Corporate Social Responsibility (CSR):

Using Stakeholder Engagement to Improve Organizational Performance
Acknowledgment

We have been working on our Bachelor thesis as part of the International Management program at Jönköping University International Business School. Over the past five months, we have learnt a great deal about Corporate Social Responsibility (CSR) and Stakeholder Engagement, along with its’ impact upon Organizational Performance. We would like to thank our supervisor, Caroline Teh, at Jönköping University International Business School who has given her support and provided the inspiration needed during the process. We would also like to extend our thanks to our contacts at NFU Mutual, Luna Sweden AB, Luna Group and Worcester Futsal Club for providing the time and expertise to fulfill the interviews.

We hope that you will enjoy the thesis and that it provides you with a deeper knowledge of the chosen research phenomena.

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Jönköping International Business School, May 2019
Abstract

The main purpose of this thesis is to explore how organizations can use the combination of Corporate Social Responsibility (CSR) activities and stakeholder engagement; in order to improve organizational performance. CSR can be defined as how an organization operates, in a way that enhances society and the environment, instead of contributing negatively to them (Chen, 2019). Stakeholder engagement is the process, in which managers need to assess many complex relationships between many elements in order to satisfy a number of stakeholders. (Lane and Devin, 2017). Organizational performance can be defined as an analysis of an organization’s performance in relation to goals and objectives set within a given time period (Gjølberg, 2009).

The research questions stated in the thesis are then explored by means of a qualitative study made up of stakeholders. The study includes interviews from four organizations in Sweden and the UK, as well as a customer survey, and an employee survey with a total of 37 respondents.

The main findings from the thematic analysis show that there are three key themes which can be extracted from the research. These are: Employee Motivation, Stakeholder Loyalty and Communication. These three themes are analyzed and discussed with the aid of the concepts mentioned from theoretical framework.

Ultimately, the thesis then concludes by explaining why the themes identified need to be given consideration in order answer the original research question and how they can use these themes in order to “to improve overall organizational performance”.
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1. Introduction

1.1 Background to Study

The concept of Corporate Social Responsibility (CSR) has become an ever more pressing issue for organizations since its origins dating back to the post-war rebuilding period of 1950’s (Carroll, 2015). In today’s climate, the issue of CSR has gone a step further, becoming one of the top subjects on the agenda for business leaders and people in order to tackle the global challenges society faces including poverty, inequality, climate, environmental degradation, prosperity, peace and justice (United Nations Sustainable Development, 2019). However, many savvy organizations have seen this as the perfect opportunity to create a competitive advantage in order to meet the increasing demand for a CSR-focused strategy, which pleases all stakeholders (Du and Sen, 2016).

The way in which the modern-day CSR phenomena affects an organization is a complex and intriguing topic, with conflicting views on the overall effects on all stakeholder engagement. Du Bhattacharya and Sen (2007) on the one hand, are convinced of the large range of benefits that come with a successful CSR strategy promoting engagement, increased sales, stronger brand position, improved corporate identity, reducing costs through efficiency, and enhanced ability to attract and retain the most valued employees. With CSR comes big opportunities for enhanced reputation, revenue, and wider-societal positive impacts. However, the real question remains how organizations can successfully use stakeholder engagement in order to improve performance?

Organizations must now look beyond the scope of just interacting in order to engage stakeholders. In an ideal world, stakeholder engagement and CSR can be seen as a mutually beneficial partnership which would take the form of a mutually beneficial relationship (Phillips R, 1997). When implementing CSR activities, stakeholder engagement is an important aspect for any organization to consider, in order to have a successful impact on overall performance. Ultimately, to ensure engagement, requires a strong degree of ‘Stakeholder Management’, a concept which is highlighted in stakeholder theory (Freeman R.E, 1984) and (Phillipps, R, 2003) and stakeholder capitalism (Freeman R.E, 2007). These theories suggest that by devoting time and other resources into the organization’s stakeholder interests in a logical, organized method, will allow the organization to make managerial decisions based upon the desired impact in a rational manner (O’ Riordan and Fairbrass, 2013). The modern-day research around stakeholder engagement, in connection with CSR, shows that organizations looking to merely interact with stakeholders, are no longer operating sufficiently. This is because stakeholder interaction is a logically necessary activity (Noland J & Phillips R, 2010).

An organization’s ability to ensure their CSR activities have a positive impact on stakeholder engagement, will determine its eventual influence on overall performance levels. Organizational performance can be defined as an analysis of an organization’s performance
in relation to goals and objectives set within a given time period (Gjølberg, 2009). The way in which an organization uses stakeholder engagement in relation to their CSR activities; will have an overall effect on organizational performance.

1.2 Problem discussion

Through carrying out the literature review, it is clear to see that there are numerous studies and literature which have been conducted within the field of CSR. However, very few articles which focus on how stakeholder engagement and CSR activities have an effect on overall performance suggesting that there is a gap in the literature when focusing on the combination of the three elements together. Further research suggests that there is a need for more CSR research in order to move beyond the often rarefied, controlled empirical contexts to paint a more complete picture of the forces determining all stakeholders (e.g. consumers) reactions to CSR activities and its effects on performance (Du, Bhattacharya and Sen, 2007).

Many organizations are now facing a significant increase in demand for a good CSR strategy from all kinds of stakeholders, over a relatively short period of time (Jenkins, 2005). The organizations are often locked in a compromise between being socially responsible and trying to please all stakeholders, as they had previously. Customers are now making their purchasing decisions based on more factors than just the product itself, they also consider factors such as social impact, human rights, working conditions and environmental impacts when it comes to the organizations, they purchase goods and services from. Thus, it is important that the organizations have the knowledge of how their CSR activities are received by their stakeholders and how they react to it. Specifically, an organization’s marketing department needs to be able to consider such facts in regard to their chosen CSR strategy, in order to direct marketing efforts about this, which could potentially improve overall performance (Öberseder et al., 2013, p.1846).

Therefore, there are many benefits that can be earned for organizations that are engaged in CSR in all aspects including social, environmental and economical (Bhattacharya, C. B., & Sen, S., 2004). CSR activities are an important tool which can be used in a competitive context and used as a competitive advantage compared to an organization's competitors. However, many organizations fail to utilize the full potential of stakeholder engagement resulting from CSR activities and therefore risk falling behind their competitors.

1.3 Purpose

The purpose of this thesis is to explore how organizations can utilize stakeholder engagement resulting from CSR activities; in order to improve overall performance. This will be achieved by analyzing and challenging the needs of internal and external stakeholders to see what makes a CSR activity engaging and how this could eventually impact organizational performance in the short and long-term.
1.4 Research question

In order to ensure the research is clear and concise with a clear motive, the following research question is used in the study:

“How can organizations use stakeholder engagement in CSR; to improve performance?”.

This research question will allow us to form a backbone to the study, whilst also giving us the flexibility needed to explore such a complex topic. From the main research question, three underlying questions were also formulated in order to guide the study into answering the research question properly:

1. To what extent are stakeholders (both external & internal) aware of an organization’s CSR?
2. To what extent are stakeholders engaged in CSR activities?
3. How does an organization’s CSR activities affect a stakeholder's decision to do business with them?

1.5 Summary of introduction

The introduction firstly presented a background to the study outlining the concept of CSR and stakeholder engagement in relation to organizational performance. This was to provide the definitions and background knowledge needed to continue reading about the study. In the next section, the problem was discussed, and this included the idea that many organizations simply lack the knowledge about the use of CSR and stakeholder engagement in a way that could be used to improve organizational performance. The purpose of the study was then explored and the main point which can be taken from this section is that despite there being many articles on CSR, engagement or performance alone, there was simply not a study which combined the three elements in the way in which this study aims to do. This means that many organizations do not know how best to use CSR and stakeholder engagement in order to improve overall performance. Therefore, this study’s primary aim was to explore this very topic. The next section was created in order to portray the research question most relevant to the study, along with three sub questions which could be used to pin-point the research into smaller segments, to get a more complete picture. The next chapter is the literature review and will explain the process to which the research question was attained.
2. Frame of Reference & Literature Review

The following chapter presents and discusses the frame of reference used in the study and for deciding the research question stated above. Firstly, it starts off by explaining the concept of CSR, followed by a discussion of the increasing demand for CSR activities. It then moves on to discuss the importance of stakeholder engagement when considering CSR efforts and includes a section on corporate strategy. Next, the research on the corporate brand identity and reputation matrix is discussed and presented. Finally, a section on organizational performance in relation to CSR is presented.

2.1 The history of CSR

The society’s modern view on the CSR concept originates back to the post-world war II, but one can go back even longer in order to identify the roots of CSR (Carroll, 2015). CSR has grown in relevance and had an increasing impact on the social aspects of our society, especially in areas concerning civil & women rights, but also in consumer’s perception and environmental movements where it has become a central part. During the early 60’s Friedman defined CSR as “the social responsibility of a business is to increase its profits” (Friedman, 1962).

Since then a dozen of definitions of CSR have arisen. Back in 2006, Dhalsrud publish a study in which he had identified and analyzed thirty-seven different definitions of CSR and his study did was not even close to capture all of the existing definitions (Dhalsrud, 2006). Today, CSR is viewed as a global concept that has progressed from the interplay of thought and into practice (Carroll, 2015) and is one of the important subjects that is frequently up for discussion among our world's leaders and business leaders in order to find way to tackle global issues faced in today’s society (United Nations Sustainable Development, 2019). A more modern definition of CSR would be “the responsibility of enterprises for their impacts on society” (Eur-lex.europa.eu, 2011). In order for organizations to meet their CSR expectations, they should have processes in place in order to integrate social, environmental, ethical, human rights and consumer concerns into their day-to-day business operations. Their core strategy should have a close collaboration with both their internal and external stakeholders (Eur-lex.europa.eu, 2011).

Furthermore, one of the major breakthroughs within the history of CSR was the evolution of Carroll’s “pyramid of CSR” (see figure 1.1 below). The original framework consisted of four different building blocks which together was shaped into a pyramid. At the bottom of the pyramid was the economic responsibilities, the second building block were the legal responsibilities, third building block focused on the ethical responsibilities and the final building block focuses on philanthropic responsibilities. However, Wood (2010) came up with an updated version of Carroll’s model which instead put more emphasis on the social and environmental aspects of CSR (see figure 1.2 below)
Figure 1.1 - Carroll’s Pyramid of CSR

The Pyramid of Social Responsibility

PHILANTHROPIC
Responsibilities
Be a good Corporate Citizen.
Contribute resources to the
community; improve quality of life.

ETHICAL
Responsibilities
Be ethical.
Obligation to do what is right,
just and fair; Avoid harm.

