets information about how to contribute.

For a deeper involvement with CSR issues a company need to involve their stakeholders in the process. When involving the stakeholders it is important for the company to have control system in place that reflects a stakeholder focus. Management Control systems can therefore be a useful tool for managers to regularly monitor whether the company's CSR goals are in congruence with the stakeholders. Durden (2007) has developed a framework in order for companies to work with this. According to this framework, in the first step it is important to first identify the company's stakeholder needs and then create CSR goals. Otherwise the company risk creating wrong goals. Which might lead to that the purpose of why the company wanted to adopt CSR will not be reached.

When looking at Mölnlycke Health Care they have to work and communicate more with their external stakeholders. Today they would have problems creating the right CSR goals, based on the information provided from the interviews and due to the lack of external stakeholder inputs. The CSR goals should then according to Durden (2007) be implement into the management control systems. In this second step the goals are transformed from descriptive CSR goals into workable components of management control systems. For Mölnlycke Health Care it is important to have a direct and focused management that monitors and measures the result to avoid obstacles in the implementation process. Due to that Mölnlycke Health Care has a lack of external stakeholder inputs, it is important that they do receive input from those external stakeholders and then monitor it, in order not to misinterpret or completely miss important needs, before moving on to the next step.

In the third step of Durden´s framework, he talks of the importance of formal measurement and informal control. Formal measurement meaning that a company has to have an approach that supports CSR aspects, through measuring and systematic monitoring. The informal control being that the formal measurement should be implanted in the company culture. (Durden, 2007) Today Mölnlycke Health Care work actively with formal measurement through KPIs, this is something that they could apply to CSR goals as well. Problems are that CSR often is hard to measure. Formal measurement is also important since it implies to the managers that the stakeholders and the CSR goals are important (Epstein et al, 2010). Working with this at Mölnlycke Health Care could thereby increase both the managers and

the employee's engagement in CSR issues and help in the process of evolving the commitment. It is though important to remember that a formal measurement by itself can cause confusion among the managers, it is therefore equally important to work with the informal control at Mölnlycke Health Care. Also Epstein et al. (2010) highlights the importance of working with informal control, he argues that a company cannot work with a formal measurement before having implemented an informal control properly in the organisation (Epstein et al, 2010).

Mölnlycke Health Care does here have a great advantage, since their employees already are engaged in the subject and want to improve the work with CSR. By creating a commitment through working with CSR, in ways such as with code of conduct, supplier code of conduct, sustainability report, ISO certifications, charity projects and the brand concept Life. Proud to be part of it. Mölnlycke Health Care has created a foundation to their CSR work. What Mölnlycke Health Care has to work on is to connect these different areas and transform it into a holistic perspective. Another advantage, which they possess, is that the employee's feel proud to work at Mölnlycke Health Care and as the products they offer are helping people. This could make them evermore enthusiastic to create new innovating measures regarding CSR and further improvements. The brand concept Life. Proud to be part of it. could be used in order to further engage the employees in the area of CSR. The above-mentioned advantages could together help create, through informal control, an awareness that in a long-term perspective could influence the company´s culture into being more sustainable.

The fourth step of Durden's framework is management actions, which imply the importance of management control systems as a guide for management decision making, to reflect and cover the CSR aspects (Durden, 2007). For Mölnlycke Health Care it is important that the managers obtain result through monitoring and measuring using their KPIs, in order to provide the management of a perception of how the work proceeds in different departments. It is also important that the management support the managers in their further work with CSR to signify the importance with it and also what to evolve. Problems that can occur are that the mangers do not understand the expectations or that they lack motivation or competence. By being aware of that these problems exist, the management can reduce the risk that they could occur (Merchant and Van der Stede, 2012: 6-13). However, management being supportive towards the managers in the process of developing the CSR work will not help if the managers still do not understand what they are doing or why they are doing it. This is why, as previously suggested, it is important for Mölnlycke Health Care to engage in education regarding CSR at the company.

The last step of Durden´s framework is then how the final outcome of the CSR work should be in congruence with the external report (Durden, 2007). The external report should communicate to all Mölnlycke Health Care´s stakeholders and provide information about what they have done during the last year regarding CSR and sustainability. The report will further show the stakeholders Mölnlycke Health Care´s contribution to the sustainable development.

6. Conclusion

In this chapter conclusions are drawn from the analysis and the two research questions are answered. This chapter also present research contribution and ends with suggestions for further research.

6.1 What does a company have to consider when working with CSR?

When working with CSR it is very important that the initiative comes from the top management of the company and then is being communicated throughout the organisation. In addition it is important that the managers in every department are supported from the management in order to work with CSR issues. This is something that Mölnlycke Health Care has to work with and improve. By moving the issue of working with CSR to the top of the organisation they will have a better chance of successfully implementing it into the organisation. Further, dedicating a person responsible for CSR questions could be valuable to the company. When developing and improving the CSR work, this person could help create likewise work in the different departments. When working with CSR it is also important that the company consider inputs received from their stakeholders, as it is otherwise a risk that they will create wrong CSR goals. This is an important matter for Mölnlycke Health Care to address, to collect the today missing input from the external stakeholders. In the process of evolving the CSR work at Mölnlycke Health Care, benchmarking on what other companies have done successfully, can also be used in order to receive valuable input. Moreover when working with CSR issues Mölnlycke Health Care need to manage their business today, while simultaneously working on creating new business opportunities tomorrow. They also have to consider their need to grow and retain internal CSR skills, while simultaneously introducing new knowledge and perspectives on CSR from external parts. In Mölnlycke Health Care´s work with CSR it is important that they decide on an ambition level that is suitable for them and then communicate**s** it, both internally and externally.