LEGAL
Responsibilities
Obey the Law
Law is society’s codification of right and wrong;
Play by the rules

ECONOMIC
Responsibilities
Be Profitable
The foundation upon which all others rest

Source: Carroll (1991)

Figure 1.2 - Wood’s Pyramid of CSR

Philanthropy

Economic

Social and environmental

Moral

Wood, 2010
Finally, as the CSR concept is gaining more popularity, stakeholders have become more perceptive and somewhat more demanding of today’s organizations when it comes to their CSR activities (Wong and Ahmad, 2010).

2.2 CSR Activities

First off, there is a need to define CSR activities. Engaging in CSR activities means that an organization will be dealing with this within their daily operations. The organization will be operating in ways that enhance society and the environment, instead of contributing negatively to them (Chen, 2019). But it's important to also point out that because CSR is a very broad concept, there also exists multiple definitions. There are numerous different ways to define CSR, and the way organizations will perceive CSR is simply not black and white. The activities can differ from organization to organization and therefore different definitions could influence the way individual organizations choose to engage in CSR activities.

According to Blombäck & Wigren (2009) an organization’s decision and behavior towards its’ choice of a certain CSR strategy depend on nine different aspects: 1) delegation of financial decision making, 2) place in value chain, 3) type of market offer, 4) charismatic leaders, 5) existence of industry practices and culture, 6) financial resources, 7) corporate governance and owner structure, 8) social embeddedness of business unit and finally 9) the relative size of business or unit on location all need to be considered before engaging and choice CSR activity. They further suggest that organizations should consider additional characteristics such as: corporate culture, stakeholder patterns and the effect of social standards which can explain why an individual organization choose a certain CSR activity on both a local and global presence (Blombäck & Wigren, 2009).

Yoon & et.al (2006) defines CSR activities as “the activities that are used to address consumers’ social concerns, create a favorable corporate image, and develop a positive relationship with consumers and other stakeholders” (Yoon & et.al, 2006).

2.3 Stakeholder engagement

Stakeholders are particular groups that can affect or are affected by the pursuit of the organization's objectives (Helmig, Spraul and Ingenhoff, 2013). An organization has to adequately manage the day-to-day running of the organization, whilst also ensuring the needs of the stakeholders are met. When focusing on CSR, an organization will make substantial resource commitments in order to fulfill societal demands. These resource commitments will go a long way towards translating into improved employee morale, organizational reputation, and external stakeholder support (Michael Abebe, Wonsuk Cha, 2018). It is also imperative for corporate CSR strategy to successfully fulfill the needs of both internal (e.g. employees) and external stakeholders (e.g. customers and government authorities).
Stakeholder engagement is an important aspect of an organization’s CSR activities. Stakeholder engagement can be seen as a process, in which managers need to assess many complex relationships between many elements in order to satisfy a number of stakeholders (Lane and Devin, 2017). For this reason, Johnston’s (2010) process model (see figure 2.1 below) can be used as a starting point. By applying three foundational elements of the process model of stakeholder engagement to CSR activities of nine organizations, this showed that there are major alignments between theory and what is realistic when considering engagement practice in CSR (Lane and Devin, 2017). By using the combination of these elements, this provides the ‘drivers’ or ‘motivations’ for organizations to enter a process in which they will engage with their stakeholders, in order to make informed decisions regarding CSR activities (Lawrence, 2002). By focusing on the three main concepts of the model: Input Strategies, Methods of Engaging and the Outcome of Engaging, it allows an organization to create a step-by-step, cause and effect model to assess impacts of CSR decisions on various stakeholders (Lane and Devin, 2017).

Figure 2.1 Johnston’s (2010) process model of stakeholder engagement to the context of CSR.

(Source Johnston 2010)
2.4 Stakeholder Management

Stakeholder management is essential to the forming, and the maintaining of an inclusive relationship with the stakeholders. It also helps make the organizations take closer steps towards its goals due to the fact that they would like to keep the stakeholders satisfied. For instance, investors would like the organization to achieve the goals it sets and presents to them and if they do not, the investors could take their money somewhere else. (BusinessDictionary.com, 2019)

*The Clarkson principles of stakeholder management* is a list of principles which could be used by managers within organizations in order to make the managers more aware of the diverse needs that they must fulfil and also is meant to increase the transparency within an organization’s management processes (Clarkson Centre for Business ethics, 1999).

The principles are seven in total. The first principle states that managers should acknowledge and continuously monitor the needs and concerns of all stakeholders and also should take the interests of the stakeholders into account appropriately when making decisions and in operations (de Colle, S. 2005).

The second principle states that managers must listen and be transparent when communicating with stakeholders regarding their concerns or possibly contributions, and even regarding the risks that they take on due to their involvement with the organizations.

The third principle is that managers should implement processes and behavioral modes that take into account the concerns that stakeholders might have and also the capabilities of each of the stakeholders when it comes to their constituency.

The fourth principle is the interdependence of rewards in terms of efforts by stakeholders should be recognized by the managers. The managers should also try to successfully bring about a fair distribution of the benefits and the burdens of the organizational activities. When doing so, the managers have to bear in mind both the respective vulnerabilities and risks (de Colle, S. 2005).

The fifth principle emphasizes cooperation between managers and other stakeholders, both public entities and private entities, in order to minimize the harms and risks that emerge from organizational activities, and in situations where they can’t be avoided, to make sure they are appropriately compensated.

The sixth principle states that the avoidance of activities that might put someone or something in danger, or activities which cause risks to arise must be avoided all together by the manager.

The seventh principle states that the managers should make an effort into acknowledging potential conflicts that might arise between; the managers own role as a stakeholder in the
organization, and the responsibility, both legal and moral, for the interests of the organizations various stakeholders, and should be transparent when addressing such conflicts, and to appropriately report and reward systems, an if applicable a third party review.

This model can be used in order to deduct managers ideas regarding their relationship with their stakeholders and match them with a one or all the principle if applicable.

### 2.5 Strategy

Ultimately, the way in which an organization decides to implement their CSR strategy will be detrimental to the overall performance of their CSR program. There are several theories that address the means by which an organization can steer CSR policies and activities in ways that are sensitive to social and political forces surrounding them in a given climate (Trapp, 2014). The main theories on CSR strategy include concepts such as stakeholder management and communication methods that ensure the best possible outcomes resulting from CSR activities.

Communication is one of the most important aspects of CSR strategy because essentially an organization will be facilitating and promoting the CSR efforts via a series of communication channels among stakeholders (Capriotti, 2011). Essentially, the way in which an organization communicates its CSR efforts internally and externally to various stakeholders will either increase or decrease their legitimacy of the work they are carrying out (Weber and Fehre, 2016). An effective communication strategy will reduce the risk of stakeholders perceiving these efforts as ‘greenwashing’, which would consequently, make a farce of their activities. If a good communication strategy is followed, an organization will be able to analyze the mechanism that work the best and come up with innovative methods to better address ever-changing stakeholder expectations relating to CSR (Vollero et al., 2018).

Stakeholder management can be used in order to aid CSR efforts and has seen a big shift in recent decades. Today organizations can be seen to increasingly stress that managers should look towards actively engaging with stakeholders and involving them in organization decision making processes, which includes CSR activities (Trapp, 2014). A three-fold text book has been developed which includes informational, persuasive and dialogue strategies for dealing with stakeholders. (Cornelissen, 2011). If followed, this will go a long way to successfully engaging stakeholders in the CSR decision making process.

### 2.6 Organizational Performance in relation to CSR

*Organizational performance can be defined as an analysis of an organization’s performance in relation to goals and objectives set within a given time period. (Gjølberg, 2009).*

Within management theory, it is standard practice to define organizational performance as “the organization’s ability to attain goals, and the measure of this performance is attained by comparing actual levels of achievements to set objectives” (Gephart and Corvellac, 1999 P. 3). The notion of organizational performance can often appear in a measurement construct,
rather than that of a theoretical tool by which the main measures are financial, accounting-based measures, along with market-based measures. However, the balance between financial and strategic dimensions can be linked through tools such as Kaplan and Norton’s (1996) balance scorecard, enabling a multidimensional approach to organizational performance including financial matters with key dimensions such as innovation, quality and customer relationship (Gephart and Corvellac, 1999). In recent years, the measurement of performance has evolved which now reflects on a diversity of corporate activities and an organization’s impact upon societies, environments, and the wider greater good. Hence organizational performance is more strongly linked to the topic of CSR more than ever before.

In recent times, there has been a big movement towards a redefinition of what constitutes as ‘organizational performance’. The difference between what the perception is of a given organization, in comparison to what actually happens within an organization, is something seen as a constant battle. A stakeholder’s perception of reality in terms of organizational performance needs to be treated with caution, for the stakeholders must acknowledge that many organizations are simply too complex and large to witness directly all the happenings. Hence for this very reason, organizational performance is usually assessed through common universally interpretable methods such as financial, accounting or commercial accounts that can be obtained easily. By analyzing these accounts, stakeholders are able to interpret the data based on their own experiences and benchmarks in order to make sense of organizational performance. (Gephart and Corvellac, 1999).

On the other side of the coin, when relating CSR and stakeholder engagement to organizational performance, it can be said that financial accounts only offer limited use in assessing performance. Of course, the financial implications of CSR activities may hinder an organization’s performance in the short-term, thus skewing the positive future benefits this will bring to society and the environment. Whilst CSR has now become a globalized concept, it is still challenging to assess an organization’s performance in this area mainly because the lack of a universally adopted comparative structure. However, from a macro point of view, there are such instruments to measure performance such as the Index of National CSR Practices which is a comparative tool for assessing a country’s performance of their CSR practices (Gjølberg, 2009). The same theory can also be applied on a micro level to assess individual organization’s performance; in relation to others within a given industry.

Differences between organizations when it comes to CSR performance can be challenging as previously discussed. A good performance of an organization from one country may not equate to the same level of performance within an organization of another country by the assessor. Ultimately, CSR performance is not black and white and needs to take into account many background factors such as political, economic and social factors. (Gjølberg, 2009). It is important to also consider the type of environment the organization faces in relation to the regulations set by the government. For instance, the performance expectations for organizations are very high in CSR leading countries such as UK, Sweden, Switzerland and Netherlands, thus despite a high level of performance compared to foreign organizations, they may actually be under performing domestically (Gjølberg, 2009).
2.7 Organizational Culture

An organization’s corporate culture is an important aspect to take into consideration when talking about the day-to-day operations of the organization and how it affects the performance of the organization. Culture can be defined as the common life-style that a group within the society shares. For example, if the people within the group are thinking, feeling or acting in the same way, one could argue that they share similar characteristics and consequently, share the same culture (Harris, M. 1975). However, there is an important difference between culture and organizational culture, where the biggest difference is that when talking about organizational culture it is strictly in an organizational context. Organizational culture can be defined as “the shared values and norms of the organization’s members” (Harris, M. 1975).

According to Schein (1985), culture can only be maintained as long as it is as true and by introducing it to new employee within the organization. The organizational culture can change depending on how the organizations manage to adopt from their old routines into the new ones and how they learn how to deal with both internal issues (through internal communication) and external issues (e.g. with customers, suppliers, etc.). While being in this process, a certain organizational culture could emerge or be developed.

Organizational culture is present at all levels within the organization. Hence the multiple aspects of the organizational culture can affect all hierarchical levels within the organization (Gorman, 1989). Organizational culture could also vary from organization to organization, therefore could it be really hard to identify organizational culture since it cannot always be seen (Gorman, 1989).

There are various culture measurement tools which can help an organization explain why they experience certain norms and values when operating in a certain nation. Hofstede’s Cultural Dimensions is one of these tools which allows one to compare a culture from country to country. The test’s comparisons are split into six sections: Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long-term Orientation and Indulgence (Hofstede Insights, 2019). The test aims to influence patterns of thinking which are attached to aspects of life within a certain jurisdiction and then consequently become ingrained within a society. Hofstede’s Cultural Dimensions also implies that culture can be easily mistaken for generalizations and that statements need to take into account values and reality differences in order to be relative (Hofstede Insights, 2019).

2.8 Corporate brand identity and reputation matrix

Corporate brand identity is defined as the apparent components of a brand, such as their logo, the colors, their designs, and essentially any component which helps consumers in identifying and Distinguishing the brand from others (BusinessDictionary.com, 2019). Corporate reputation is essentially how the different stakeholders, both internal and external, view the organization and their ability to deliver on its goals and objects based off of their reputation.
Reputation has 6 forces which drive it, them being the following: products and services, social responsibility, vision and leadership, workplace environment, emotional appeal, and financial performance (BusinessDictionary.com, 2019).

This is a managerial framework which helps an organization identify and understand how the stakeholders perceive the organization and how they perceive itself. It provides and outside-in point of view as well as an inside-out point of view. Essentially this model is used to assess the brand identity and reputation (Urde, Mats & Greyser, Stephen. 2016). The model involves 9 components regarding communication which are each matched with one of the 8 reputation aspects (except the identity aspect to communication which is matched with all the 8 reputation concepts) which are described as follows (see figure 3.1 below):

The first on the top left corner is the Value Proposition, which is described as “What are our key offerings and how do we want them to appeal to customers and non-customer stakeholders?” This is essentially examining what the organization has to offer and how can they use them to attract existing customers and new customers. This examines relevance by asking the question “How appealing and meaningful is the value they offer?”.

The second aspect is Relationships, which is described as “What should be the nature of our relationship with key customers and non-customer stakeholders?” This examines trustworthiness by asking “How dependable are their words and deeds?” and through that you will be able to see what kind of relationship one’s organization has with its customers.

The third aspect is Position which is “What is our included position in the market, and in the hearts and minds of key customer and non-customer stakeholders?” this focuses on the aspect of differentiation by also presenting the following question to bear in mind when pondering upon one’s organizational position in the market “How distinctive is their position in the market?”

The fourth concept is Expression which asks, “What is unique or special about the way we communicate and express ourselves, making it possible to recognize us at a distance?” This aspect correlates with recognizability which has the following question “How distinct and consistent are their overall communications?” (Urde, Mats & Greyser, Stephen. 2016).

The fifth concept which is part of the model is Identity Brand core-promise and core values which asks the question of “What do we promise, and what are the core values that sum up what our brand stands for?” This aspect is present at the core of this model hence it is connected to all the reputation aspects of the model; for example, Relevance, Trustworthiness and Recognizability.

The sixth concept which is a part of this model is Personality which presents this question to think about “What combination of human characteristics or qualities forms our corporate character?” The reputation aspect attached to this part of the model is Credibility which asks, “How believable and convincing are they?”
The following part of the model, the seventh one, is regarding Mission and Vision which presents the following question “What engages in, beyond the aim of making money (mission)? What is our direction and inspiration (vision)?” and the reputation aspect connected to this part is Willingness-to-support which presents this question “How engaging and inspiring are their purposes and practices?”

The eighth concept is regarding Culture, it presents the following question “What are our attitudes and how do we work and behave?” and the reputation aspect connected to it is Responsibility which asks, “How committed and accountable are they?”

Last but not least, the ninth concept goes by Competences which asks the question “What are we particularly good at and what makes us better than the competition?” and the reputation aspect this is connected to is Performance which presents the idea of “How solid and consistent are their quality and performance?”

Figure 3.1 - The Corporate Brand Identity and reputation Matrix

(Source Urde, Mats & Greyser, Stephen. 2016).
2.9 The seven patterns of CSR initiative adoption:

One of the most essential challenges for an organization to tackle is the issue of integrating CSR into its operations, especially due to outside pressure to pursue growth in not only profitability but also in how the organization impacts the society.

The first pattern that was identified was “of Integrating CSR Activities in Business: An Organizing Framework, is Born CSR oriented.” The first pattern explains the idea that some organizations have CSR activities, not only integrated within the organization’s operations but also have it as a critical part of the organization as a whole. The conception of such organization could be based off of the values of the founders of the organization, or from specific expectations and demands from customers, and or tremendous pressure from stakeholders to meet their expectations (Yuan et al., 2011).

Organizations which are born CSR-oriented, as the name suggests, are heavily focused and involved with CSR. This kind of organization pays attention to not only internal CSR issues but also external issues. One of the main unique features of this pattern is the fact that the management focuses and commits to establishing routine CSR activities by committing specific resources. This kind of approach prevents possible conflicts that might arise if an organization decides to implement CSR a while after conception, which is at a point where the organization’s way of doing business has already been established and hence, all the internal stakeholders of the organization are used to the ways things are done, so if an organization implements CSR that far into its conception conflicts are likely to arise.

An example of a Born CSR oriented organization which is presented within the article is Ben & Jerry. Its founders were “fed-up” with the various ways in which they believed organizations were taking advantage of their own society. They launched the organization and based it off the belief in “linked prosperity” which means that the gains and benefits within the organization should be of benefit to not only the shareholders and the employees, but also the community as a whole. These ideas which they implemented at the early stages of the organization’s conception evolved over time and expanded into activities within communities and CSR activities. Ben & Jerry also integrates social causes within its marketing, operations, finance, and human resources. (Yuan et al., 2011)

The second pattern which was identified within this model is called Patching (creating new CSR core routines) which is the creation of new CSR core activities that complement and integrate with various other already pre-established organizational practices and/or drives tremendous influence on the future practices of the organization.

The third pattern is called Thickening (creating new CSR routines as peripheral, core-extending practices). It is a core-extending practice within CSR in which its purpose is to reinforce and support the existing core routines, regardless if they are CSR routines or existing organizational routines.
The fourth pattern is **Positioning (creating new CSR routines as independent peripheral practices)** Which essentially means the addition of independent outlying routines within CSR that are not at the core of the organization’s operations and strategy. The new independent routines do not have a tremendous influence on the future development trajectory of the organization.

The fifth pattern is **Relabeling (recognizing current routines as being CSR oriented)** which essentially suggests that the present routines, regardless if they are core, core-extending, or independent, are acknowledged solely *ex post* as routines within CSR. The routines in question were established by the organization prior to CSR becoming a popular concept and hence were not acknowledged as CSR related in earlier years within the organization.

The sixth pattern is **Trimming (eliminating routines detrimental to CSR) and reconstructing** to reduce negative exposure, organizations may trim both core routines and outlying routines that impact CSR activities negatively. It is used as an indication for the addition of CSR activities through patterns 2,3,4 or 7, after the “trimming” process has been done.

The seventh pattern is **Cooperating (Creating CSR routines through alliances)** This entails the tackling of social issues that need to be addressed by the organization, which is enforced on the organization as a requirement for their organization to maintain their license in order to operate. Sometimes organizations don’t have the ability to address the issues with enough competence, hence it would be more cost efficient to partner with another organization or multiple ones in order to incur less cost and tackle the social issues effectively (Yuan et al., 2011).
Figure 3.2 - Seven patterns of CSR initiative adoption

(Source: Yuan et al., 2011).
3. Methodology

This chapter will explain the research methods used and the rationalizations for these choices will be discussed, in relation to the study phenomena. It also contains a detailed description regarding the research philosophies, design, approaches, methods, collection, analysis, ethical considerations, limitations and finally the empirical methodology of the research.

3.1 Research Philosophies

The research philosophy that was of the utmost essence was interpretivism, which is essentially the idea of “understanding human nature and their varying roles as social actors” (Chetty, 2016). This sort of philosophy uses methods such as observation, interviews, and along with analysis of written texts. Hence the aim is to understand and analyze human emotion or action in regard to their social role. In relation to stakeholders, they feel a sense of responsibility towards the organization’s CSR strategy, which makes them more likely to voice their ideas regarding CSR activities to the organization.

3.2 Research Design

The empirical data was gathered through in-depth interviews with questions formulated with regards to the research question and the literature review. The interviews with employees and managers were semi structured. The interviews were strictly focused on the multiple case study topic, hence provided insightful explanations coupled along with personal views. The questions followed an open-ended approach, therefore new themes are able to be discussed and brought up within the conversation which might have led to impactful insights.

Through audio recording the interviews, the interviewers were able to go through what the respondents have said in case the interviewers have missed any important insights. The audio recordings were also used in order to transcribe what was said in order to put it into a word document. Through the audio recordings, the interviewer was able to assess if there were any recurring ideas/themes between different managers and employees. The recurring ideas or themes that were brought up played a big role when it came to the findings of our research therefore; they were of utmost importance to the study.

3.3 Research Approaches

The study was a qualitative study in which the aim was to seek and explore phenomena around the topic of CSR and stakeholder engagement; and how organizations could use this to improve overall performance. One of the main rationalizations for using this style of study was that there are a variety of styles in qualitative research such as surveys, case studies, ethnography and experiment (Lincoln and Guba, 1985). Bearing in mind this information, the research approach began by first determining the research purpose and then to select the most intuitive research approach in order to create links between intention and methodology (Gaus,
Furthermore, it could be concluded that this study required in-depth “how” questions to be answered, which are explicitly more suitable towards the qualitative research approaches, rather than quantitative research (Merriam, 1998; Yin, 2009).

The research followed an inductive approach and was concerned with the concept that a new theory of information and findings will be generated at the end of the study, from the data collected (Goddard, W. & Melville, S. 2004). The inductive reasoning approach was chosen because it allowed the study to keep an open mind and a certain level of flexibility within approach. This related to the study because of the notion that the topic of CSR and stakeholder engagement are wide-reaching topics, usually subjective to individual open-ended interpretations. The rationalization for using the inductive approach roots from the “bottom up” concept, in that the researcher will use observations from the findings to build an abstract analysis of the phenomenon that is being studied (Lodico, M.G., Spaulding, D.T & Voegtle, K.H., 2010).