6.2 How can management control systems help the implementation of CSR into the organisation?

Management control consists of all systems a manager needs to ensure that the employees are acting in the organisation's best interest. Durden has created a framework in order to help organisations to implement the CSR issues within the business strategy. The framework highlights the importance to first identify the stakeholder's interest, before developing CSR goals. This as the CSR goals must be influenced by the stakeholder's interest and their needs. Otherwise Mölnlycke Health Care will risk creating wrong goals, which might lead to that the purpose and goals, of why they wanted to adopt CSR, will not be reached. Further to implement the CSR goals within the management control system, they have to transform the descriptive CSR goals into workable components of the management control system. They also have to develop different ways of monitoring and measuring the CSR goals, for instance by using KPIs. By measuring the outcome of the CSR goals, it indicates to the management, managers and employees whether or not the proceeding work is successful. In order for the implementation to be successful, it is important that Mölnlycke Health Care works actively with both formal measurement, such as KPIs, and informal control. By working with informal control it could help create awareness that**,** in a long-term perspective, could influence Mölnlycke Health Care´s culture into being more sustainable.

6.3 Research contribution

This thesis has academically contributed to an empirical study on an actual case examining how a company can work with implementing CSR into the business strategy process. The idea to implement CSR in the business strategies is something that both literatures discuss, and also something that companies want to work with, in order to improve the CSR work. This makes the subject of this thesis something that is relevant to further examine. By examining the subject towards an actual case, the thesis shows how companies in the initiating process can proceed with their CSR work. Something that should be stated is that the company this thesis studies, Mölnlycke Health Care, has not yet been able to successfully implement CSR into their strategies. This could have its reason in the fact that the company still is in a starting point of developing the CSR work, but it should also be stated that working with CSR and implementing it, is something that is very hard for companies to do successfully. After conducting this study it is clear that the inputs from external stakeholders are crucial for Mölnlycke Health Care to succeed in their work with CSR.

Further this thesis contribute as an input to how the studied company, Mölnlycke Health Care, can develop and improve their CSR work by providing different ambition levels for them to work by. The first ambition level concerns measures they should work with. The second ambition level is an applicable level, explained as what they could do in order to improve their CSR work. On this level they will try to apply the inputs provided throughout the analysis of this thesis. The third is a high ambition level, being measures they could work on in the future.

6.4 Suggestions for further research

It would be interesting to further study if the results presented in this thesis would be different, if inputs from interviews with external stakeholders had been included in the research.

Another interesting subject for further research would be to examine the problem, on how to decide on which CSR issues are most important to work with, for the company and for the stakeholders.

Yet another interesting subject for further research would be to examine how the CSR work, in the studied company, proceeds after the implementation.

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7.3 Literature

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7.4 Annual reports and sustainability reports

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7.5 Additional guidelines

ISO 26000:2010, provided by Mölnlycke Health Care

8.Appendix

8.1 Interview questions

Personal details:
- How long have you been in this position and how would you describe your role?
- What are CSR for you?
- Which CSR questions are of greatest interest to you?
- How do you see MHC working with these CSR questions?

Strategies
- How are long-term goals and plans developed?
- When and how are long-term plans discusses, debated and challenged?
- Has the long-term direction changed over time and way?
- How are long-term plans conveyed to staff and translated into the daily work?
- What are the benefits of these processes?
- Are there any problems or shortcomings with this process?

Monitoring
- How are long-term goals and plans monitored and reported?
- Are there any problems or shortcoming with this process?

Environmental Scanning:
- Do you see an increasing demand for CSR work from the surrounding?
- Do you know of any company, who are handling CSR questions in a particular good way?

Stakeholders:
- Who do you see as Mölnlycke Health Care main external stakeholders concerning your department?
- How are different stakeholders affecting the CSR work?
- What are the stakeholder's strengths? Could these strengths help or hinder the business?
- What are the stakeholder's weaknesses? Could these weaknesses help or hinder the business?
- What positive expertise and connections does the stakeholders have? Could these be useful?
- What threats could the stakeholders bring to the business? Could the stakeholders put the business at risk? How can these threats be reduced?
- How does your cooperation with different stakeholders look?

Area specific:

Market:
- From the sustainability report we can see that you demand that all your suppliers apply to your "code of conduct" and also live up to Mölnlycke Health Care´s values. How is it possible for Mölnlycke Health Care to control this?
- Do you feel that there are cultural differences between supplier and customer demands regarding CSR in different countries?
- Do you see an integration possibility in your department of CSR questions?
- Is there anything else you wish to add?

Sales:
- Mölnlycke Health Care have a suppliers code of conduct, do you have similar conditions and standards toward your buyers?
- Do you feel that there are cultural differences between suppliers and customers demands regarding CSR in different countries?
- Do you see an integration possibility in your department of CSR questions?
- Is there anything else you wish to add?

Cooperate communication:
- What internal reporting systems are used in the business and what do they cover?
- In Mölnlycke Health Cares communication to the surrounding how transparent are your regarding CSR?
- Do you see an integration possibility in your department of CSR questions?
- Is there anything else you wish to add?

R&D:
- In the process of developing new product, to what extend are stakeholder interest included?
- Do you see an integration possibility in your department of CSR questions?
- Is there anything else you wish to add?

Sustainability report:
- How does the process of developing the sustainability report look?
- How come Mölnlycke Health Care chose to report on the parameters that you do?
- How can the CSR work be monitored and measured?
- Do you see how CSR could become a part of Mölnlycke Health Cares business strategies?
- Do you see an integration possibility in your department of these CSR questions?
- Is there anything else you wish to add?

Production:
- How do you work with monitoring that all factories are following Mölnlycke Health Care's code of conduct and not are in violation of any laws?
- Do you feel that there are cultural differences between supplier and customer demands regarding CSR in different countries?