On the other hand, a deductive approach is concerned with using relevant theories and teachings and then creating a research strategy to test the hypothesis (Wilson, J., 2010). This approach did not suit the study because of the fact the objective is not to direct the study to a set of pre-defined hypothesis, but rather to explore an open-minded set of findings from a scarce topic around CSR and stakeholder engagement and how organizations could use this to improve organizational performance. Ultimately, deduction involves identifying expected patterns that is tested against various observations, whereas induction involves observations and then seeks to find a pattern within them (Babbie, E. R, 2010).

### 3.4 Research Methods

The research methods chosen were interviews and surveys within organizations in various industries. This had the aim of trying to obtain information from the most essential stakeholders when considering stakeholder engagement and CSR. Specifically, this gave a deep insight into an organization’s CSR outlook, efforts, and commitment to creating in a truly impactful CSR strategy, which utilized stakeholder engagement in the best method to improve overall performance. This was done by conducting in-depth in face-to-face interviews and surveys with both external and internal stakeholders e.g. employees, customers and shareholders.

The overall research objective was to examine how organizations can improve organizational performance through using stakeholder engagement as a tool. This was done by conducting a multiple case study consisting of 4 organizations. The rationalization for choosing organizations from different industries was down to accessibility, widening perspectives and different organization structures.
3.5 Data Collection

The primary data collected, was collected through conducting face-to-face in-depth interviews with both internal stakeholders (e.g. managers, employee) and external stakeholders (e.g. customers) which was semi-structured. According to Yin (2015), there are multiple benefits to use open-ended questions, first off, open-ended is a good way to detect the individual views in the interview (Yin, 2015). Furthermore, open-ended questions are also a way for discovering and identify the interviewees true options, since by using open-ended questions you let the respondents express them for freely without pointing them in any specific direction as you would be more likely to do with close-ended questions (Yin, 2015). Semi-structured interviews were chosen for similar reasons, since they help keeping the direction of the interview on the research topic (Johannessen, Tufte and Kristoffersen, 2010), but at the same time do not restrict other related or interesting elements that could come up while conducting of the interview which yet again, closed-ended questions have had (Ringdal, 2013).

“Secondary data can be defined as data collected by others, not specifically for the research question at hand” (Cowton, 1998, p424). The secondary data that was collected included the research prior to the interviews and surveys that were conducted during the study. The peer reviewed articles which were found whilst conducting the theoretical framework enabled the study to identify a problem and purpose. Using models and concepts from the articles, this then allowed to process of formulating the research question and was instrumental into the creation of the study phenomena. Information from websites were also an important part of the study. For instance, when looking into the background of an organization, webpages were researched in order to build a picture about their CSR strategy and whether they were a suitable inclusion for the study.

Since physical meetings with face-to-face in-depth interviews were possible to conduct, this seemed as an appropriate method to collect data. Four organizations were interviewed (NFU Mutual, Luna Sverige AB, Worcester Futsal Club). However, not all of the respondents were able to meet up in person to conduct the interviews, therefore data was also collected through skype or phone interview. Before conducting the interview, the interview questions and background about the thesis were handed out to the respondents upon request in order for preparation. The interviews were conducted either in Swedish or English depending on the respondents and interviewee’s request in order to be able to understand each other and in order to be able to transcribe it for the best possible way. Surveys were also conducted in order to not only capture the aspects of the internal stakeholders but also in order get the perspectives of the external stakeholders (e.g. customers and shareholders and used as primary data).

3.6 Analysis

One of the most helpful benefits that results from conducting qualitative research, is that there is no strict set of rules which dictate how the findings should be analyzed (Mehmetoglu,
In other words, it allows the researcher to dictate the design and interpretation of the analysis, whilst also allowing a certain degree of freedom, enticing creativity. When considering the different perspectives regarding analysis methods, these were split into two main categories of data processing, and data transformation. The terms ‘data processing’ and ‘transformation’ refer to the process of converting verbal or written information into a computer-based reading. This can include data coding and data verifying (Methods.sagepub.com, 2019). Within these perspectives, there are various analytical approaches in order to secure findings. There is not however, a standard practice in which to explore these two perspectives highlighting the open, flexible nature of this analyzing strategy (Yin, 2014).

This study used the Walcott (1994) method of data processing in which it was split into three main steps: description, analysis and interpretation. (Mehmetoglu, 2004). This allows the reader to have a detailed description of the findings in a condensed form, before reading upon the in-depth analysis, before finally being able to understand the key themes arising from the main research question.

An interpretivist method was used to analyze the data which is found through the research. This is a line of inquiry that enables the opposition of positivism within natural science and focuses on ethnographic methods which tend towards descriptive (Miles and Huberman, 1994). The analysis task in this study was to bring together multiple case studies from various data sources and condense them in a way which most effective. The interpretivism approach enabled this do be successfully carried out. Researchers also argue that by analyzing data as an interpretivist, they essentially have their own understandings and convictions about their own conceptual orientations, and are therefore, no more detached from their objects within the study than the respondent organizations who made up the study. For example, in the interviews undertaken, there was a collaborated act in which both the interviewer and the interviewee participated simultaneously, rather than a gathering of information from one party (Miles and Huberman, 1994).

### 3.7 Thematic Analysis

One of the methods used whilst conducting the analysis in the study was the thematic analysis tool. This concept is used in order to identify, analyze, organize, describe, and report themes which are found throughout data (Nowell et al., 2017). Having the thematic analysis as a method of analyzing the results aided in narrowing down the results of the thesis through the ability to recognize patterns (themes) throughout all the primary research conducted.

### 3.8 Ethical considerations

This section focuses on the ethical considerations taken into account when writing this thesis. It is important to take ethical considerations such as validity, reliability and objectivity into consideration when conducting research since it will affect the integrity of the research.
The ethical considerations were kept in mind throughout the research process. Before handing out the employee and the customer survey, the respondents were informed and were given information about the background of the thesis. This included why and to what purpose the data is being gathered for, and how it would be used within the thesis. This was done in order to enable the respondents to have the opportunity to decide whether they wanted to participate in this kind of study. If they choose to do so, they would then have some background and information about what kind of study they were participating in. Finally, whilst conducting the interviews, it was also made clear to the respondents that their anonymity would be guaranteed if they requested this, however, all respondents allowed their names to be included in the study. The purpose of this guarantee was to ensure the respondents felt like they could answer honestly without the fear of being judged based on their answers.

Since the employee questionnaires were sent out through the help of managers at the organization that participated in the study, one could argue that the survey was not fully anonymous. However, when collecting the answers of the employee survey from the respondents every effort was made to ensure that they sent the answer individually and directly to us through a link with no manager interference. This was yet again one of the steps that was taken in order to make sure that the respondents’ anonymity was protected from their managers. Furthermore, when the process of gathering and analyzing the data was complete, and the results of the survey were finalized, all data gathered was erased in order to comply with data protection procedures. In regard to the customer survey, the same process was applied.

Finally, the greatest care and effort was put into this section of the thesis in order to avoid any form of negative implications for respondents. This was made by ensuring their anonymity. Moreover, since there was a voluntary questionnaire, no respondents felt forced to answer. Hence, if they would not have wanted to participate in the study, it would have been simple for them to ignore the questionnaire. If asked personally, they would perhaps have felt more obliged, or forced even, to answer it.

### 3.9 Limitations

A multiple case study research design had certain flaws which needed to be considered whilst interpreting the findings. One of these flaws was the idea that the findings will ultimately be limited to reflect the results of the chosen organizations, and thus neglect generalizations or wider themes across an industry (Yin, 2015). Additionally, it was important to consider the potential risk for interview questions which can be seen as bias, in an attempt to encourage a given answer, or response bias. This is generally a common limitation within the realms of a qualitative study, following an inductive path, whereby an interviewer’s understanding and knowledge, may interfere with the interview process.
Another limitation was the number of stakeholders that were able to be involved within this study due to time and access restraints. In explanation, three of the easier to access, less time-consuming stakeholders were chosen (customers, employees and managers), in order to provide the most effective set of findings based on the topic of CSR and stakeholder engagement. Furthermore, the organizations interviewed were not from the same country or industry, meaning this study is unable to pinpoint specific themes that can be seen within cultures and industry-wide common-practice.

The final limitation which needs consideration comes with the chosen topic of CSR and stakeholder engagement. The information available was normally inconsistently defined and explained across many different information platforms, and this trend can also be seen within industries and organizations specifically. As a result, this could skew one’s definition of the topic, and an individual’s definition within one organization, maybe completely different to that of another. This was mainly caused by the lack of a universally agreed format on the topic (Ahern, 2016).

3.10 Empirical Methodology

This section will provide a detailed explanation around the choice of methodology that was chosen for this study’s empirical research. The empirical methodology aims to investigate the concepts presented within the theoretical framework through empirical research in order to draw upon key themes and ideas that surface. The empirical research within this study consisted of surveys and interviews. The motivation behind using a combination of both surveys and interviews was to provide qualitative data which can be analyzed in more depth than a single choice could offer. Consequently, the data could then be used to create a more complete picture from the three main stakeholders concerned with the topic (managers, employees and customers).

3.10.1 Surveys

Two surveys were used to collect the data, a customer survey, and an employee survey. The main justification for using surveys was because of the opportunity to obtain another perspective than the in-depth interview which we conducted. For instance, most of the interviews were conducted by managers, or senior employees with a strong degree of authority. The employee survey was completed by employees who were generally lower down on the hierarchal scale and thus had could have had a different outlook than their manager. The same justification applies to the customer survey whereby the perspective from an external stakeholder is also brought into the equation. Essentially, this choice allowed a more varied study, taking into account more responses which added to the study.

The customer survey included seven questions in total (see Appendix 3) split into three main sections: firstly, general information collecting basic details of the customer and whether they had the knowledge to complete the survey in the first place. In explanation, the survey included a question asking, “Are you aware of the term Corporate Social Responsibility
(CSR)”. If the customer clicked no, the survey would be terminated, and if yes, they would be allowed to continue to the following questions. This was done to prevent incorrect misinterpretations of the term Corporate Social Responsibility by customers who were not educated about this topic. The survey included mostly short open-ended answer questions including their views about CSR and their engagement on the subject. It also included a question relating to how they feel organizations could do more in order to improve customer engagement with their CSR activities. A total of 27 people completed the survey. From the data collected, it became possible to analyze the findings and identify key themes that were present for customers when they considered CSR activities and engagement.

The employee survey consisted of five sections, which included eighteen questions (see Appendix 2). This survey was handed out by the manager of the interviewed organizations chosen so that the study included a different perspective than just the manager’s views. The survey firstly includes questions regarding the general information, in order to build a general background to each employee. It then moves on to further sections in order to ask questions upon current CSR activities in their workplace, CSR engagement, CSR design and implementation and results from CSR activities. The survey was a mix between multiple choice and open-ended short answer questions in order to maximize the opportunity for the employee to provide in depth answers. A total of ten people completed the survey. From the data collected, it was then possible to analyze the findings and identify key themes that had arisen in the workplace and provided a valuable insight into how employees would feel more engaged when it came to the CSR activities design and implementation.

3.10.2 Interviews
The study contained interviews which consisted of a total of 10 questions (see Appendix 1) which were conducted with four organizations. The main justification of using interviews was that this research method allowed an in-depth insight into the perspective of an individual within a senior position. Further questions could then be asked depending on the way in which the interview progresses, which is not possible in other research methods such as a survey. This allowed the best possible chance to focus on picking out evidence which would suggest that there was a theme between each organization approach when analyzing the findings.

The interview questions were constructed in a way that promoted an open response, ensuring that the interviewee felt comfortable with speaking freely and in-depth. The first couple of questions were designed to get to know the manager and assess their level of knowledge around CSR. The interview then moves onto the types of CSR activities that the organization participates in and how this relates to their role. It then goes on to ask open-ended questions regarding engagement and the ways in which this can be used to improve organizational performance. At the end of each interview, the manager was given an opportunity to add anything else they thought was relevant to the study, in order to maintain an open-minded interview. The data collected from the interview allowed insights into the manager’s
4. Findings

The main purpose of this chapter is to present the results and key themes identified from the study. Firstly, a background is given to each organization which was included in the interview process, giving a short insight into each one and their CSR and stakeholder engagement strategy used in order to improve overall performance. Next, the findings from the manager’s interviews, employee survey and customer survey are presented including an overall summary. Finally, the four main key themes that can be interpreted from the results are included which were found through the thematic analysis.

4.1 Background

The organizations included in the study all had some sort of association with CSR and stakeholder engagement policy or strategy, although some were at different stages in implementing this. The organizations chosen for the manager interview were carefully studied before the interview to learn as much as possible about them and their current CSR and stakeholder engagement strategy. It also allowed the interview to have a mutual understanding about the organization. Contact was made by email initially, and important information about the organization’s CSR strategy was given, for instance a link to the organization’s CSR webpage.

4.1.1 NFU Mutual

The National Farmers Union Mutual (NFU Mutual), is a UK registered financial mutual which focuses its business on insurance, pensions, and investments. It has around 3,800 employees (2014) and underwrites more than £1 Billion in annual premium for life and general insurance, with its main customer base being the rural farming community. It was founded in 1910 in Stratford-Upon-Avon, England, which still remains its’ headquarters today (NFU Mutual, 2019).

Unlike many new organizations, NFU Mutual has been part of the CSR phenomenon for a long-established period, mainly down to the fact that adopted the structure of a mutual. This means the organization’s sole aim is not just for profit, but to provide a long-term, sustainable business which pays its members in the form of lower premiums and bonuses. Therefore, NFU Mutual has spent a lot of time going the extra mile to the ‘greater good’ of society by prioritizing employee and community welfare. NFU Mutual operates with a customer base dominated by the UK rural community, giving it extremely sensitive links to the rural environment, and the UK’s agricultural supply chains. In other words, the organization has had to adopt a thorough CSR policy in order to keep all stakeholders satisfied, and engagement comes rather naturally whilst the topic of CSR and stakeholders is entwined within its very DNA.
4.1.2 Luna Group

Luna group is a B2B organization within the construction industry which means that they do not sell direct to the end consumer but rather to retailers. Luna group have present in both the Nordic as well as in the European markets where Luna Sweden AB, Luna Norway AS and Luna international etc. acts as their representants. Luna Group have a wide range of products consisting of 500 different brands and around 50,000 products. The organization has approximately 70 employee and have yearly turnover of 1 billion Swedish kronor. Even though Luna group’s main business is to supply the market and its’ customers with construction tools they also support and help their customers (the retailers) with cost cutting within the areas of logistics and administration and educate them in everything from sales and production to digitalization in order to create a strong and long term relationship and partnership with their customer Luna group is part of a bigger group corporate group where the parent organization is Bergman & Beving ng.

4.1.3 Luna Sweden AB

Luna Vertyg & Maskin AB (Luna Sweden AB) is a Swedish registered organization which focuses its business mainly on selling construction tools and equipment to the Swedish market. It has around 50 employees (2018) and had a turnover of more than 660 million in 2018. Luna Sweden AB together with six other organizations outline the “Luna Group”. However, both Luna Sweden AB and the Luna group is also part of a large group of approximately 40 organizations which all have the Swedish organization Berman & Beving AB has their parent organization. Luna Sweden was founded back in 1919 in Alingsås, Sweden which still remains its’ headquarters today.

4.1.4 Worcester Futsal Club

Worcester Futsal Club is a Futsal club based in the United Kingdom and is affiliated to the English Football Association playing its fixtures in the England National League. The club represents the city of Worcester, England, with a population of approximately 100,000. The club uses Worcester University as its headquarters where it hosts fixtures in the league, runs training sessions for the players, and also maintains a youth academy giving opportunities to the local community. The game of futsal is a variant of the better-known game of football but has some distinct differences, mainly being the matches are played indoors, with each team allowed five-a-side at a time. It is said to be one of the quickest growing sports within the sports and leisure industry, with many clubs around the world providing a stepping stone to both children and adults to get into sport.

Worcester Futsal club as an organization aims to develop the club into a professional club and develop the sport in the local area by increasing participation and getting more supporters interested. They also have a strong plan to include players from all backgrounds and disabilities and currently have two players who currently play at international level with disabilities, one suffering from diabetes, and the other being visually impaired.
4.2 Interviews

The data collected from the interviews conducted is presented in this section. The below (see table 1) gives a breakdown of the organization name, industry, products/services offered, the representative who took the interview, and the representatives role. Next, the findings from each organization is presented separately in order to pick out specific themes relating to certain industries. The table below shows a grid detailing the general information regarding the organizations and respondents interviewed:

<table>
<thead>
<tr>
<th>Organization</th>
<th>Country</th>
<th>Industry</th>
<th>Product/Service</th>
<th>Representative</th>
<th>Representative’s Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFU Mutual</td>
<td>United Kingdom</td>
<td>Financial Services</td>
<td>Insurance, Pensions, Investments,</td>
<td>Christian Stewart</td>
<td>Conduct Regulation Assurance Specialist</td>
</tr>
<tr>
<td>Luna Sweden AB</td>
<td>Sweden</td>
<td>Construction</td>
<td>Construction equipment &amp; tools</td>
<td>Morgan Fasth</td>
<td>CEO</td>
</tr>
<tr>
<td>Luna Group</td>
<td>Sweden</td>
<td>Construction</td>
<td>Construction equipment &amp; tools</td>
<td>Anita Åsedal</td>
<td>CSR Responsible</td>
</tr>
<tr>
<td>Worcester Futsal Club</td>
<td>United Kingdom</td>
<td>Sports</td>
<td>Futsal Club</td>
<td>Paul McHugh</td>
<td>Chairman</td>
</tr>
</tbody>
</table>

Table 1 – Table of organizations interviewed within the thesis

4.2.1 NFU Mutual

An interview was carried out with NFU Mutual who kindly allowed us to speak with Christian Stewart, Conduct Regulation Assurance Specialist. Having worked for the organization for almost a century and having many experiences around CSR and stakeholder engagement, this manager provided the experience and knowledge needed to get valuable information. When asked “what comes to mind when you hear the term CSR?” he replied, “Ethical behavior, responsible business practices, valuing all stakeholders and the environment.” In terms of how the CSR activities that the organization does are created, it is mainly a designated CSR department that has the final say over potential ideas, however, people within the organization are encouraged to get involved and rewards are available to members of staff who take part in this. He also believed that by encouraging participation on a departmental basis, generates a level of engagement for employees to participate.

Christian Stewart mentioned how participation in CSR activities is purely voluntary and this is designed to stop employees feeling forced, thus avoiding it becoming a chore. There is also group-wide CSR schemes which creates a sense of CSR cohesion in working towards a common goal e.g. group-wide fundraising such as ‘pennies from heaven scheme’ where
employees have the option to donate a small amount of their salary to a charity, and the organization matches this total amount. NFU Mutual also has volunteer schemes such as taking a day off work to actually physically help an entity within the community, e.g. helping in a local school for blind children and supporting gardening activities.

In terms of the most engaging CSR activities for both managers and employees, Christian Stewart referred to ideas which generate fun or reward within the workplace such as a quiz, sporting tournament or social function to raise money for a designated charity, in which employees actually get physically involved. He also said that the CSR department’s strategy is to make the charity selection as relevant as possible to employees e.g. cancer charity – because many employees have a personal experience towards this and genuinely want to make a difference. NFU Mutual is a strongly farming-based organization, and so many of the CSR activities are geared towards the rural community, engaging staff members in agencies.

When asked about what makes a CSR activity less engaging, he mentioned that when there is a trade-off between an employee’s ‘business as usual’ responsibilities, with a tedious CSR activity, this can sometimes create extra pressure usually down to an increase in workload. However, he supports NFU Mutual’s strategy because they are good at planning in the extra time resources that comes with carrying out CSR activities on top of normal workloads.

In terms of how NFU Mutual engages other stakeholders in its CSR activities, Christian Stewart mentioned about the regulator (Financial Conduct Authority), giving out rewards to organizations within the industry who have gone “above and beyond in order to raise awareness or create solutions”. For example, mainly environmental aspects where the regulator has ambitious targets to manage set by the UK government, but also issues such as mental health, which has been an important topic within the media in recent years.

When asked the question “Do you feel that the employee engagement created by your organization’s CSR activities, improves internal organization performance” Christian Stewart answered “yes, on a simple term”. He said that because the organization is a mutual, they are not just profit orientated and they have three key objectives which are ‘sustainable profitable growth, great place to work, and great place to do business in’. He also said that certain CSR activities which are engaging and enjoyable can actually improve organization morale, thus improving performance in the way of productivity and fewer absences or staff turnover. However, most importantly, the customers also learn about the organization’s positive work and this is core to the business strategy.

4.2.2 Luna Sweden AB

The second interview that was conducted was carried out with the CEO of Luna Sweden AB, Morgan Fasth. Morgan is fairly new to his current position has he just got the job approximately 1 year ago however, Morgan have had experience in similar positions in different organizations within the industry for more than a decade. Morgan provided useful knowledge and information throughout the interview, one example of this was when he was
asked “What do you think about when you hear the term CSR?” replied, “taking responsibility, not only economic, social or environmental responsibility but rather taking responsibility in all areas, the second thing that comes to my head is also take care of the people and the workplace in the long term”. When elaborating on it further, he said that for him personally and for Luna Sweden as an organization it’s important to take responsibility and make commitment to the external social responsibility but also the internal, by this he meant that he really believes that in order for an organization to have the potential to be successful and improve its effectiveness and performance it has to create an environment where people are happy with going to work, where they understand their purpose of their and are allowed to engage and affect how they work otherwise an organization will not be successful since “the people at the organization is our biggest asset and without them we are going to fail”.

In terms of CSR activities, Morgan gave two examples on activities which they engage in 1. They supply and donates construction tools to the non-profit organization “Engineers without boarders” in order to help them make a long-term impact and work towards meeting the united nation sustainability goals. 2. They have recently implemented a new CRM (customer relation management system) which allows them to improving customer satisfaction and their long-term relationship with their customers.

Regarding the second activity, the CRM system, it’s mainly the sales department which can affect and engage in this type of activity since the sales department is the department which deals with the customers and engage with them on a daily basis.

When asked “Have you faced any issues with trying to get employees interested in new CSR initiatives within the organization? the reply was “Yeah, I think that this is something that always comes up when you are implementing new systems or ways to operate or communicate with stakeholders or customers, not everybody can get on board right away”. Instead you need to focus on how to solve the issues or problem which may arise. According to Morgan one key to solve this could be to create an environment in which people can be transparent and able to communicate if they think there is something that needs to be change or improved because in order to find the solutions you first need to be able to identify them. He said “I think the key is to be transparent and to able to ventilate what is bad in order for us to find solutions and to improve and this goes for our customers as well. So, we try and help them find their areas where they can improve in order to create more value together and to find insights about the customers in order to solve their problem.”

When asked “Do you feel that the employee engagement created by your organization’s CSR activities improves internal organizational performance?” He said “yes I believe that our employee work with this CRM system will improve internal performance in the long run. For example, since we now can collect more data we have started to base our decisions more on fact instead of assumptions which feels great”.
4.2.3 Luna Group

The third interview that was conducted was with Luna group, the parent organization to Luna Sweden AB. The interview was conducted with Anita Åsedal, sustainability responsible and acts in a supporting role to the board of directors. Anita have had the position since April last year but have several years of experience in similar position working with the areas of CSR and sustainability. She also was one of the one who developed Luna group’s sustainability report. When asked about what comes to mind when thinking about the term CSR, Anita responded that for her the first thing which comes to mind are sustainability and how they as an organization work in order to contributing to creating a sustainable society and world for the next generation and how can we reduce the negatively environmental aspects. When asked how Luna group as organization works in these areas and how that process may look like, Anita responded that they work a lot with making sure that their value chain and their suppliers actively works with CSR and take responsibility for being sustainable and that the products holds a certain standard. In order to ensure this, Luna have certain requirements with and put demand on the suppliers which needs to be fulfilled in order for Luna Group to work with them. This Luna group do in order to keep the quality up on their products and also in order to fulfill their stakeholders' expectations and demands that they have on Luna Group.

In order to take responsibility and being more sustainable, Anita said that they work from a standpoint where they have four of the UN-sustainability goals as a starting point when developing the quality and sustainability report, the four goals they choose work towards are 5. gender equality, 8. industry, innovation & infrastructure, 12. Responsible production and consumption and 13. Climate action. Furthermore, they have chosen to focus on 5 major areas which are, co-workers, sustainable value chain, material & waste, equality, product portfolio and finally the environmental aspects.

During the interview she also told us about their CSR-activities, Luna group have decided to donate their expired products from their product range to organizations in need in order to take it one step further and take social responsibility. When asked “Do you feel that other employees at the organization are aware of the CSR activities you do and if so in what ways?” she said “I feel like they are but I also think that it can be improved” since they have not had an sustainability report in place for that long (2 years) it has not really take shape yet and have not past down the whole organization yet. When asked about if she feel like the stakeholder engagement and CSR activities have contributed to the organization’s performance, she explained that they started to see an up going trend financially (which the yearly report also support) but also in other aspects such as improvements in their sustainability work and how it have contributed to a more attract workplace where people want to work. She also told us that they can see that their performance has gone up since they now get recognition on different industry lists because of their stakeholder engagement and sustainability work.
4.2.4 Worcester Futsal Club

The fourth and final interview that was conducted was with a sporting organization called Worcester Futsal Club. This interview was conducted by chairman, founder and player, Paul McHugh, who has been at the club for four years and has senior caps with the England national team of futsal. The first question which was asked was “what came to mind when the term CSR was heard?” The chairman explained that for any sporting organization, the most important aspect of CSR is the connection between the club and the local community, in other words how they integrate and provide a positive benefit to society. The chairman was then asked what CSR activities the organization had engaged in and he explained that they offer training sessions for the youth academy where parents can bring their children to try out their skills and enjoy a fun session and a relaxed environment. The benefits of the academy on children were the positive effects of exercise and teamwork on the child’s physical and mental health. It was also explained that the club also gives out free tickets to local people regularly to come and watch the sport, in order to promote themselves within the local community.

The chairman explained that as they are a fairly small organization, most of the CSR activities were designed and implemented by himself, however, he does regularly meet with the players and coaches to obtain their opinions about the potential CSR activities. However, he did mention how it was important that all the players and staff were involved with participating with CSR functions to show off a strong team cohesion to the local community. On a personal level, the chairman said that the most engaging CSR activity that the organization carried out was the work they did with disabled people and their involvement with the game. For example; the club offers training sessions encouraging people with disabilities such as a visual impairment and or diabetes to join them. He said that the reason why he felt so engaged with this was that he also had a disability himself, and so he knew how beneficial this was to the local community and the individuals personally because they were given more of a chance.

When talking about stakeholder involvement in relation to CSR activities, it was clear that there was one main stakeholder who held an important role. The Chairman said, “The English Football Association (FA) is our most important stakeholder here because they set a lot of the benchmarks about getting people into sports in order to promote a healthy physical and mental well-being.” There is also the Players Football association who are a pressure group designed to promote fair-play schemes such as the ‘kick it out’ campaign designed to prevent racism, which Worcester Futsal club follows the guidelines of.

In terms of the relationship between stakeholder engagement with overall organizational performance, the chairman first had to establish what good performance meant to them. He came to the conclusion that good performance for a futsal club would be not only results on the pitch but also the way in which they integrate into their local community (fan-base) in the form of attendances. It was highlighted that positive CSR schemes could only benefit the
effect this has on getting people to come and watch the team play, because people are proud to support an organization which is having a positive impact on the local community.

4.3 Surveys

This section includes the findings that can be found from the two surveys that were carried out. All in all, a total of 37 respondents took part in both the customer (27) and employee survey (10). Whilst the survey numbers are fairly low, it provided more than enough information which had to be refined into condensed qualitative findings. The results can still show trends and themes, and these will be highlighted during this section.

4.3.1 Customer survey

The respondents were 27, of which the division is 56% male and 44% Female. the ages range from 18 years old to 65+ with the majority being between 18-25 years at 84.6% of the total respondents. Starting off at the first question “Are you aware of the term corporate social responsibility?”, to which 66.7% of the respondents replied (yes) that could potentially mean the younger people are more aware of CSR. Moving on to the next question “Is it important that the organization engages in CSR activities when you make your purchasing decision?” The majority of respondents said yes that it is of importance when making a purchasing decision. On the next question which states “Do you believe that your feedback as a customer could have some sort of impact on the organization’s operations?”, the majority seem to believe that feedback can in some cases have some sort of impact on the organization’s operations.

The following question is “would you be more likely to purchase an organization’s product/service if they included your views within their CSR strategy?” to which 88.9% said (yes) which show us that through listening to consumers, organization might be able to make progress within their CSR initiatives and through that appeal to more customers which could translate to a relationship which is more personal. The last question states “In what ways could an organization include your views?” this question had a variety of responses, some of them are; by being more ethical, transparency, and making production choices that take the environment into account.

4.3.2 Employee survey

The employee survey was completed by 10 employees of the chosen organizations, mainly being NFU Mutual (50%) and Luna Sweden (50%). The employees who completed the survey were fairly experienced, with only a small proportion working for the respective organization for less than one year (10%).However, the majority of employees had worked for the organization between 6-10 years (40%). This shows how the survey could be relied upon to provide accurate answers in terms of the organization’s CSR strategy and employee engagement.
When asked the question “Are you familiar with CSR activities that your organization has, the majority (60%) replied ‘yes’, whilst the remaining respondents clicked ‘maybe’ (40%). This is quite a surprising result, given that both NFU Mutual and Luna Sweden have had a CSR strategy in place for some time. Some of the most common CSR activities that the employees had experienced within the organization were working with charities, environmental schemes and Customer Relations Management (CRM). Many employees of Luna Sweden said that they found the CRM system the most engaging, whilst the trend at NFU Mutual was the social inclusion with a worthwhile charity was most engaging. Both organizations seemed to be doing well in terms of their CSR and employee engagement strategy, with only a couple of employees sighting need for improvements. Overall, employees said that on a scale of 1-10, their organization’s CSR activities influence their engagement at work by an average of 6.4/10.

In terms of CSR and stakeholder engagement, the majority of employees thought that the success from this can go towards helping the organization improve overall performance (60%). The final question asks, “Do you feel that the organization’s CSR activities have a positive effect on its customers?”. In response, nearly all the respondents said that CSR activities have a positive effect on its customers (90%); which highlights how this can really improve overall organizational performance in this area.

4.4 Summary of results

The results suggest that stakeholders are aware of CSR. CSR activities are essential to the stakeholders, furthermore, it suggests that CSR is an important aspect which needs to be considered and most of the respondents believe that their feedback can be impactful on an organization’s CSR initiatives.

Three aspects which are brought up multiple times through the survey’s is that stakeholders are most concerned about these topics; ethical considerations from the organization, environmental considerations, and lastly transparency within the organization’s operations. The results also include the idea that the most prominent CSR activities within the organizations interviewed have to do with Charity and/or environmentally oriented CSR activities, moreover, the organizations interviewed have a focus on maintaining and creating long-term relationships with their community and stakeholders.

The organizations have seen a positive internal performance where aspects such as effectiveness and stakeholder satisfaction have been improved. Furthermore, the organizations interviewed also saw an improvement in corporate brand image which boosts profitability.

4.5 Thematic Analysis

As discussed in section 3.8, this study uses a thematic analysis in order to identify common themes from the qualitative research carried out. Below is a table (see table 2) showing the
thematic analysis identifying common themes from the four interviews and the two surveys. The most common three themes will then be extracted from the table and discussed in more detail.

<table>
<thead>
<tr>
<th>Theme Identified</th>
<th>NFU Mutual</th>
<th>Luna Sweden AB</th>
<th>Luna Group</th>
<th>Worcester Futsal Club</th>
<th>Employee Survey</th>
<th>Customer Survey</th>
<th>Number of Observations</th>
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</thead>
<tbody>
<tr>
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<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>5</td>
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<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<td>5</td>
</tr>
<tr>
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<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>6</td>
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<td>x</td>
<td></td>
<td></td>
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<tr>
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<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>6</td>
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<tr>
<td>Competitive Advantage</td>
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<td></td>
<td>x</td>
<td></td>
<td></td>
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<td>1</td>
</tr>
<tr>
<td>Communication</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>6</td>
</tr>
</tbody>
</table>

Table 2 – Thematic analysis

According to the results of the thematic analysis, it was clear that the three themes which were most commonly identified from the research were; ‘Employee Motivation’, ‘Stakeholder Loyalty’, and ‘Communication’. These three themes all received a score of 6 meaning that they were identified in all of the interviews and surveys, and therefore, will be discussed in more depth.

4.6 Theme 1 - Employee Motivation

One of the themes recognized is improved employee motivation and the potential benefits of this on organizational performance levels. Through the research conducted, employee motivation was brought up through engaging with CSR activities, meaning that when the employees are introduced to a CSR initiative the majority feel engaged and hence felt motivated due to the feeling of being involved in order to help the organization do good in society. Of course, the extent to which employee motivation can be increased through various CSR activities depends entirely on the success of the given activity. However, the examples from NFU Mutual regarding their strategy of making CSR activities social, light-hearted and fun, seem to strongly correlate to an improved employee motivation level as highlighted
within the employee survey where many employees commented on this. Of course, the level at which CSR activities have a knock-on effect will depend on individual preferences and interests, but it seems that if time is taken to deliberately make the CSR activity engaging for employees, then this can be rewarded in a reciprocal agreement in the form of higher motivation levels.

The benefits of higher motivation levels could possibly lead to higher productivity levels, lower absence rates, increased job satisfaction, and higher staff retention. As a direct consequence of this, it could help organizations decrease staff related costs incurred through negative human resource issues that come with an unmotivated workforce. Further implications of this theme would be an overall improvement in profitability levels and the organization could possibly become a more attractive place to work, meaning they are able to hire a better quality of employee.

4.7 Theme 2 - Stakeholder Loyalty

One of the themes recognized is stakeholder loyalty. This theme essentially means that the organizations interviewed hold relationships in high regard and hence wish to please stakeholders by satisfying and adapting to their demands while also through that adaptation help the organization grow and make progress in the areas which the stakeholders felt like the organization was lacking. Connecting with outside entities through partnerships or simply through aiding an organization, for instance, NFU Mutual’s giving support financially and through manpower to a school for the disabled in their community. Having a partnership also goes with Luna Sweden AB due to the fact that they partnered with ‘Engineers Without Borders’.

The benefits of stakeholder loyalty are two-fold, the stakeholder in question will benefit from the organization’s actions in some way whilst the organization will benefit from an increase in loyalty. A good example of this would be on a customer level. In this perspective, the customer will be impressed with the CSR activities that are being carried out by the organization, and in return, will be more likely to remain loyal to the organization when considering purchasing options. This is highlighted in the findings in that the customer survey asked exactly this question: “Is it important that the organization engages in CSR activities when you make your purchasing decision?” The majority of respondents said yes that it is of importance when making a purchasing decision. There are further implications of stakeholder loyalty means the mutual relationship becomes stronger, thus making business partnerships stronger inciting a more sustainable running organization. The same benefits could be seen towards suppliers, the government or local authority, employees, and shareholders.

4.8 Theme 3 – Communication

The third theme recognized throughout the research is communication. Having an established and appropriate communication method with stakeholders appears to be an essential aspect of an organization when it comes to having constructive CSR communication with stakeholders.
For instance, NFU mutual seems to have a successful communication approach as they are open to customers engaging with them and suggesting activities they believe NFU Mutual should be involved in; and according to the interview we conducted with NFU Mutual, they have pursued initiatives suggested by customers on multiple occasions, as an example the customers. This theme can also be recognized within the other organizations which are part of the study, however that will be discussed later in the analysis.
5. Analysis

This section discusses the three themes which were identified within the results section. These were 1) Employee Motivation 2) Stakeholder Loyalty and 3) Communication. The discussion below aims to intertwine the themes identified from the findings, with the concepts stated within the theoretical framework in a way which will allow an in-depth analysis of how they can be used to improve overall organizational performance. The concepts from the theoretical framework will also be used in order to add credibility to the study before drawing upon a conclusion.

5.1 Employee Motivation

As stated earlier, culture can only be maintained as long as it is as true and introduced it to new employees in the organization. The organizational culture can change depending on how the organizations manage to adopt from their old routines into the new ones and how they learn how to deal with both internal issues (internal communication) and external issues (e.g. with customers, suppliers, etc.). While being in this process a certain organizational culture could emerge or be developed (Schein, 1985). This is something that all organizations need to consider. All the organizations that have been interviewed work a lot with organizational culture and employee motivation on a daily basis. As the results show, the corporate culture that these organizations have created make employees feel like they have an impact on the organization. As a result, they feel motivated to work with these areas since the organizations allow them to engage in the decision process of working with CSR.

One of the main findings from the study in relation to the employee motivation theme was that the way in which an organization decides to implement the CSR activity, will determine the level of engagement it has on the employees and the subsequent knock on impact on organizational performance will be dependent on this. Johnston’s (2010) process model (see figure 2.1) highlights the drivers which motivate employees to enter a process in which they will engage with a given CSR activity (Lawrence, 2002). When considering NFU Mutual, one of the main findings was that they try and make the CSR activity as engaging and personal as possible to every worker in a way that is relevant and fun. For example; by using social occasions (quizzes, sports events and other social functions) in order to raise money for the designated charity – of which employees would have chosen this charity by means of a vote. This is an example of how NFU Mutual uses Johnston’s (2010) process model because it is clear they have analyzed the three main concepts of the activity before implementing it. By focusing on the three main concepts of the model: Input Strategies, Methods of Engaging and the Outcome of Engaging, it allows an organization to create a step-by-step, cause and effect model to assess impacts of CSR decisions on various stakeholders. (Lane and Devin, 2017). This can then be supported by the employee survey whereby the trend at NFU Mutual was that the social inclusion whilst carrying out CSR activities was the most engaging method of implementation. It goes without saying that the potential benefits of enhanced employee motivation include factors such as increased productivity, lower staffing costs (as a
result of lower absence and turnover), as well as enhanced reputation to attract a better quality of employee when recruiting.

5.2 Stakeholder Loyalty

Regarding the Seven Patterns of CSR Adoption model, identified were two of the patterns that all the organizations interviewed fit; however, they seem to be two patterns that were pursued separately, but now, nevertheless contribute to the CSR initiatives within the organizations collectively. The first pattern is the Thickening pattern which the study deducted that Luna Group, Luna Sweden AB, and NFU mutual have followed after their conception due to the fact that both organizations were started in the early 1900 when the CSR concept wasn’t as popular. Worcester Futsal Club also seems to be following the thickening pattern. The second pattern that the study shows the organizations follow as well is the Cooperating pattern in which they have some sort of cooperation with an outside entity which pursue CSR objectives based on the outside organization; for instance, Luna Sweden AB cooperating with Engineers Without Borders, or NFU Mutual with the Financial Conduct Authority (FCA).

When it comes to The Corporate Brand Identity and Reputation Matrix the study is analyzing two aspects that have to do with the brand and two aspects that have to do with the reputation. Regarding the brand aspects, the first is Relationships which provides the following question: “what should be the nature of our relationship with the key customer and non-customer stakeholders?” through the research it became apparent that the organization’s all value their relationships with stakeholders immensely through partnerships and mutually beneficial relationships which goes with the Stakeholder Loyalty that the study identified previously. The second brand aspect is aspect is Identity which concerns “brand core-promise and core values: what do we promise, and what are the core values that sum up what our brand stands for?” in the case of Luna group, forming long-lasting partnerships is a core value of theirs and this is apparent through the information gathered through them. A notable part that contributes to them achieving that goal is the CRM system which they have in place, which allows them to cater to their partners needs appropriately and not spend extensive resources on products which they are aware that a respective customer doesn’t need when dealing with them. Luna Sweden has hence been successfully maintaining its relationships through its CRM model.

When it comes to NFU mutual, their core purposes included sustainable profitable growth, a good place to work, and a good place to do business, hence, NFU mutual is also a place in which they value people and partnerships. NFU Mutual, being a mutual as the name suggests, they value interactions with the stakeholders. For instance, the customers are the members of the mutual hence they have to listen to them in order to assist them achieving their core purposes. Luna Group has the same identity and values as Luna Sweden AB as it is the parent organization of Luna Sweden AB. When it comes to the Worcester Futsal Club, they have their core identity as a Futsal Club hence they have a fan base, which is local community which can be regarded as their customer base. Having their local community as their customer base, they place a lot of value in the relationship with their local community.
Another important relationship for them as a futsal club is the English Football Association which supports them through monetarily through grants and through educational support by training them to a good standard.

Moving on to the reputation aspects of the models analysis, the aspect to be discussed is the willingness to support aspect which presents the following question “How engaging and inspiring are their purposes and practices?” to which NFU Mutual, Luna Group, and Luna Sweden AB seem to be putting extensive effort into, as an example the support of Engineers Without Borders through supplying machinery free of charge which is done by Luna Sweden AB. Having the willingness to support is also apparent with NFU mutual, for instance the example which has been brought up previously in this study which is the assistance of building schools for the disabled in their local community. Having the willingness to support can also be seen in the Worcester Futsal Club as they host free-of-charge sessions for kids, at their youth academy.

Regarding The Clarkson principles of stakeholder management, it is possible to recognize that all the seven principle within this stakeholder management model can be seen within the four organizations, based on the results from the interviews conducted. They all appear to be following the principles as a whole and also seem to be managing their stakeholders appropriately. Hence, it appears that the reason they are able to have great loyalty from their stakeholders is due to the organization’s being able to implement the seven principles appropriately and successfully.

5.3 Communication

As the results suggest, stakeholders are aware of CSR and CSR activities is an essential part which organization need to consider in order to attract customers and in order to stay competitive. All the organizations that were interviewed work with CSR activities on a day-to-day basis in order to meet the demand for their stakeholders. However, the findings also show that there is a need to improve their internal communications because it seems like this might be a prominent issue. Since a minority in the organizations interviewed seemed to be unaware or uninterested, if the communication is improved there will be a better chance to narrow down employees that are uninterested in CSR activities in general and hence would prove that communication within the organization doesn’t demand any improvement further than communicating to people who are unaware.

The results gathered from the interviews further suggests that the organizations have started to see an improvement in performance because of their CSR activities. The respondent from Luna Sweden AB stated that by implementing their new CRM system they have been able to collect more data about the preference as well as more knowledge about their customers which allows them to work more effectively and closer with their customer creating a long-term relationship where there are mutual benefits. By implementing this they have also manage to create higher stakeholder satisfaction which in the long-run will hopefully generate more sales which has been the tendency so far.
5.4 Performance

Organizational performance includes financial matters with key dimensions such as innovation, quality and customer relationship. (Gephart and Corvellac, 1999). In recent years, the measurement of performance has evolved which now reflects on a diversity of corporate activities and an organization’s impact upon societies, environments, and the wider greater good. Hence organizational performance is more strongly linked to the topic of CSR more than ever before.

As seen from the results gathered both Luna Sweden AB and Luna Group have had an improvement in the organizational performance where they have had an increase in employee index, which can suggest that the stakeholder engagement have been improved, in connection to their performance the financial result have slightly been improved compared to last year which further suggest that the improved from employees and other stakeholder engagement may have contributed to this, this is also something that the interviewees conducted further in tells. Looking at their work towards CSR and sustainability it is possible to also see improvements. All these factors contribute to achieving improved overall performance.

When focusing on the results of the research from NFU Mutual, it shows an organization that has had an established CSR strategy for a long-time. Ultimately, they have created a corporate culture in which the general perception towards CSR activities is engaging and separated from the normal working functions of the organization. This in turn has generated a positive effect on the performance measures of employee motivation, stakeholder loyalty and communication. As a result of this, they are now in a position to reap the financial rewards that come with a successful CSR and stakeholder engagement strategy. This is highlighted in the organization’s annual report and accounts 2017 in which NFU Mutual made an overall profit of £540m for the financial year.

5.5 Exceptions

When analyzing the results obtained from the findings, there are also important exceptions to note that go against the general themes which were outlined. For instance, Worcester Futsal Club measures performance in a different method than the other organizations (through attendances to fixtures and on field performance, rather than financially). This gives rise to the concept that organizational structure and industry play a big part in determining just how an organization can use CSR and stakeholder engagement in order to improve performance levels. Furthermore, this would be because the final aim of NFU Mutual, Luna Sweden AB and Luna Group is profit, whereas Worcester Futsal Club is a not-for-profit organization and so needs to approach this in a different method.

Another point to consider is the exceptions that can be noted from the country that the organization is operating within. For instance, whilst generally the CSR standards are fairly similar between the UK and Sweden, there will always be some distinctive differences. This comes down to the notion that CSR is a widely ranging topic which is very much open to
interpretation as to what constitutes as a good CSR strategy. For instance, what is a good CSR approach in UK may not be seen as good in Sweden. However, this exception is limited to CSR because when focusing on performance, it is obvious to note that most aspects of performance are universal when making comparisons between organizations across international borders.
6. Conclusion

Based on the results and findings from this multiple case study, it has enabled an exploration to the research question “How can organizations use stakeholder engagement in CSR; to improve performance?” In order to narrow this down, there were also the three sub questions which would help direct the study towards answering this overall question. These were: 1) “To what extent are stakeholders (both external & internal) aware of an organization’s CSR?” 2) “To what extent are stakeholders engaged in CSR Activities?” 3) “How does an organization’s CSR activities affect a stakeholder's decision to do business with them?”

Based on the results from the interviews and survey, the study showed that stakeholders are in fact aware of how the organizations interviewed work with subject of CSR and most of the stakeholders were also involved in engaging the organization’s CSR activities in a large extent. However, in terms of whether a stakeholder’s decision is affected by an organization’s CSR activity, it is clear that this comes down to individual cognitive mind-sets. When looking at the customer survey which was conducted in the beginning of this study, through the question “would you be more likely to purchase an organization's product or service if they included your views within their CSR strategy?” the responses showed that the 88.9% stated that if the organization they are intending to make a purchase from satisfied their views on organizations and CSR initiatives, they would be more likely to make that purchase.

On reflection of the findings obtained from this study, there are a selection of key ideas to consider whilst coming to a conclusion. Firstly, it is clear to see that CSR and stakeholder engagement are the components that need to be improved today; in order to see a future improvement in organizational performance tomorrow. So, in other words, organizations need to be aware that an impact on performance is mainly achieved in the long-term when looking to use CSR and stakeholder engagement as drivers for improvement in performance. The main aspect of performance which is affected by these drivers focus on the financial side in that usually an organization will face a short-term detriment to finances, but this will include the potential for a longer-term improvement. However, that is not to say that there would be no short-term benefits on performance either. It is also important to also consider the fact that what constitutes as ‘good organizational performance’ in one industry, country, or organizational structure, may not always be the same.

A key model which was part of the study was the Seven Patterns of CSR Initiative Adoption and through the analysis using that model, it can be seen that the four organizations follow the Thickening pattern and also the Cooperation pattern. When weighing this evidence, it appears relatively more likely that that these two patterns are quite impactful when it comes to CSR initiatives being conceived successfully and also through getting the stakeholders aware, which leads to their engagement.

Another key model which was used was the Corporate Identity and Reputation Matrix and through using that model it was possible to identify two aspect which based on the results
seem to be of essence when it comes to pursuing CSR activities. The first one being *Relationships* which appeared within to be present and impactful within all four organizations. They all successfully formed relationships with different stakeholders and made partnerships and though that pursued CSR initiatives. The second aspect of the model which was also found in the four organizations was the *willingness to support*. All the four organizations which are a part of this study had activities in place with the purpose to support external stakeholders. For example, Luna Sweden AB’s support of *Engineers without Borders*, also NFU Mutual’s assistance in building a school for the disabled as another example.

Finally, the justification for coming to this conclusion was through the use of the thematic analysis. This provided the main evidence to support the analysis because, essentially, it showed how these three themes were common across different industries, countries and with different stakeholder groups. Whilst these themes were an important finding within the study, the level of success on organizational performance resulting from CSR and stakeholder engagement does not exclude other themes, however, the three main themes discovered in this study could go a long way towards achieving this.
7. Discussion

7.1 General Discussion

Whilst this study has provided an extensive outlook into CSR and stakeholder engagement and its impact on organizational performance, it is important to reflect upon the strengths and weaknesses of it. The study harnesses a number of strengths, mainly that it developed an in-depth thematic analysis with the use of relevant models, which allowed the study to obtain the key themes as part of an identification process. There is also the successful combination of the three components (CSR, stakeholder engagement and performance) which provides a new perspective on a fairly unexplored topic when exploring the relationship between them. However, the weaknesses of the study were most connected to accessibility restraints, because there was a lack of organizations interviewed and stakeholders surveyed; which resulted in less reliable findings. If more interviews had been conducted with a greater number of organizations across different industries, could differ and it would be easier and more reliable to spot differences in themes within specific industries.

The economic agent that this study caters for the most would be organizations themselves who are looking to make an overall improvement in performance levels through their CSR and stakeholder engagement strategy. However, this study is also relevant for all stakeholders with an interest in how they can become more engaged with CSR.

7.2 Ideas for Further Research

In terms of the ideas and implications for further research in the future following this study, there would be a few main areas in which this could be encouraged. The first idea would be by focusing on a specific industry analysis around CSR and stakeholder engagement and organizational performance with a larger sample size in order to be able to draw more accurate findings and conclusions. This would then allow the researcher to find common themes and findings relative to a specific industry and tailor the thesis towards a more targeted benefactor. Another idea would be a similar kind of concept as the industry analysis, however choosing the country as the main source of differentiator. Although two countries were used in this study, it would also be useful to assess this topic across more international borders. This would enable cross comparisons to be made according to countries and the cultures in which organizations operate within.
References


Jenkins, R (2005) Corporate Social Responsibility and poverty


Öberseder, M., Schlegelmilch, B. and Murphy, P. (2013). *CSR practices and consumer perceptions*. 
Appendix

Appendix 1 - Interview Questions (Managers)

1. How long have you had/worked in this position and what is your role?

2. What comes to mind when you hear the term corporate social responsibility (CSR)?

3. Do you as an organization engage in any CSR activities? and if so, can give any examples?

   - How does this relate to your role as a manager?
   - Are you or fellow managers involved in the design and/or implementation of CSR initiatives?
   - If yes - in what way?
   - if no - would you like to be?

4. To what extent do you think your employees are familiar with the organization’s initiatives related to CSR in your workplace?

   - Which ones most engage you?
   - Which ones do you feel are most engaging to your employees?
   - Do you feel that there are any missing/bad ones?

5. What was the decision-making process behind choosing specific activities?

6. Have you faced any issues with trying to get employees interested in new CSR initiatives within the organization?

7. Do you feel that the employee engagement created by your organization’s CSR activities improves internal organizational performance?

   - If yes - how?
   - If no - why not?
   - In what ways could this be improved?

8. Do you feel that the organizations CSR activities have a positive effect on its customers?

9. Finally, is there something that you would like to add or comment on in relation to CSR and employee engagement?

10. Would you mind if we send you an employee survey for you to forward onto 5 of your employees? (would take maximum 15 minutes to complete).
Appendix 2 – Survey Questions (Employees)

General Information

1. Gender *
   - Male
   - Female
   - Prefer not to say
   - Other

2. What is your age? *
   - 18-25
   - 26-34
   - 35-49
   - 50+
   - Prefer not to say

3. How long have you been working for the company? *
   - Under one year
   - 1-5 Years
   - 6-10 Years
   - 11-15 Years
   - More than 15 years

4. What is the name of your company? *

Short answer text
5. Are you familiar with the CSR activities that your company has? *

- Yes
- No
- Maybe

6. Please give a short description detailing some of the CSR activities that your company is currently involved in?

Long answer text

CSR Engagement

Description (optional)

7. Of the CSR activities that your company is involved in, which one makes you feel most engaged when participating?

Long answer text

8. Of the CSR activities that your company is involved in, which one do you think makes your colleagues feel most engaged when participating?

Long answer text

9. Are there any CSR activities which you feel are not engaging? If yes - which ones and why?

Long answer text

10. Are there any CSR activities that you feel are missing? - If yes - please state which ones.

Long answer text

11. On a scale of 1-10, how much does your company's CSR activities influence your engagement at work?

1 2 3 4 5 6 7 8 9 10

No Influence Very Influential
CSR design and implementation

12. Are you involved in the design and/or implementation of CSR activities within the company?
   - Yes
   - No
   - Do not know

13. Would you like to be more involved with the design and/or implementation of CSR activities within the company?
   - Yes
   - No
   - I am already involved

14. If yes - please state how you would like to be more involved?
   Long answer text

Results of CSR Activities

15. Do you feel that your engagement in the CSR activities can help the company improve overall performance?
   - Yes
   - No
   - Maybe

16. If yes - how?
   Long answer text
17. Do you feel that the company’s CSR activities have a positive effect on its customers?

- Yes
- No
- Maybe

18. Finally, is there something that you would like to add or comment on in relation to CSR and employee engagement? (if no, leave blank)

Long answer text

..........................................................
Appendix 3 - Survey Questions (Customers)

General Information

Description (optional)

Gender

○ Female
○ Male
○ Prefer not to say
○ Other

What is your age?

○ Below 18
○ 18-25
○ 25-34
○ 34-49
○ 50-64
○ 65+

Are you aware of the term Corporate Social Responsibility (CSR)?

○ Yes
○ No

CSR Activities

Description (optional)

Is it important for you that the company engages in CSR activities when you make your purchasing decision?

Long answer text
Do you believe that your feedback as a customer could have some sort of an impact on the company's operations?

Would you be more likely to purchase a company's products/services if they included your views within their CSR strategy?

- Yes
- No

CSR Activities

Description (optional)

In what ways could a company include your views?

Short answer text: