Values-led business

A study of the Ben and Jerry’s concept and its applicability

Bachelor thesis within Business Administration

Author: Anders Borgh, Andreas Mård, Andreas Nyberg

Tutor: Tomas Karlsson

Jönköping June 2005
Abstract

The issue that is dealt with in this paper is the concept of values-led business. The idea behind the term is that businesses has a responsibility to the people and the society that make its existence possible and that social problems can not be solved unless business accepts taking on a leadership role which requires that business starts acting in the interests of the common good. This is specifically important since companies today are the main source of influence in people’s everyday life and the area is specifically interesting because of all the business scandals in recent years. (Cohen and Greenfield, 1997). The concept of values-led business arose mainly from the two companies the Body Shop and our chosen company; Ben and Jerry’s.

The purpose of this thesis is to explore the concept of values-led business and find out how it is different from the procedures at a non-explicitly values-led organisation. We also aim to find out if there would be any benefits of introducing values-led business into the latter.

In this paper we compare an explicitly values-led company, Ben & Jerry’s Ice Cream, with a non explicitly values-led company, SIA Glass on their internal and external performance on the study areas of Marketing, Sourcing, and HRM and Organisational culture. A qualitative research method has been used as method. The collection of primary data was done with the help of interviews done at our companies’ main offices in Sweden. In the case of Ben & Jerry’s, additional secondary sources have been used. Theories used serve the purpose of both a tool of analysis but also of setting the stage of values-led business. Furthermore, the theory has been divided into the four areas of study mentioned above.

The first part of the conclusion states that we, throughout the thesis, have given a good overview of what the differences between values-led business and “ordinary” business really are. Also, we found that SIA Glass has the potential of becoming a values-led company as its foundation is not entirely based on financial goals but is to a large extent driven by a will to preserve something good for the local community. In order to develop a values-led thinking a social mission should be formally put down in print and be held equal to the financial and quality missions. SIA Glass potentially has a lot to be gained especially in the marketing area as SIA Glass as it could create further leverage by using more creative marketing methods.
# Table of Contents

Abstract ................................................................................................................................. i

1 Introduction .......................................................................................................................... 1
  1.1 Problem discussion ........................................................................................................ 2
  1.2 Purpose .......................................................................................................................... 3
  1.3 Delimitations .................................................................................................................. 3

2 Method ................................................................................................................................. 4
  2.1 Research approach ........................................................................................................ 4
  2.2 Qualitative study – Case Study, Extreme Sampling ....................................................... 4
  2.3 Selection of companies ................................................................................................ 5
  2.4 Data collection ............................................................................................................... 5
  2.5 Interview ....................................................................................................................... 6
    2.5.1 Interview questions ............................................................................................... 6
    2.5.2 Interview questions for franchisees ...................................................................... 7

3 Theory ................................................................................................................................. 9
  3.1 Marketing Theory .......................................................................................................... 9
  3.2 Sourcing ........................................................................................................................ 11
  3.3 Organisational theory .................................................................................................. 12
    3.3.1 Organisational culture ......................................................................................... 12
  3.4 HRM ............................................................................................................................. 13
  3.5 Corporate social responsibility – CSR ....................................................................... 14
  3.6 Time and context of business ethics ............................................................................. 15

4 Empirical Studies ................................................................................................................. 17
  4.1 The Facets of values-led business ................................................................................ 17
    4.1.1 Introduction to Ben & Jerry’s ................................................................................ 17
    4.1.2 Marketing .............................................................................................................. 18
      4.1.2.1 Values-led marketing ....................................................................................... 18
      4.1.2.2 Values-led marketing at Ben and Jerry’s ......................................................... 19
    4.1.3 Sourcing ............................................................................................................... 20
      4.1.3.1 Values-led sourcing ........................................................................................ 20
      4.1.3.2 Sourcing at Ben & Jerry’s ................................................................................ 21
    4.1.4 HRM/organisational culture at Ben and Jerry’s .................................................... 22
      4.1.4.1 Values-led HRM .............................................................................................. 22
      4.1.4.2 Organisation and HRM at Ben and Jerry’s ....................................................... 23
      4.1.4.2.1 Employee influence and motivation at Ben & Jerry’s Sweden ...................... 23
      4.1.4.2.2 Employee benefits at Ben & Jerry’s in Sweden ............................................. 23
      4.1.4.3 Organisational culture and social responsibility ............................................. 24
      4.1.4.3.1 Environmental thinking ............................................................................ 25
    4.2 SIA Glass .................................................................................................................... 25
      4.2.1 Marketing .............................................................................................................. 25
      4.2.2 Sourcing ............................................................................................................... 27
      4.2.3 HRM/organisational culture at SIA Glass ............................................................ 28
        4.2.3.1 Employee influence and motivation ............................................................... 29
        4.2.3.1.1 Employee benefits ................................................................................... 30
        4.2.3.2 Recruitment .................................................................................................. 31
        4.2.3.3 Organisational culture and social responsibility ........................................... 31
        4.2.3.3.1 Environmental thinking ............................................................................ 32
5 Analysis ............................................................................................................. 34
  5.1 Ben and Jerry’s .................................................................................................... 34
  5.1.1 Marketing at Ben and Jerry’s ......................................................................... 34
  5.1.2 Sourcing .......................................................................................................... 35
    5.1.2.1 Sourcing at Ben & Jerry’s ............................................................................ 36
  5.1.3 HRM and organisational culture at Ben & Jerry’s ........................................ 36
  5.2 SIA Glass ........................................................................................................... 37
    5.2.1 Marketing at SIA Glass ................................................................................. 37
    5.2.2 Sourcing at SIA Glass ................................................................................. 38
    5.2.3 HRM/organisational culture at SIA Glass ................................................... 39
  5.3 Concluding the analysis .................................................................................. 40

6 Conclusion .......................................................................................................... 41
  6.1 Further topics of exploration ........................................................................... 41

References .............................................................................................................. 43
1 Introduction

Throughout the modern history there has always been some type of overall power guiding society in ways of moral and ethical values and in at least some ways (to different degrees) preventing society from eroding and from corruption. For a long period of time it was religion that made up the standards. Later it was the government, and in the society of today business has grown to be the number one source of influence in peoples’ everyday life (Cohen and Greenfield, 1997). However, numerous recent scandals have shown that corporations today are not handling this responsibility like they should and that corruption and moral deprivation can be found within business.

Perhaps the most famous examples of this increasing lack of feeling for ethics are the cases of Enron, WorldCom and their accounting consultants Arthur Andersen. Jerry Flemming suggests that the process that led to the moral demise and ultimately the loss of millions of dollars for stakeholders and shareholders of the three companies was not something that happened overnight but instead something that developed over a longer period of time. In the case of Enron, this took place despite a formally written value system made up for the employees to follow (Flemming, 2003). However, there is a need for a functional value system or else our faith in business risk to erode totally from within, starting with the public’s mistrust in business and culminating in the collapse of society as we know it today (Doost & Fishman, 2004). According to Jenny Weinstein (2003), formal rules and systems for values and ethics can only function well if they are linked to the practical actions within the daily work, within the everyday actions throughout the whole organisation.

Cohen & Greenfield (1997) state that social problems can not be solved unless business accepts taking on a leadership role which requires that business starts acting in the interests of the common good. It is a role that business is not used to or prepared for. Values-led business is interesting because it imposes business to take a social responsibility that is in line with its power.

The definition of values-led business we use writing our thesis is the one found in the book written by the founders of Ben & Jerry’s namely: ”Values-led business is based on the idea that business has a responsibility to the people and the society that make its existence possible” (Cohen and Greenfield, 1997, pg. 30).

By being a values-led business, scandals like Enron and Artur Andersen are less likely to occur because the values and ethics are right there at the business core, within the every part of the business, to encourage the participants to take social responsibility and prevent people from acting unethically.

As business nowadays is the most powerful force in society it is even more important that companies are run in a way that at least does not harm the rest of the community and at best contributes to making it a better place to live in. This can only be done if companies start prioritising moral values and make them equal to quality and profitability (Cohen and Greenfield, 1997).

However, an adoption of and adaptation towards values-led business is not only vital for the survival of our society of today but is increasingly important for the future survival of companies. This is because the consumers’ expectations of businesses are rapidly changing towards being more concerned about social responsibility and contributions to society as a
whole. These expectations mean that companies have to adopt new kinds of measurable performance standards in order to succeed in the market (Lazlo, 2003).

1.1 Problem discussion

The problem that we are going to handle in this thesis is the concept of values-led business and its impact on a company’s organisation and overall existence. With values we do not mean financial values but the moral and ethical values that are found within every person and which every society has built its foundation on. With values-led business we do not mean to every once in a while give money to charity or sponsor the local football team, these can indeed be ingredients in values-led business but never function as the ”whole concept”. Values-led business takes company-ethics and responsibility towards its surrounding environment beyond the ordinary and quite common ad-on activities that are used as a tool to create goodwill in society and amongst target customers, for example charity.

The definition we use when writing our thesis is the one found in the book written by the founders of Ben & Jerry’s namely:

"Values-led business is based on the idea that business has a responsibility to the people and the society that make its existence possible” (Cohen and Greenfield, 1997, p. 30).

To fully achieve the goal of responsibility towards the community and customers the values must be integrated into the very core of the company or as Cohen and Greenfield put it: “values-led business seeks to maximize its impact by integrating socially beneficial actions into as many of its day-to-day activities as possible. In order to do that, values must lead and be right up there in a company’s mission statement, strategy and operating plan” (Cohen and Greenfield, 1997, p. 30). This means that areas like marketing as well as sourcing, retailing, human resource management and so on must all be considerate to the company’s values before as much as possible before performing different actions and routines. This also means that values-led business is somewhat slower, demanding and foremost more long-term than it usually is and that is because short-term financial goals no longer are the only things that matter. On the other hand this becomes an advantage both when dealing with suppliers as well as customers. Both parts become more loyal which in turn produces cost reduction and avoids sharply fluctuations in in-put and out-put (Cohen and Greenfield, 1997).

When running a values-led business your values will sooner or later shine through and make people aware of what the company is all about. If the values appeal to customers they will in turn start to identify with the business and eventually become more brand loyal than they would have been otherwise. The experience is that customers of values-led business buy the products for the values as for the product quality itself (Cohen and Greenfield, 1997).

For a values-led company, it is also important to specify a special issue, for which the business engages in. If not, the risk is that the public will not be able to spot what the company actually is about and even more important the company is running the risk of being ineffective in helping society when it is diversified. If it instead focuses its resources success is much more likely (Cohen and Greenfield, 1997).
1.2 Purpose
The purpose of this thesis is to explore the concept of values-led business and find out how it is different from the procedures at a non-explicitly values-led organisation. We also aim to find out if there would be any benefits of introducing values-led business into the latter.

1.3 Delimitations
In order to keep this paper within reasonable boundaries we have chosen to focus this thesis on four main areas within the values-led business concept. Thus, we will only pay attention to marketing, sourcing, organisational culture and human resource management since these constitute the core of values-led business.
2 Method

In this section we describe how our research is performed and how the data is collected. We also describe our companies chosen for the research and the persons interviewed.

2.1 Research approach

The chosen method for this thesis is a qualitative one based on the concept of extreme sampling.

2.2 Qualitative study – Multiple Case Study; Extreme Sampling

Qualitative research is a form of research that seeks to explore and understand the attitudes, motivations and behaviours of people. The approach to do that is through dialogue and evocation (Inmans & Ereaut, 2002). Qualitative research involves a relatively small numbers of respondents that have been carefully selected and there is no attempt to quantify (Sampson, 1987). The main purpose of conducting a qualitative study is that the researcher can gain an understanding of underlying reasons and motivations for the attitudes, preferences and behaviours of people (Malhotra, 1996). A qualitative study is therefore the most appropriate when doing a research like this since our approach is to examine the underlying attitudes and beliefs of our companies.

In order to assess differences between explicitly values-led companies and traditional non-explicitly dittoes and to indicate specific qualities regarding values-led businesses, we developed a methodological framework built up on the concept of extreme sampling. Basically, we made a comparison between the two companies and through that approach enlightened differences and the specific qualities that characterise a values-led business and distinguish it from a traditional firm. Extreme sampling is a qualitative method that purposefully seeks individuals at the extremes of the phenomenon under study (McGovern, 2001).

As stated by Yin (1981) the definition of a case study is that of an empirical research of concurrent phenomena within its real-life context and where the distinction between the boundaries of phenomenon and context are not clear and where multiple sources of evidence are being used (Yin, 1984). In this case these sources are constituted by interviews and corporate documents.

Yin (1984) reckons that the selection of cases in a multiple case study should be based on the phenomenon of replication as opposed to traditional sampling logic. Each case should be selected so that it generates either similar results or contrary ones but for predictable reasons (Yin, 1984, p. 53). Also, each case should serve a specific purpose within the scope of the study and should be looked at as multiple experiments as opposed to being looked upon as respondents within a sample (Yin, 1984, p. 48). A rigid theoretical framework is fundamental to set the conditions for where a certain phenomenon is likely to be found and where not to be found by being a vehicle for generalising (Yin, 1984, p. 49).

The replication approach to a multi-case study is shown in the figure below but in a slightly simplified version in order to fit this study.
The method used in this thesis is somewhat unconventional in the sense that an extreme case, Ben & Jerry’s, is being used as the outset for exploring the potential implementation of the values-led business concept onto the traditionally run company SIA Glass. This is to highlight the differences and similarities of the two ways of conducting business.

According to Yin (1994) an extreme or unique case is normally and by rationale conducted through a single case study (Yin, 1994, p.39). However in order to fulfil the purpose of this thesis a multiple case study is conducted where one case is an extreme case and the other case is not. This makes an extreme sampling in order to achieve contrasting results. Yin states that “to confirm, challenge or extend the theory, there may exist a single case, meeting all of the conditions for testing the theory” (cited in Yin, 1994, p.38). The Ben & Jerry’s case is thus conducted in order to explore the values-led concept.

2.3 Selection of companies

We chose to work with two companies within the same business for the case of comparison. Scientifically this is not necessary but the idea is that company procedures are more likely to be similar, sourcing as an example, within the same business area. Also, it is our belief that values-led sourcing becomes more apparent in manufacturing companies which is why we chose two manufacturing companies for this study since sourcing is an important element in the values-led concept. Regarding the companies, Ben and Jerry’s was chosen since the company has been a pioneer in values-led business and is therefore our main inspiration for selection of topic to our report. SIA Glass was chosen in capacity as a non-values-led business in the same industry as Ben and Jerry’s.

2.4 Data collection

Primary data is data gathered by researchers themselves to solve their issues in order to fulfill the stated purpose (Malhotra, 1996).

Regarding the primary data we established contacts with the companies Ben and Jerry’s and SIA Glass. This gave us the opportunity to investigate the theory in reality and provided a feeling for the attitude among companies towards the term values-led business.

Secondary data is information or data that is gathered by people other than the researchers and for other purposes than the research in question (Malhotra, 1996). Due to being unable to reach key staff at Ben & Jerry’s we have had to rely on secondary sources to some extent.

Theoretical collection was done searching through books, journal articles and other kinds of database articles. Since the scope of the term values-led business consists of several different business areas, the report considers those different areas and focuses on the ones
that are appropriate for the direction of our thesis. Thus, the theory used is meant to back up the values-led concept. The reason for using journals articles for our research was made in order to get the latest research made in the areas of our study.

### 2.5 Interview

An interview is an unstructured and direct way of conducting qualitative research, when doing so the researcher can gain an in-depth conversation with the interviewee. The unstructured characteristic is visible when the interview is done. The answers gathered from the interviewee decide what questions the interviewer will ask. The purpose with doing an interview is to find the underlying motivations, beliefs, attitudes and feelings regarding the topic (Malhotra, 1996).

An important part of our interview approach is to get interviews done with persons from all the different levels within the companies. This is done in order to see if the impact is the same throughout the whole company (Imms & Ereaut, 2002). Therefore, individual interviews were performed, since individual stories were wanted. Our basis for the interviews was our questionnaire and from that starting point other questions arose during the interviews, but we made sure that all of our areas were covered. The same questions were asked to both companies to the people working in the administrative level, the only difference was a slightly different terminology for the interview at SIA Glass since the concept of values-led business is not that widely known. The franchisees of Ben and Jerry’s were interviewed with other questions in order to get a view of the values embedded in the company and how integrated they really are.

At Ben and Jerry’s we conducted three interviews. In Stockholm we interviewed Eva Tiedman who is marketing manager of Ben and Jerry’s in Sweden, and the franchisee Ronaldo van Rijn. We also made a telephone interview with Benjamin Norman, who is the franchisee in Malmö in order to get two views of the company from the franchisees’ point of view. We made tries to get into contact with the person responsible for the social mission statement and development in Europe but she referred us to the web page of Ben and Jerry’s.

At SIA Glass three interviews were made at their facility in Slöinge, close to Falkenberg. The structure of the interviews was different in comparison with the way it was done at Ben and Jerry’s, since the companies are different in structure and SIA has a total different way of working in comparison to Ben and Jerry’s. At SIA Glass we were able to cover all our theory areas with persons responsible for each of them. The Vice Managing Director Rolf Frid was interviewed on questions mainly concerning history, organisation, culture, strategy and marketing. On sourcing, Peder Roslyng-Jensen was interviewed in capacity as Purchasing and Production Manager. For questions concerning Human Resource, environmental issues and policies, the Personnel Manager/Quality Coordinator/Environmental Coordinator Anita Skoogh was interviewed.

#### 2.5.1 Interview questions

What is the mission statement of the company?

What are the policies regarding social responsibility and ethics? How are they maintained?

What are the short-term strategy and the long-term strategy of the company?

What is your view of the company’s role in Society?
What are the policies concerning the employees?

- Marketing

How do you market the company? What channels are used and why?
What message is communicated?
What image do you want to communicate through the brand? Are you satisfied?
How do you find new customers? How do you keep old customers satisfied?
What is the procedure regarding the development of new products and the removal of old product?
What segments do you want to target?

- Sourcing

Which suppliers are used by your company?
How long have you cooperated with the suppliers?
What does the cooperation look like and what is the degree of integration?
What are the most important aspects when selecting suppliers? What policies does the company have on its suppliers and how are they evaluated? Are there any systems for evaluation?
Do you have any explicit strategies in order to create and maintain relations with the suppliers?
What are the main issues that the company work with regarding supplier relation?
Are there dedicated staff working with issues concerning environmental, ethical and social issues? If not, who is responsible?
What does the plans for the future look like when it comes to sourcing?

- HRM

Do the employees have any special benefits?
To what degree are the employees implicated in decisions taken by the company?
How do you regard the moral and motivation among the employees? How do you work in order to guarantee that the moral is high?
How is the employment process performed?

2.5.2 **Interview questions for franchisees**

What goals and objectives are important for you and your business?
Why did you choose Ben and Jerry’s?
What is your view of the values-led business concept?
What is your view of the role of the employees within the business?

How is the morale and motivation among the employees?

How does the relation to the parent company work? What is the culture like?

How is the recruitment process conducted?

What characteristics are important for employees?
3 Theory

This chapter contains the theory necessary in order to analyse our empirical findings and also sets the stage for values-led business divided into the different areas that we have chosen to study.

3.1 Marketing Theory

In this chapter we bring forward different areas of marketing that are closely related and connected with the empirical studies of Ben & Jerry’s. Since there is no “values-led marketing theory” available the authors have chosen areas applicable to the concept. The topics that are handled are branding, relationship marketing, event marketing and guerrilla marketing.

An important part of the values-led concept is branding. In order to make messages to consumers through marketing activities, companies must establish brands. When a brand is successful it has consumer franchise, i.e. it will receive strong customer loyalty and the customers will not purchase substitutes even if the prices were lower. Brands are complex and involve so much more than just a name and a logo (Kotler, 2001; Holger & Holmberg, 2002). There are different levels of meaning for a brand. Kotler (2001) has developed a four level meaning model of this:

1. Attributes – the first thing a brand promotes is the attributes of the products.
2. Benefits – the attributes must be translated into benefits since that are really what customers buy. The benefits can be both functional and emotional.
3. Values – every brand say something about the values of the buyers. The company’s role is to identify the group which values coincide with the delivered brand package.
4. Personality – a brand is like a personality and will attract those people whose actual or desired self-images match the image of the brand.

Where to emphasise the brand is up to the company itself but the challenge of branding is to build meanings and associations of the brand into the minds of customers (Kotler, 2001).

The role of branding is to communicate to the customers and to get them to want the product because the brand offers those benefits others do not. In order to make branding effective, the company must ensure that the brand strategy is hard to imitate (Kotler et al., 2001; Holger & Holmberg, 2002). When marketing a product the company must decide if the product should be marketed with the same attributes as the company identity or not. When doing so the company takes a big risk if the product fails and the failure will affect the brand as well. The positive side is that if the company has a strong identity, the marketing will be more effective (Treffner & Gajland, 2001).

In order to establish loyalty and trust among a company’s stakeholders, corporate branding is a term used to describe this process. This term handles how to build up and maintain a mutual relationship between the company and its stakeholders. A strong corporate brand will give the company an own personality and external parties can easily sympathize with the company and its values. Corporate branding has two aspects, one is diversification and the one is belonging. A strong corporate brand can offer its members and stakeholders a way of expressing their values. (Holger & Holmberg, 2002).

When running a company with values, the relationship aspects of marketing becomes clear. Kotler (2001) argues that it is cheaper to try keeping the old customers than searching for new ones and therefore is a long-term relationship beneficial for the company, but it has
also been argued that it is beneficial for its customers since costs for information search etc. are minimised (Bejou, 1994, cited in Bejou 1997).

The relationship marketing perspective is based on the notion that on top of the value of products and/or services that are exchanged, the existence of a relationship between the company and its customers and other stakeholders creates additional value for all parties involved. Relationship marketing is also seen more as market-oriented management than as a task for marketing specialists only, which means that marketing is viewed more as an overall process than as a separate function (Ballantyne, 2004; Kotler, 2001).

At its core, relationship marketing is about understanding customers well enough to service them well enough to keep and possibly grow their business over time. Therefore, relationship marketing requires a much more comprehensive set of data sources than traditional direct marketing (Shepard, 1999).

One important way of working for values-led companies is the use of events. According to Grönkvist (2000, seen in Cato, Johansson, Nilsson, 2003), there are two major benefits arising from event marketing:

- The personal contact with the customers gives a good foundation for long-term relationships.
- It reaches directly to the target groups and is therefore more effective.

The events give customers a good opportunity to get to know the company and its products and the company get the opportunity to show its products to its customers and prospects. This effect is most effective if the events come back on a regular basis, in order to sustain and enhance the relations between the company and its customers. Event marketing can be used either to reach specific segments or also to reach a broad group of people, depending on the purpose of the event (Grönkvist, 2000, seen in Cato et al., 2003). The event must meet the needs and wants of the visitors (Van der Wagen, 2001). The special events in the concept of event marketing have special themes. The meaning is to translate the theme so that it will be perceived in a connection to the company and its brand. Another aspect of event marketing is to interact with media on order to get attention outside the event as well (Yeoman et al., 2004).

The main essence of values-led marketing is guerrilla marketing. Both Ben and Jerry’s and the Body Shop work in this way. “Guerrilla marketing is a body of unconventional ways of pursuing conventional goals. It is a proven method of achieving profits with minimum money” (Levinson, 2005). The benefits of guerrilla marketing strategy can be that it is a low-cost, high-impact way to connect with your prospects, introduce your name or remind customers that you are still present. Consumers expect to be targeted with advertising on a daily basis, but a guerrilla marketing event is never expected in the same way. Therefore, the greatest asset of guerrilla marketing is the element of surprise which today is important in order to reach out through the noisy marketing environment (Hatch, 2005). That is the meaning of the guerrilla marketing, to reach out to customers and prospects by unconventional methods in order to get through the noisy advertising environment of today (Levinson, 2005). The biggest distinction between guerrilla marketing and the more classical approach is that when using guerrilla marketing you are investing your own energy instead of money (Pack 1999).
3.2 Sourcing

Zeng (2000) states that sourcing plays a critical role in the survival and growth of an organisation due to sources from outside the company determining the service quality and profitability of the buyers. Approximately 50 percent to 70 percent of the potential value of manufacturing companies lies in purchased items so profits are to definitely greatly determined purchases. “Zenz (1994, p. 120) defines sourcing as the strategic philosophy of selecting vendors in a manner that makes them an integral part of the buying firm for a particular component or part that they are to supply” (cited in Zeng, 2000, p. 219). Zeng concludes that the definition has the deeper meaning that sourcing should be embedded in the operating strategies of the buying firm as opposed to the traditional view of just acquiring material at the right price. Sourcing is a strategic decision in establishing long-term relationships with suppliers. Mihaly (1999) stated that: “leading companies see their success as increasingly defined by the relationships and linkages forged with organisations outside their sphere of influence” (Zeng, 2000). Selecting the most appropriate source of supply has long been regarded as one of the most important functions of buying/sourcing (cited in Park & Stoel, 2005, p. 237).

In supply chains and in large and sophisticated companies, ethical supply chain activities often have little coordination or strategic focus due to being spread among several departments and at many different levels and locations in the company. Regardless of the enterprise information systems revolution, it is still uncommon to apply advanced information technology platforms to coordinate information sources that make ethical sourcing possible. Supplier employment and environmental performance information, product incident history, monitoring ever-changing environmental codes, energy use and emissions information, product wastage and disposal, coordinating incident reports are issues to be coordinated (Neef, 2004, p. 98). A problem is that many companies have no resources specifically allocated to dealing with overseas supplier relations despite the growing number of supplier-related incidents. Purchasing staff are often preoccupied with minute-to-minute changes to orders, missed delivery, or quality control issues. Too often strategic sourcing and supplier qualifications and supplier inspection remains a low priority. There is often not one single corporate group that has been given responsibility for ensuring that suppliers live up to standards of environmental health and safety. Teresa Fabian of Pricewaterhouse Coopers says: “While some companies [for example] have excellent systems for ensuring that they are sourcing from sustainable forests, they may not have considered the issue of poor workplace conditions and vice versa” (Neef, 2004, p. 99-101).

Managing ethic and social supplier issues goes well beyond a mere strategic sourcing regime. It requires implementing social and environmental selection and monitoring criteria into an ongoing supplier evaluation program. Ethical sourcing will also require additional resources to create and maintain education programs, to draw up and negotiate relevant contracts, and to collect performance information through different sources. This requires much greater levels of contact and collaboration with suppliers. The process will also need to incorporate often overlooked sources of risk such as waste and recycling vendors. In convincing employees and suppliers of the value of ethical behaviour, senior leadership is crucial and has the scope of organisational control to cover all areas (Neef, 2004, p. 102-104).
3.3 Organisational theory

Organisational theory is a very broad area but we have chosen to focus on a few specific areas and theories that we find suitable for our work.

3.3.1 Organisational culture

Organisational culture is an important factor in all companies even if it becomes more obvious when it comes to large firms. Organisation culture has many areas where it can be used as a tool and a means to explain different phenomenon in different organisations and solve problem that would otherwise hard to get around. The following chapter handles these issues listed above.

Regarding organisational culture we agreed on the following definition: “Organisational culture is a pattern of fundamental assumptions, invented, discovered or developed by a certain group as it by time learns to master its problems with external adjustment and internal integration which has functioned well enough to be considered as valid, and that therefore is taught to new members as the correct way to perceive, think and feel about those problems” (Jacobsen & Thorsvik, 2002, pg. 147).

Organisational culture is important because with a strong corporate culture perform in general better on the market. A study made in 1992 created an index where the strength of the culture was related to the profitability of the firms taking part in the study. The result showed that overall a strong culture also meant a good financial result. There is another study carried out in 1994 where the researchers choose to study companies that where in a leading position in their field/market in a historical perspective. The main factor that the study found that the firms had in common was that they all were strongly affected of “core ideology”. Core ideology consists of two factors: values and purposes (Jacobsen & Thorsvik, 2002).

The common thing about companies with core beliefs is that profit is not a goal in itself but only a means for greater motives (Jacobsen & Thorsvik, 2002).

One of the advantages that a strong culture brings is the fact that it can be used to control the organisation in a more efficient way than otherwise possible. If you are able to get your employees into the “real” culture then they will act and work according to it. That means that if you are able to control what kind of culture that is the main one inside the company you can also through processes indirectly be able to control the employees and giving them more responsibility. A problem with this is that a strong culture also easily breeds strong counter cultures. This happen because the culture often makes individuals change and adjust to the company’s values subconsciously and in some cases against their own will. In turn, this can cause severe conflicts between the individuals and the rest of the organisation (Jacobsen & Thorsvik, 2002).

Now that we have stated that organisational culture does have importance we are aiming to explain what it actually exist of. First of all there are three different cultural levels: Artefacts, Values and norms, and Fundamental assumptions.

The first level that is the most basic one and that all cultures are built upon is fundamental assumptions. This level can in turn be divided into seven different dimensions namely:

1. How the relationship between organisation and the surrounding world is perceived.
2. What kind of view one has on man’s actions.
3. How the organisation reaches “truth”.
4. How the organisation consider time.
5. What assumptions one make considering the human nature,
6. How one view relationships between people.

All these dimensions listed above can later be combined in any kind of way to create the vast variety of different organisational cultures existing in the world today (Jacobsen & Thorsvik, 2002).

The next level consists of values and norms. To begin with, values can be seen as one doing a deliberate choice of what is good and what is bad. These choices are often made guided by ones fundamental assumptions. That is, if you are open-minded by nature you might want to let your employees take more responsibility for example. It is also common that organisations base decisions, make up plans and build up their philosophy based on values. Put in another way, values are the foundation for organisational culture and they are very important in order for a company to be successful (Jacobsen & Thorsvik, 2002).

Norms regulates human behaviour and therefore also reduces insecurity in stress-related situations. Thus, norms can be said to, in contrast to values, be regulations or concrete principals that guides and limits the individuals’ actions within the organisation. Norms can therefore be seen as a realization of values (Jacobsen & Thorsvik, 2002).

The third and last level is artefacts. Artefacts are sprung out from the two lower levels (fundamental assumptions and values and norms) and can be seen as those two levels in realization. Artefacts consist of for example symbols, legends and other things that are expressions for the organisational culture. Artefacts can bee categorized into three different groups:
1. What people say, like symbolic tales.
2. Human behaviour.
3. Artefacts can also be physical objects (Jacobsen & Thorsvik, 2002).

3.4 HRM

Human resource management (hereby referred as HRM) was developed in the 80’s and was developed as a more resource focused approach than the previous “personal management” method and viewed employees as critical resources necessary for competitive advantage (Torrington et al. 2002).

HRM is today a very important part of a company and sometimes the most effective tool in gaining competitive advantage against its competitors. Employees have for a quite long time been argued as a valuable resource for an organisation and to be considered as important as money and other financial assets. An example of this is the fact that HRM is said to make up 19% of the total variation in profitability between different companies and 18% when it comes to differences in productivity (Wilson, 1999). HRM has therefore also become of great strategic importance and there is a unity behind the thought that there should be a link between HRM and company strategy. This linkage is founded upon the following four corner pillars:
1. Humans’ capability and commitment.
2. Strategic importance of human resources.
3. Managing human resources by specialists.
4. Integration of HRM into business strategy (Karami, 2004)

There are many definitions of what HRM really is but they all have some parts in common:

- Employees are a possible source of competitive advantage.
- The way HRM takes shape is of strategic concern.
- Competitive advantage through HRM will only be realized if employees are committed to the organisations’ goals.
- Promotion of the organisational goals are necessary in order create commitment.
- To create high commitment it is particularly important to use selection, performance management, training and development, and rewards.
- In order to create high commitment it is also important to create an environment based on communication and a strong culture (Wilson, 1999).

In order to utilize human resources (HR) in the most productive way senior managers have to:

- Regularly review objectives, strategies and processes associated with HRM in the organisation and adjust them in order to reach the best result.
- Regularly check motivation and commitment among employees through standardized surveys.
- Monitor employee perception of the company culture.
- Make changes in the organisation in order to promote employee satisfaction and commitment.
- Review practices in the organisation such as recruitment, appraisal, training, reward systems, design of jobs and communication.
- Have a company mission and philosophy built upon skill development, well-being and effectiveness of all employees (Wilson, 1999).

In order to function well an organisation should also be seen as a unity between employees and managers where the good of the employees are also seen as good for the managers. The importance here is to get everyone within the company to pull together towards the same goals. Problems here, are cases with lack of communication and agitators. To win the hearts and minds of employees is therefore a major key to success and an effective HRM (Wilson, 1999).

3.5 Corporate social responsibility – CSR

Davis and Blomstrom define CSR as: “Social responsibility is the obligation of decision makers to take actions which protect and improve the welfare of society as a whole along with their own interests” (Davis & Blomstrom, 1975, p. 39). The most common argument against CSR is that of the classical economic school which states that businesspeople have no responsibility for social issues, and that corporate management has only one responsibility which is to maximise the profits for owners and shareholders (Carroll & Buchholtz, 2003). However, there are motivating factors from the view of business economics such as attracting and keeping employees as well as customers and suppliers and strengthening
market positions (Horn af Rantzien, 2003) which makes social corporate responsibility a legitimate issue even on a strictly economic level.

Archie Carroll has presented a four part CSR model that focuses on the social responsibilities that a company can be argued to have. Economic responsibilities set the foundation in the model and are followed by the other building blocks of legal, ethical and philanthropic responsibilities:

1. Economic – being profitable, maximising sales, minimising costs, making sound strategic decisions, living up to dividend policies. Society requires this of business
2. Legal – obeying laws, following all regulations such as environmental laws, consumer laws, employee protection laws, fulfilling contractual obligations. Business is required to follow this by society.
3. Ethical – maintaining expected practises despite not being formalised by law, assuming that the law is a floor of minimum requirement and assuring ethical leadership. Society does not require this of business but expects it.
4. Philanthropic – being a good corporate citizen, making contributions for the good of the community. Providing community supporting programs and being active in voluntary work. This is desired by society but not expected in an ethical or moral sense (Carroll & Buchholtz, 2003).

In defining the implementation of CSR Rischard (cited in Horn af Rantzien, 2003) has recognised a pattern of five stages for how corporations adopt to the external pressure of taking on a widened social responsibility:

Stage 1 – Charity and sponsoring
Stage 2 – Defensive CSR where the prime goal is to protect brand name
Stage 3 – Offensive CSR where the objective is to gain market leadership in its field
Stage 4 – Acting for development and fighting poverty by contributing where politics fail
Stage 5 – Global problem solving by collaborating with other actors to find solutions to acute global problems.

3.6 Time and context of business ethics

Reactive ethics performance is defined by Svensson & Wood (2004) as when the internal perception of what are acceptable values, norms and beliefs are a step behind what is acceptable according to the external perception, i.e. the marketplace. The opposite of that is when the acceptable external perception is unacceptable to the internal perception of business ethics which results in proactive practises. Internal perception should at least match the external perception avoid reactive ethics performance. The ideal state is being proactive which means that the company lies ahead of the current values and norms of the marketplace and society, i.e. the external perception (Svensson & Wood, 2004).

As consequences of this, reactive business ethics results in internal weakness which becomes an external threat. On the contrary, proactive ethics performance results in internal strength which becomes an external opportunity (Svensson & Wood, 2004).

Based on this is an analysis tool of the process of ethics profile. It consists of four interconnected parts.
• Contextual and evolutionary issues – describes the characteristics of the marketplace which sets the frame for the process.

• Internal perception – analysis of weaknesses and strengths from an inside out perspective, examining the business ethics as acceptable or unacceptable.

• External perception – analysing external threats and opportunities of business ethics performance which means looking at the marketplace to recognise whether it regards the business as capable or not capable in its business ethics.

• Contingency planning – concludes whether the current gap of business performance is proactive or reactive.

Further, Svensson and Wood (2004) state that business ethics must be tuned in to the values and norms of society to obtain competitive advantage and that business ethics can not only be an afterthought in corporate planning. Performance is dependent on the contextual and the evolutionary issues and is a continuous process which means that minding the gap of ethics performance is utterly important to maintain ethical legitimacy. Business ethics can be looked upon as “reconnection with reality” (Svensson & Wood, 2004). It is not business ethics in itself that is proactive or reactive but it is the corporate performance that is.
4 Empirical Studies

This chapter contains our empirical material. The interviews do not come in chronological order but instead we have chosen to divide them into the areas of study that they are concerning in order to get a better view and a more logical structure.

4.1 The Facets of values-led business

This chapter will be based on the experiences of Ben Cohen and Jerry Greenfield and their book “Ben and Jerry’s Double Dip” which focuses on the different parts within the business organisation. Because of our choice to do a qualitative study which examines the whole company and its different parts it seemed logical to us to present the theory according to how we chose to do our study. In addition this chapter also contains the interviews with Eva Tiedman at Ben & Jerry’s Sweden in order to get a reality based view on values-led business.

4.1.1 Introduction to Ben & Jerry’s

Ben & Jerry’s ice cream was founded in 1978 in Vermont by Ben Cohen and Jerry Greenfield who wanted to have fun, to earn a living and to give something back to the community. As business grew the ambitions did as well and the founders wanted to find an alternative way of doing business. The outcomes of that search were what Anita Roddick of The Body Shop referred to as values-led business.

The Swedish branch of Ben & Jerry’s has a market share of around 14 percent in the super premium segment (Eva Tiedman, 2005-04-19, personal communication).

Ben & Jerry’s is founded on and dedicated to a sustainable corporate concept. The company mission consists of three interrelated parts:

- **Product Mission**
  To make, distribute & sell the finest quality all natural ice cream & euphoric concoctions with a continued commitment to incorporating wholesome, natural ingredients and promoting business practices that respect the Earth and the Environment.

- **Economic Mission**
  To operate the Company on a sustainable financial basis of profitable growth, increasing value for our stakeholders & expanding opportunities for development and career growth for our employees.

- **Social Mission**
  To operate the company in a way that actively recognizes the central role that business plays in society by initiating innovative ways to improve the quality of life locally, nationally & internationally.

Central To The Mission Of Ben & Jerry’s is the belief that all three parts must thrive equally in a manner that commands deep respect for individuals in and outside the company and support the communities of which they are a part. The social mission is progressive and non-partisan and seeks to meet human needs and eliminate injustices in the local, national and international communities by integrating these concerns into the day-to-day business activities. The focus is on children and families, the environment and sustainable agriculture on family farms (www.benjerry.com, 2005). Ben & Jerry’s state that:
• “Capitalism and the wealth it produces do not create opportunity for everyone equally. We recognize that the gap between the rich and the poor is wider than at anytime since the 1920's. We strive to create economic opportunities for those who have been denied them and to advance new models of economic justice that are sustainable and replicable.

• By definition, the manufacturing of products creates waste. We strive to minimize our negative impact on the environment.

• The growing of food is overly reliant on the use of toxic chemicals and other methods that are unsustainable. We support sustainable and safe methods of food production that reduce environmental degradation, maintain the productivity of the land over time, and support the economic viability of family farms and rural communities.

• We seek and support non-violent ways to achieve peace and justice. We believe government resources are more productively used in meeting human needs than in building and maintaining weapons systems.

• We strive to show a deep respect for human beings inside and outside our company and for the communities in which they live.”

“Ben & Jerry's Foundation was established in 1985 through a donation of stock in Ben & Jerry's Homemade, Inc. These funds are used as an endowment.” (www.benjerry.com, 2005). “The Mission of the Ben & Jerry's Foundation is to make the world a better place by empowering Ben & Jerry's employees to use available resources to support and encourage organisations that are working towards eliminating the underlying causes of environmental and social problems” (www.benjerry.com, 2005). Ben & Jerry’s gives 7.5 percent of after tax profits to the foundation (Eva Tiedman, personal communication, 2005-04-19). The Ben & Jerry's Foundation is non-profit and charitable and offers competitive grants to non-profit grassroots organisations that promote progressive social change by addressing the underlying conditions of societal and environmental problems (www.benjerry.com, 2005).

4.1.2 Marketing

4.1.2.1 Values-led marketing

By being a values-led company, you can benefit from your values and the company gets automatically a unique positioning which every company seeks. The big difference between values-led marketing and “ordinary” marketing is honesty. When traditionally marketing mostly is about creating an image (branding) and creating an impression about a product that necessarily does not have anything to do with the product or company itself, values-led marketing is a product of the over all, social responsible strategy and therefore is the brand more related to the company than for just the single product (Cohen and Greenfield, 1997). Values-led marketing is about connecting social issues with the campaigns. Since marketing is such a powerful tool to give an opinion, the promotion of the products is linked to social messages (Roddick 2000).

Because of the values that are embedded into the very core of the organisation and that are expressed through the different actions that a business commit on the market within sourc-
ing, investments and so on the company will not have to construct an image they just have to tell the truth. This is in depending on that the company’s actions are good for the community, good for the surrounding environment and therefore also appealing to the customer. Values-led marketing arises from the day-to-day activities performed within the company rather than from what a marketing director has in his own mind. All activities are not direct marketing activities but they result in marketing benefits. Most significant, marketing consists of integrating social values into as many aspects of the business as possible; therefore the role of the marketing department is to give responds to projects initiated by other departments (Cohen and Greenfield, 1997).

A main point within values-led marketing is the building of relationships with customers. That is why the focus of the marketing is strictly long-term. Values-led marketing is therefore not focused on marketing activities like classical advertising. Instead more unorthodox approaches like event marketing are used, in order to really get into contact with customers and prospects. By doing so, a company can really show customers who they are it can provide benefits to the people and the surrounding Society (Cohen and Greenfield, 1997).

Target groups for values-led companies are customers with a social and environmental awareness, who are willing to agree with the social opinions that values-led companies have (Cohen and Greenfield, 1997).

4.1.2.2 Values-led marketing at Ben and Jerry’s

The way that Ben and Jerry’s approaches marketing is different in comparison with traditional companies, this is perceived differently through the organisation. There is also a clear view of the target groups.

“We work with guerrilla marketing and a lot with PR. We want to work from below and create word-of-mouth so that the right target group starts discussing our product and discover that they have found it themselves and not have been forced into it. We need to be in the right places, our distribution is extremely selective. One of our selling channels is Seven Eleven since they have the right target group for us, but also other shops with a more luxury touch and that are present in areas where our target group is present. Our target group consists of two parts. The main target group is young adults aged 25-40. They are often well-educated and earn a salary above average, living in cities and that they might be experienced through travelling and are therefore not afraid of trying new brands.” (Eva Tiedman, 2005-04-19, personal communication).

“Ben & Jerry’s wants to move slow and let the customers come to them while I would like them to promote and advertise more, like newspaper ads. They refer to what has been done in the US but this is not the US.” (Ronaldo van Rijn, 2005-04-19, personal communication).

“We also believe that students like our brand despite the fact that it is an expensive product. A pint costs somewhere in between 45-49 Swedish crowns, but at the same time, students might be more aware about social issues. This statement is more common for the new countries. In America where Ben and Jerry’s has been present for a longer time, the target group is broader and the product is cheaper as well.” (Eva Tiedman, 2005-04-19, personal communication).

The marketing campaigns of Ben and Jerry’s are often integrated with social issues and this is something that is encouraged from top management in the US.
“One campaign we have made where we have taken the idea from the US is when we wanted to recruit blood donors among students. It started in the US, where a franchisee came up with the idea and now most countries in Europe have carried it out. It is simply about cooperating with blood donor centres and we did this campaign in Gothenburg and all students who gave blood during this period were awarded with a pint of ice-cream. This campaign was called “give a pint, get a pint” and we had around thousand blood donors during this campaign.” (Eva Tiedman, 2005-04-19, personal communication).

“We have one product called “Phish Food”, which is named after the pop band Phish who comes from Vermont. Ben lived next door to members of the band and once they sat together and discussed the possibilities of making an ice-cream together. Ben and Jerry’s decided to do a chocolate ice-cream with tiny chocolate fish and instead of paying a royalty to Phish for using their name; they decided to donate the money to a foundation working for improvement of the environment in Lake Champlain. Now, the ice-cream is launched in Sweden and we wanted to highlight something in our surrounding environment that has to do with water and health….We made a campaign where we made pins with the text “Save the cod, eat chocolate fish” and printed T-shirts with messages in order to highlight this. We also made a webpage with links. The World Wildlife Fund has made a report about what species of fish that should not be eaten because of that they are either under threat of extermination or that they are made in a non-environment friendly way. We also made a press release and got a lot of publicity. We like to integrate the fact that we sell a good ice-cream and at the same time we can give the customers an eye-opener that they should have concern for the environment, we believe in integrated projects. We give out freezer bags in all our shops that are selling Ben and Jerry’s and there we grab the opportunity to except from telling about the sort of the ice-cream and the history of the company we give some tips about the greenhouse effect and what you can do in order to reduce it. There are also references to where people can get more information.

It is expected from the top management that we take initiatives on our own regarding social activities. Either they will help us or we come up with something ourselves. What we did was to highlight the fact that the cod is under threat of extermination in the Baltic Sea.” (Eva Tiedman, 2005-04-19, personal communication).

4.1.3 Sourcing

4.1.3.1 Values-led sourcing

When it comes to making an impact on society sourcing is the number one mean of influence considering the amount of money that is spent in a company every year (especially in production companies) on buying recourses from suppliers. Hence, it is very important for a business that is values-led to choose their sources wisely to make the biggest impact and bring the greatest value possible back to the community and the surrounding environment. This said, values-led sourcing does not mean choosing social responsibility before quality and price but rather these three should be considered as equals. Without profitability and quality the company won’t be able to survive but seeing community impact as an equal does not mean that the former two criteria have to be excluded, they are not contradictions (Cohen and Greenfield, 1997).

By acquiring resources from local suppliers for example you also support the local community and by contributing to job opportunities and the local economy overall. This also functions in a much broader perspective such as choosing suppliers and products that are
good for the natural environment and that serves for example third world economies (Cohen and Greenfield, 1997).

Values-led sourcing also includes trust and long term relationships between the company and its suppliers. This is because you buy your sources from something you believe in and that means that sudden price fluctuations or temporary quality problems will not make you change suppliers as easily as one would in normal situations. This also means that the suppliers become more grateful towards their buyers and becomes more open for changes and suggestions when needed (Cohen and Greenfield, 1997).

An example of this was when the market price of milk dropped Ben & Jerry’s chose to pay the same price as they had before despite that this would mean higher costs. Later on when the business decided to switch their sourcing towards organic products their long-term relationship made the farmers much more cooperative. Another reason for this type of sourcing is that it underpins the whole concept of values-led business as it will not be credible unless it is true and utilized through out the whole organisation (something that will be obvious as this chapter progresses). In Cohen and Greenfield’s book this is described as follows:

“At a press conference to announce our decision, Ben said, This will result in $500 000 coming out of our pockets –the processors pockets- where it doesn’t belong and into family farmers’ pockets where it does belong”…We didn’t have that in mind when we started out but realized it along the way. If we needed a business justification for our position that was it” (Cohen and Greenfield, 1997, p.58).

4.1.3.2 Sourcing at Ben & Jerry’s

“Ben & Jerry’s is owned by Unilever which also owns GB Glass. In Sweden Ben & Jerry’s uses some of GB Glass functions such as distribution, financial department and porter’s office. Even if we are separate entities, we are trying to cooperate where it has an effect. It is the same people who are responsible for GB and Ben and Jerry’s regarding sourcing in Europe, so they are far away from us. Unilever buys a lot of dairy products so those contracts are made centrally. I think we can serve as an example. We work very independently but in the long-run maybe we can have some influence (on GB Glass)” (Eva Tiedman, personal communication, 2005-04-19).

"The Swedish branch by itself is too small to have its own manufacturing. Sourcing decisions are therefore taken on a European level although each branch (country) is influencing these decisions by attending regular meetings. The ice cream manufacturing for Europe is located in Holland. This provides good economies of scale which means that a higher quality can be obtained and that the product flavours are the same in each country. It is also a fairly close location to the market” (Eva Tiedman, personal communication, 2005-04-19). The manufacturing plant in Europe is situated in Hellerndorn in the Netherlands. The plant is owned by Ben & Jerry’s sister company Iglo-Mora. The strategy behind European production is to boost Ben & Jerry’s product and economic mission by generating cost savings on trans-Atlantic transportation (Ben & Jerry’s Social & Environmental Assessment 2003, 2003).

“The Ben & Jerry’s products are not environmentally made in a traditional way as Ben & Jerry’s does not regard those marks to consider all aspects and the company’s ambitions go a bit further. The most important ingredient in making ice cream is milk and cream (Eva Tiedman, personal communication, 2005-04-19). Together with local stakeholders Ben &
Jerry’s in 2003 built the foundation of the Sustainable Milk Initiative Launch in Europe. The project strives to develop a self assessment tool of sustainable agriculture for farmers by defining and evaluating economic, environmental and social factors. The project received funding from the Dutch KKM which supports sustainable dairy farming (Ben & Jerry’s Social & Environmental Assessment 2003, 2003). While dairy products are supplied locally near the European factory special recipe ingredients are purchased by Ben & Jerry’s in Vermont (Ben & Jerry’s Social & Environmental Assessment 2003, 2003). Ben & Jerry’s in America started using milk and cream from small, local farmers around Vermont only. The European factory in Holland is cooperating with a number of small farmers who have joined a program called Caring Dairy which aims at supplying milk in a way that is tenable long term in terms of environmental issues and animal rights. Using eggs from freely roaming hens has recently been introduced in the European production. The production of brownies which are an ingredient in some ice cream flavours are exclusively made by the Grey Stone Bakery in New York which only employs former homeless people. These brownies are then being shipped to Europe and Sweden. Other ingredients used with social issues in mind are justified demand grown vanilla and coffee. The next improvement for the European market is to shift to using unbleached pints in which is used for packaging” (Eva Tiedman, personal communication, 2005-04-19).

4.1.4 HRM/organisational culture at Ben and Jerry’s

4.1.4.1 Values-led HRM

As in every business, the values-led concept is also built and depending upon its employees and the people working within the organisation. Thus, it is also important that the employees are motivated and capable of doing there best job possible. When being a values-led organisation the motivation among the people working in the company is one of the great advantages because they feel that they are actually contributing not only to bringing in money to the firm but also to making the society a better place to live in. That is, working for a company that is values-led means that you can bring your values to work as well whereas working in “traditional” companies often means that you leave your personal believes at home. If the employees are fully aware of the social impacts they are contributing to by working for the values-led company the commitment they will have can be as great as the one shown by people in non-profit organisations (Cohen & Greenfield, 1997).

The negative sides with human resource management in a values-led company are the problems it causes in bringing obscurity, confusion and, in the end, displeasure. The main problem at Ben and Jerry’s has been that the management have been unclear and therefore caused frustration among the employees. Another problem has been that while contributing and giving away a lot of money and resources to the community the internal benefits and facilities have been less invested in. This also created dissatisfaction among the people in the organisation who consider themselves to be non-prioritised and thereby it also creates problems. The solution to these problems has been structure and giving employees more benefits (Cohen & Greenfield, 1997).

Because core believes are very hard to change and personal values in general tend to be hard to influence hiring the right people in values-led organisations is vital. This is usually a task that involves finding the best person suited for the actual position that is to be filled and hiring her for a reasonable salary, but in values-led business it is also a matter of finding a person who agrees with the company’s values. This is not an easy task and there are
no certain or standardised ways for doing this but there are however solutions to solve these problems (Cohen & Greenfield, 1997).

A typical problem is when the company can’t find a suitting person externally that is both competent and genially agrees with the core values of the organisation. A solution to this is to promote a person within the organisation who has been in the company for a while and has shown commitment and shares the values but lacks the competence needed for the particular position. The next step is to hire outside expertise to train the employee. In effect you get a person that is not only competent but also have the commitment to the core values which is equally important in values-led business (Cohen & Greenfield, 1997).

Another more profound issue is to what extent the organisation can decide how employees should be acting and thinking and also what kind of values they should have. This is of course a very delicate matter with no easily defendable boundaries and this is also something that Ben & Jerry’s has recognised (Cohen & Greenfield, 1997).

4.1.4.2 Organisation and HRM at Ben and Jerry’s

4.1.4.2.1 Employee influence and motivation at Ben & Jerry’s Sweden
Ronaldo van Rijn is the owner of the scope shop located at ”Västermalmsgallerian” in Stockholm and we asked him how he feel about the culture in his franchise firm and his attitude towards the values-led business thinking.

“To be able to present something different, exiting and fun. And also promote a high quality product. I like the fact that the image of Ben and Jerry’s is fun colourful and also directed towards young people. This is also my personal philosophy because of my background as a circus artist. I was selling waffles at Gröna Lund and it was Ben & Jerry who contacted me because they liked my products. They also believed in the concept of the combination with my waffles and their ice-cream” (Ronaldo van Rijn, personal communication, 2005-04-19).

“My employees need to feel like I feel when I sell the ice-cream. That it is fun, exciting and that you are at the same time doing something good for the community. You must be able to give the customer an experience. It can be hard to keep the motivation up because as it is now, you are working by yourself in the ice-cream bar” (Ronaldo van Rijn, personal communication, 2005-04-19).

“In the UK and the US the awareness of Ben and Jerry’s real nature has created fan clubs more or less and the commitment in these countries is shown by real actions for example the construction of playgrounds. So instead of taking the co-workers out for bowling (or something similar) they go out on these social benefit action tours” (Eva Tiedman, personal communication, 2005-04-19).

4.1.4.2.2 Employee benefits at Ben & Jerry’s in Sweden
“Except for working with a great product the organisational culture is very nice to work within. And there is a very open-minded ambiance that is very nice to work with. There are also benefits in case of health care and possibilities of training and workout. The company also have many celebrations in forms of different themes, in order to create good environment and so on.” (Eva Tiedman, personal communication, 2005-04-19).
4.1.4.3 Organisational culture and social responsibility

“When Unilever has taken over the organisation it has become very much more structured and less confusing. It sometimes clashes with what my personal believes are. Lately it has also become a little too directed, almost like McDonalds” (Ronaldo van Rijn, personal communication, 2005-04-19).

“In the contract it practically says that you have to be engaged socially. So, when Ben & Jerry’s recruit new franchisees it is very important that they choose people that really want to be involved in social work and activities that effects society. I am also meeting with the central social mission manager in Europe to discuss new ideas that can be useful for the company’s social mission. There is also a social mission manager in USA that is also working with the international development” (Eva Tiedman, personal communication, 2005-04-19).

“The franchisees are quite controlled by Ben & Jerry’s when it comes to procedures, product line and so on. Ben and Jerry’s also helps out when it comes to the social mission, something that is pretty unusual in Sweden and therefore also quite hard to grasp for the franchisees. One can say that the social mission is a little bit uncontrolled than the other parts of the company. At the same time the franchisees are not that influenced by the Ben and Jerry’s culture from the beginning and the franchisees now active here in Sweden were not that concerned for the social part but more interested by the fact that the ice-cream quality is very good and that the concept is attractive. Therefore, the franchisees here in Sweden can use a little more help to be activated in the social side of the organisation. These are entrepreneurs that before have been driven by quality and profit. However, the coming franchisers are much more aware of and drawn to the company by the social mission” (Eva Tiedman, personal communication, 2005-04-19).

“We talk to each other every day because there are only two of them established and they are very much in the introduction stage and the main office is helping out with training, marketing and coaching. We also work together with different standards concerning quality, hygiene and service and also helping with them with the design of the bars. The main offices are more like consultants towards the franchisers” (Eva Tiedman, personal communication, 2005-04-19).

“First of all it is important to follow laws concerning the employees. Secondly the organisational culture is very relaxed and casual which is something that is reflected in for example the clothes that are worn in the offices, especially in the US where the ambience is very friendly and "at home" with for example dogs running around in the hallways” (Eva Tiedman, personal communication, 2005-04-19).

“The main office is working with the franchisees in order to create a playful environment and to pass on the casual culture to them as well. It’s hard though to evaluate how they have succeeded and that is partly because of the short period of time that the scope shops have actually excited. The fact that the employees are also very much working for them self is also negative and makes it more difficult to create a certain cultural feeling” (Eva Tiedman, personal communication, 2005-04-19).

So what does the franchisee think about the social mission?

“The social mission part is great. But I would like to have more bars, sell more ice-cream and then be able to do more good. But I also want something back, as it is now the business hardly creates profit. I would like more support from the head office here in Sweden
which is to careful about things. When I first started with Ben and Jerry’s I was also promised a better location than the current one, a location which is also worse because of delayed building permit. I would also like to start more ice-cream bars and expand even faster but that’s something that the main office do not agree on” (Ronaldo van Rijn, personal communication, 2005-04-19).

4.1.4.3.1 Environmental thinking

“One thing is that the usage of hybrid cars are subsided for employees in the organisation, for example are they looking at hybrid cars as an option for the salesmen who is soon going to have to change car” (Eva Tiedman, personal communication, 2005-04-19).

“Also it is very important to think about how you live your private life and I have focused on the environment and the fact that living in a big city also brings a polluted air and water. I am therefore using collective transportations instead of using a car and this is something that is emphasised within the company and encouraged for employees to do as well” (Eva Tiedman, personal communication, 2005-04-19).

“Ben and Jerry’s has started to develop an environmental office in the US and this adjustment is something that Ben and Jerry’s in Sweden is also going to work with” (Eva Tiedman, personal communication, 2005-04-19).

4.2 SIA Glass

4.2.1 Marketing

SIA Glass has during the last years developed its efforts to create a strong brand in the marketplace. In order to do so, SIA has decided on its target group and how to reach out to the customers. While being a small company, the focus of SIA is to build the brand and at the same time promote its products.

“Until 1999 there was no work concerned with advertising the brand. To start with we looked up our target group and we decided to be narrow on that point so we decided our target group to be women aged 25-45. Women are the ones deciding what is in the freezer. It is almost not allowed to say it but, we believe that this is the way, no matter how equal society is today” (Rolf Frid, 2005-05-04, personal communication).

“We asked ourselves where we can target this group in the best way and we came up with that the cheapest and most simple way of doing this is by advertisement in magazines read by this group. They must also have an income so that they have money to spend since we are not in the low-price segment. We searched in magazines where our target group could be found and we came up with magazines like ELLE, Tara, Hus & Hem, Gods och Gårdar etc. There are a lot of these magazines and that market is broad and the magazines are often lying somewhere in the homes for a long time and the men in the houses are probably also reading them in search of pictures of women.” (Rolf Frid, 2005-05-04, personal communication).

“We have not had much money to advertise with, in 1999 we had nearly nothing but we started to slowly get a feeling for advertising and since then we have invested in marketing and the philosophy within this company is that every penny made is re-invested in the company so this money has been used to build the brand. In order to make the advertisement we took a lot of inspiration from Håstens’ campaigns. In the end of the 90’s they got
a lot of attention from media. They had the money, they had a concept and they bought when it was a few seconds left and if the price was right they bought. We are trying to make the same. With the help of our advertising agency we have made a series of different advertisements so we could send them in, in ten seconds, if the price was right. That was how we worked until 2003. Now we have closed the magazine channel and shifted to TV advertisement. We launched a product named “Mjölkglass” during the autumn 2004 where we decided to make a big campaign on TV4 and the deal includes an income for TV4 per sold product. In the commercial for this product we have made a film that shows a lot of the logotype and the product and relatively little mjölkglass. The idea is to build the brand and at the same time promote the product (Rolf Frid, 2005-05-04, personal communication).

“Generally, we never market a taste or a product. We do not tell the consumers about a new taste with a big advertising campaign. The exception might be for locals and in the local newspaper. We are too small to work with that kind of advertising, we must market the brand. Sometimes we have made exceptions; one is the advertisement on sorbet. What we can do what the other cannot is to do sorbet without fat. That demands a special technique; if you mix fat in the sorbet it is easier to mix the mixture. We see it as an important ability that we can make sorbet without fat. It is better to use the fat from the fruit itself. I would like to say that we have made the sorbet market in Sweden, from being noting into being relatively big. We built the sorbet market by advertising and hard in-store work. We have a 75 % market share and that is both in the everyday commodity sector and in the restaurants (Rolf Frid, 2005-05-04, personal communication).

Now we are hanging on the health trend where we have introduced the new concept of mjölkglass. Light ice-cream is popular today, I hate the term light because it says chemicals for me so we do not want to use that word. That is why we want to use the term mjölkglass which is commonly used in Europe but not in Sweden. This time we will work with television. To introduce this term will be our next challenge.” (Rolf Frid, 2005-05-04, personal communication).

SIA wants to build their brand through the scoop shops as well and by that building the brand from below.

“On the way, we have shifted focus a lot of times. From the start we focused on scoop shops and people connected us with a cool experience. We have tried to use this in our marketing in the everyday commodity sector. This is one way of extending the season so that people will still buy ice-cream in the winter. If people buy their ice-cream in the winter they will look up a scoop shop in the summer in order to find that taste. We will never be able to compete against GB and their mainstream concept but that is not where we want to be.” (Rolf Frid, 2005-05-04, personal communication).

SIA has made some examinations regarding the response from the market and its consumers.

“Yes, and if we go back to our message with fresh cream and Swedish-made we are very happy with the response. When we have made research about how our brand is being perceived the most common answer is high quality and fresh raw material. So we are sending one signal and getting another one back but it is better than we expected. It is hard to measure but I believe that we have increased the knowledge of the brand. If you are asking a consumer in Sweden about ice-cream they will most probably say GB but if they are
asked about other brands we will end up high on that list, we are next to GB the most famous brand in Sweden.” (Rolf Frid, 2005-05-04, personal communication).

SIA has made tries in other marketing channels. Radio is a media that has been tried.

“A few times on radio, it is a bit hard to know the effect of it but we would like to try it again. Radio is getting better and better and I believe that it is possible to target the right consumers better today in radio than for ten years ago. Then, it does not matter if there are some waste away from our target group but the most important is that it is not only waste.

We have not made anything concerned with event marketing because it demands too much of personal resources in order to get the right effect. We do not believe in paying an event company a million and then let them run a campaign. We are afraid that those people do not have the same loyalty and engagement as our own employees. It is not possible to market our company with a big event company, when we want to be seen as the small Swedish company from Slöinge. Regarding the scoop shop side of our business we do not work against the end customer, instead we work to our customers and that is done through personal selling. Again, we believe that this is our way of working and by doing so we will hopefully reach engaged people selling our ice-cream. So, Harry’s and Wayne’s Coffee are not our ideal customers, instead our ideal customer is individuals working in their own shops.” (Rolf Frid, 2005-05-04, personal communication).

In order to position SIA in the mind of Swedish consumers, the company has developed two main messages that it wants to be associated with. Another thing to do when positioning on the market is to tell the consumers about the competitors and what the benefits are with SIA in comparison.

“We made full-page advertisements in Svenska Dagbladet for a lot of money. We wanted to be funny and our advertising agency made them with a picture combined with text. We are satisfied with that campaign and maybe not everyone will get it but the women who are aware about what they shop and how they look, they will read this text. So, we wanted to be funny in our advertisement and we built it on two concepts: “fresh cream” and “Swedish-made”. We also tried to tell the consumers that the competitors are saying that they are using cream in the ice-cream but in fact they are putting butter in the product or even as GB does, they put vegetable fat in their ice-cream. Then we started with advertising our sorbet in order to build up that concept as well. Today we have a 75 % market share in Sweden.” (Rolf Frid, 2005-05-04, personal communication).

4.2.2 Sourcing

“We have a total number of about 40 to 50 different suppliers that we cooperate with. There are a lot of different suppliers that deliver milk and milk powder for the "basic mix” and several different suppliers that deliver ingredients such as chocolate, nuts and also if there is a special ingredient there is a new unique supplier for that. When it comes to similar products such as milk and cream we try to take those from the same supplier. We use the suppliers as long term as possible because we want to feel that we can rely on them and them on us. In case of misconduct by a supplier or if they are sold you sometimes have to change but it will take a lot to actually make us change suppliers, you do not do it just for the fun of it” (Peder Roslyng-Jensen, personal communication, 2005-05-04). In selecting suppliers, quality and dependability are the most important factors. “First of all you look at quality and then delivering reliability and after that the price. The prices are not that important because they are often very much the same. Once a year we go through, together with
the suppliers, different areas such as purchase, storage and production together with our quality department and if there are any problems we discuss this with the supplier that is concerned. Today the suppliers are very much controlled by laws and regulations, but if there is a supplier that is very important to us, that will affect our product in a high degree, we sometimes look closer on their production and visit them to see if their can be any risks for us. If there are any problems we tell them about it but we do not make any suggestion as to how they should cope with it because we believe that they know their production best” (Peder Roslyng-Jensen, personal communication, 2005-05-04). Even though SIA Glass does not generally interfere with suppliers’ procedures some new local suppliers have we have been given some aid. “We have helped suppliers to reach up to a certain level of quality”. (Peder Roslyng-Jensen, personal communication, 2005-05-04).

In evaluating and selecting suppliers the most important prerequisites are quality and price according to Anita Skoogh (personal communication, 2005-05-04) who is the staff manager and quality and environmental issues coordinator. “The ISO 14001 demands that the company’s environmental policy is communicated and not only stated. For the most part it is Peder (purchasing and production manager), Susanne (product development) and Rolf (vice CEO) who evaluate the supplier in question regarding quality and price. Usually new suppliers are considered in relation to the development of new products. If they can compete in terms of quality, price, are not too far off geographically and do not have bad reputation for environmental reasons then the environmental issues are of lower priority. The environmental evaluation and consideration of suppliers is made at the product development stage. Then questions such as to whether there are any genetically manipulated ingredients or non recyclable packaging are dealt with” (Anita Skoogh, personal communication, 2005-05-04).

“We have done strategic choices when it comes to strategic partners, I mean that if you buy goods from suppliers it is not that important even though we have chosen not to buy goods from Belgium and Holland because we think that they are potentially risky both in environmental issues but other as well. We have also made sorbet together with Del Monte but decided to stop the production because of that we were drowning our own brand in all the others that we were involved in but we also made the conclusion that Del Monte was also a potential risky company because of the risk of child labour and chemicals within the fruit industry. If we made the decision based upon moral or financial facts is always something to discuss” (Rolf Frid, personal communication, 2005-05-04).

4.2.3 HRM/organisational culture at SIA Glass

The corporate philosophy of SIA Glass is using nothing but fresh cream and genuine high quality ingredients when manufacturing its ice cream and is the only manufacturer in Sweden that does not produce any budget vegetable alternatives. SIA Glass develops, manufactures and sells its products to wholesalers, end consumers and to other companies within the business (SIA Glass, 2005). By using modern manufacturing techniques, efficient distribution and a high level of service SIA Glass shall provide profitability for its business partners and is also a prerequisite for SIA itself to prosper and provide security for the co-workers (SIA Glass tillhör Sveriges äldsta familjeföretag som fyller 436 år i år!, 2005).

According to the company environmental statement, SIA Glass is to uphold the health of the surrounding environment and the company’s employees. It is a mission statement that the company is to actively work with, to measure and through continuous improvements
lower the strains on the environment. It is also an ambition to continuously build on the environmental knowledge concerning materials and packaging.

SIA Glass will openly account for the result of the environmental work following the laws and regulations and include the environmental aspect in all purchasing. Priority will be taken to minimise the use of water, minimise effluent outlet, and optimise the use of energy. The use of chemicals is to be done in a way that takes consideration towards both employees and the environment and no new chemicals are to be purchased without inspection. Waste is to be minimised and sorted and transports are to be measured and optimised (www.siaglass.se, 2005).

SIA Glass is owned by Bertegruppen AB which is to 70 percent owned by the Stenström family and to 30 percent owned by the Bertébo foundation. Being rooted in the miller business Berté Qvarn has been the Stenström family business since 1569. SIA was founded in 1961 in collaboration with Trollhättetaglass but SIA acquired Trollhättetaglass in 1963 (SIA Glass tillhör Sveriges äldsta familjeföretag som fyller 436 år i år!, 2005).

Today 120 people are employed in the in the ice cream manufacturing, sales and distribution. SIA produces eleven million litres of ice cream per year that is sold nationwide with a turnover of SEK 240 million in 2004 the company makes 120 different products using around thirty different flavours. The market share in Swedish restaurants, institutional households, scoop shops and kiosks is around 25 percent and about 12 percent for the grocery trading although the figure for the premium segment is more than that. The ecological assortment today includes four ice cream flavours and two sorbets (SIA Glass tillhör Sveriges äldsta familjeföretag som fyller 436 år i år!, 2005).

4.2.3.1 Employee influence and motivation

In order to create a values-led organisation the values-led thinking has to come from beneath and spread throughout the company. In order to do this the employees have to get the possibility to make a difference and be able to influence the leadership of the firm. The next section is going to handle this issue, how much does the employees affect the decision making and direction of the firm?

“Not a whole lot. This is a family business and everyone knows Per (CEO) and there is always a possibility to pursue lobbying. It is easy to do that and Per listens. Some people tend to do that when something does not work properly and something needs to be done. Usually this concerns production technical matters. Per is well familiar with this. We do not have any personnel representatives on the board of directors but have solved the employee influence issue in the way that we inform the unions via meetings where the union obtains a clear insight into business economy and whatever is discussed. They have no influence over setting budgets and so on” (Anita Skoogh, 2005-05-04).

“We encourage own initiatives but it is a difficult issue. We do not have a good incitement system. Here, you come across questions like “what is included in your normal job?. You are both meant to provide the service and improve it at the same time. It is difficult to draw a distinction between what is a proposal and what is the normal duty. There have been efforts to implement incitement systems but they have gone down the drain due to these problems. The ones that have the most ideas are the production staff. Ideas have been met with a “this is included in your duties” attitude” (Anita Skoogh, 2005-05-04).
“It is part wine, part water. Some people are very motivated and could probably work themselves to death for this company and some are close to doing so. Others are not quite that motivated. I can not come up with any common factor for the ones that are not that motivated” (Anita Skoogh, 2005-05-04).

“For me quite a bit especially on a private level (to work for a family business). No matter what I do I think about how it can affect the profitability. You try to save as much as possible but at the same time you know that if there is something you really want to do, such as attending a course, you know that you are allowed to as long as you can motivate it. At least the middle managers have a lot of freedom under responsibility” (Anita Skoogh, 2005-05-04).

“I can imagine that the workers in the factory reckon that they do not get enough of anything and of you compare SIA with SJA in Falkenberg which is a common comparison SIA does not have as many work benefits. But that is to a large extent because we are a smaller company with fewer resources. At my old employer decisions were made very far away and there was seldom any motivation as to why things were to be done a certain way. That had a negative effect, especially as you were told to do the opposite a month later. In that place you never had any bad conscience about going away on a course just to get away because there was nobody that asked you to reflect as to why. You took every chance to grab what you could in contrast to this company. At SIA Glass if you see a seminar that you would like to attend you think about how you can combine that with something else that needs taking care of nearby which saves the travelling cost” (Anita Skoogh, 2005-05-04).

The view among the employees is that SIA Glass is an employer that takes care of them and they feel secure. And I think that that is very important for people nowadays that they feel that security” (Peder Roslyng-Jensen, 2005-05-04).

“I think that many connect with the fact that SIA Glass always has been at Slöinge and many have also grown up with SIA Glass and lived with SIA glass all their life. Employees have a positive feeling for the company and always speaks well of it even outside the workplace and they are happy for SIA Glass. That is my belief absolutely. And that it is family owned is also important and that it is connected to quality” (Peder Roslyng-Jensen, 2005-05-04).

“Yes I certainly believe that you belong to one of Sweden’s oldest family company is motivating, it is not many that do that and the “SIA spirit”, even if it is hard to define, is also a part of this” (Peder Roslyng-Jensen, 2005-05-04).

4.2.3.1.1 Employee benefits
An important tool when it comes to motivating employees is employee benefits and in the following section Skoogh talks about benefits when working at SIA Glass:

The employees have a pretty good discount at the local shop; we arrange recreational activities in which getting people engaged are becoming harder over the years. Our annual bowling tournament is sacred. Besides that, we have a few health encouraging measures.” (Anita Skoogh, 2005-05-04).

 ”We also have free company health care but we do not have free Medicare because it is not feasible because of the location of the company, although it may be doable in bigger cities such as Stockholm. We also have sponsored exercising for employees wherever and how-
ever they want to practise it. We have free gym and swimming in Falkenberg” (Rolf Frid, 2005-05-04).

4.2.3.2 Recruitment

“We do not just want to hire hands and feet but preferably also a head. In that process we tend to choose the ones that are motivated. The ones that only want to earn money are often satisfied with doing the most basic work. When you seek through internal recruiting then you find out who are the motivated ones” (Anita Skoogh, 2005-05-04).

“Less than half of the staff comes from Slöinge. Most of us live pretty close. Had I been employed by the old CEO, Olof Stenström of Berte Kvarn, then I would not have gotten the job because I do not live in Slöinge. It is not many years ago that the company put in advertisements that it preferred applicants from Slöinge” (Anita Skoogh, 2005-05-04).

4.2.3.3 Organisational culture and social responsibility

In order to get an Idea about how the social engagement is like throughout the organisation of SIA Glass, questions about the company’s social commitment were asked. To start with Rolf Frid speaks of some examples of what SIA Glass is doing for the local community: “We have a sponsor program and that concretised through the fact that local organisations and clubs in Slöinge get much more money from the company through sponsorship than what the commercial value that is brought back to the company” (Rolf Frid, 2005-05-04).

The owners of the company would gain more financially from selling the company than they do now from running it. But the owners know what would happen if they choose to sell, the factory would be closed up and the production moved abroad. Something that would be devastating for the community and that is the biggest evidence for that SIA Glass actually cares about the community. But the owners have to live here and that means that you have to think about how you act in every situation, you are stuck here” (Rolf Frid, 2005-05-04).

The next section handles the problem with social responsibility and what role SIA Glass has in the local community.

“If you ask me if I would spend a thousand crowns when I have no profitability then i surely would say no. The foundation of everybody’s wealth is that the company will survive. We have a hundred employees from Slöinge and there is nowhere else to work if we would not keep the business going on so that is the primary goal. But if you ask me, when I have ten thousand crowns, if I could spend thousand on an employee then the answer is surely yes. Given that I do not tie me up towards a long term commitment where I will get in trouble in the future, which probably means that we are probably quite cheap in our way of deciding salaries ”(Rolf Frid, 2005-05-04).

"The managers and middle managers must care about the community otherwise I would be disappointed. The people working in the production are most probably of a different view. I think that the general view is that the family (the owners) are making money and that the company only exist to make money but when one get problems you turn to the firm. It is that kind of love hate that I talked about before, and I think that that still exists” (Rolf Frid, 2005-05-04).

"Yes I think that many connects with the fact that SIA Glass always has been at Slöinge and many have also grown up with SIA Glass and lived with SIA glass all their life. Employees have a positive feeling for the company and always speaks well of it even outside
the workplace and they are happy for SIA Glass. That is my belief absolutely. And that it is family owned is also important and that it is connected to quality” (Peder Roslyng-Jensen, 2005-05-04).

"Indeed, the goal with that company is to make it successful and for the family that owns it and keep it running and create jobs” (Peder Roslyng-Jensen, 2005-05-04).

4.2.3.3.1 Environmental thinking

“We have had environment courses on a general level and then we try to create routines. Instead of flushing everything down the drain, ice cream substance is picked up in buckets and sent to soil improvement. The environmental thinking is most apparent in the practical manufacturing such as discharging, use of water and power. Transportation is the toughest part. Slöinge is not centrally situated geographically. We had an idea when we built the new warehouse to have more space available so that we could order full truck-loads. On the other hand, a keeping a warehouse takes heating, lighting up, and good ventilation which also affects the environment. The administrative and sales sides have been more difficult to get into the environmental ideas than the production side but organising transportation is one thing. Another thing that is coming is the opportunity for the sales people to choose a hybrid fuel SAAB as a leasing car. This is something that we are strongly going encourage provided that the person in question has the possibility to refuel which can be tricky on the countryside”(Anita Skoogh, 2005-05-04).

“Well, if you have had a family business since 1569 you tend to think about the coming generations. Per, Anders and Gudmund have been fed the environmental thinking since they were children as far as recycling and looking after the close surroundings but also the global environment.” (Anita Skoogh, 2005-05-04).

Further on Skoogh and Roslyng-Jensen explains the importance of SIA Glass in the local community and how they perceive the atmosphere within the company.

“Well, we are the biggest industry in this community (Slöinge) so we are an important employer here even if we do not do that much concrete action. We give the opportunity to live on the country side and still have a job. On a different level we are proof of that it is possible to maintain a domestic ice cream industry and that it is possible to run it as a family business. It is also very rewarding to work for such a company where you meet the owner every day. I used to work for another company before where that was not the case” (Anita Skoogh, 2005-05-04).

"In Slöinge SIA Glass is a very big and important employer almost every person living here has some connection but also in Halland and in Sweden as a whole SIA Glass is fairly important we are active on a greater scale and have a lot of influence in many places and it is important because the company gets more known. In the food industry in Halland the company is strong and is influencing the conditions within the industries” (Peder Roslyng-Jensen, 2005-05-04).

“The atmosphere is pretty good. Everyone is not always happy. That would be terrible. My overall impression is that most of the staff gets on well at the company. Our industrial health service makes questionnaires every year. All our personnel go to the industrial health service every three years and there they are asked how they get along, how they conceive their superiors, if they feel bullied at the work place or if they are in physical pain. In the psychosocial matters we get very good grades. Then physical wear such as sore knees and shoulders we get marked down for. But despite that one would think that the staff down
on the shop floor do not have very exiting jobs most of them are happy there due to a very good feeling of solidarity. The solidarity can be so strong that an ‘us and them’ develops between shifts and different company units. When we built new facilities here attention was paid to overcoming previous physical barriers such as the old back yard that separated the office from the factory. As things turned out the warehouse ended up in between anyway so I can’t say that things have improved in that aspect. Per regarded it as very important having physical closeness, and preferably a direct connection, between the different company functions which is a major reason for the office being here instead of Halmstad or Stockholm. A problem occurs when one persons has to be transferred from one shift to another due to strong shift solidarity” (Anita Skoogh, 2005-05-04).

“I think it is being a small family company (that is the main factor for motivation). If we had been owned by a big corporation I do not think we would have acted in the same way because then the owners would have been so far away and so anonymous. Here I know that every Swedish crown earned is reinvested in the company. The owners do not show off by driving fancy cars or anything like that, quite the reverse” (Anita Skoogh, 2005-05-04).

“I can imagine that the workers in the factory reckon that they do not get enough of anything and of you compare SIA with SJA in Falkenberg which is a common comparison SIA does not have as many work benefits. But that is to a large extent because we are a smaller company with fewer resources. At my old employer decisions were made very far away and there was seldom any motivation as to why things were to be done a certain way. That had a negative effect, especially as you were told to do the opposite a month later. In that place you never had any bad conscience about going away on a course just to get away because there was nobody that asked you to reflect as to why. You took every chance to grab what you could in contrast to this company. At SIA Glass if you see a seminar that you would like to attend you think about how you can combine that with something else that needs taking care of nearby which saves the travelling cost”(Anita Skoogh, 2005-05-04).

“Certainly I have an important role within the company and I were not interested that would also mean that it would be bad for the firm and in the long run also for the local community” (Peder Roslyng-Jensen, 2005-05-04).
5 Analysis

We have chosen to divide our analysis into two parts, one where we compare our theory with what we have found in our empirical studies of Ben & Jerry’s and one where we compare our first analysis with the empirical data on SIA Glass. The reason for this is the way our purpose is formulated and that we find this structure the best and most logical way to present our analysis. The two different parts are also divided into different parts, here according to how we have constructed our theory and empirical chapter. Again the reason for this is to get as logical structure a possible.

5.1 Ben and Jerry’s

5.1.1 Marketing at Ben and Jerry’s

According to the theory of consumer franchise by Kotler (2001), the consumer franchise of Ben and Jerry’s is regarded as strong. Customers come back and despite the high prices, the products are popular among such low-income groups as students.

Regarding Kotler’s (2001) four level model of the brand, Ben and Jerry’s has points on each of them. The Attributes refer to the ice-cream itself. The benefits are on the emotional level, i.e. the joy of allowing oneself an expensive luxury ice-cream. Regarding the third part on values, Ben and Jerry’s itself has its values so deeply integrated into the company so Ben and Jerry’s does not adjust to its customers’ values, instead the company offer a base of values that the company applies and that almost everyone can support. The fourth and last part is personality of the brand, thanks to the values consumers can identify themselves in the brand and express values through being in sympathy with the products.

According to Trefnner & Gajland (2001) every company must decide if the products should be marketed with the same attributes as the company. Ben and Jerry’s markets the company at the same time as the product and often in connection to an event.

Ben and Jerry’s has found a unique position in the ice-cream market thanks to its values, this strategy is almost impossible to imitate and if someone will try to do that they will most probably be rejected by consumers as copy-cats. The fact that the values are so integrated in everything that the company does, gives the company a strong identity and most people can easily sympathise with the company.

According to Holger & Holmberg’s (2002) strategy on corporate branding, Ben and Jerry’s has a strong corporate brand since the company is a way for stakeholder to express their values. Regarding the two-pieced targeting strategy it can be argued that the two hang together. Students and younger adults are probably the most aware consumer groups in the market.

The relationship with customers is associated with values. By adding values into the company and its products the customers can get a feeling for the company and on the other hand, the company can get a feeling for its customer’s values. Ben and Jerry’s is a way for customers to express their values. This applies to Ballantyne (2004), who states that the existence of a relationship between the company and its customers and other stakeholders creates additional value for all parties involved.

According to Shepard (1997) is an understanding of the customers a means for a company to grow over time. The goal of Ben and Jerry’s is to build long-term relations with its cus-
customers and according to Cohen & Greenfield (1997) this can not be done with regular advertising, which is a statement that can be questioned.

The event marketing of Ben and Jerry's is well developed. The yearly “Free Cone Day” and the “Phish” project are two ways of connecting the values of the brand through an event. On the Free Cone Day, Ben and Jerry's offers, once a year, free ice-cream and this event is connected with a cooperation of organisations working for a better Society.

Grönkvist (2000) argues that events are more effective if they return on a regular basis. He argues further that event marketing can be used either to reach specific segments or also to reach a broad group of people, depending on the purpose of the event. The Free Cone Day which occurs once every year is aimed at the broad mass of people, other events like Phish or the blood donor projects do not return on a regular basis but they are aimed at more specific target groups, e.g. students in Gothenburg in the case of the blood donor event.

The special themes integrate values into the events and customers hopefully get a perception of Ben and Jerry's as the good company and by that the company can establish long-term relations with its customers.

According to theory (Yeoman, 2004), one part of event marketing is to get attention from media. This might be hard to achieve without advertising when Ben and Jerry’s is not really established in Sweden. The critique from the franchisee is therefore justified.

Guerrilla marketing is the strategy applied by Ben and Jerry’s. By building the brand from below the company wants to create word-of-mouth i.e. rumours. In that way the customers do not feel forced to purchase the products (Eva Tiedman, 2005-04-19, personal communication). This approach means another way of working and a lot of personal resources must be invested rather than economic resources if the company would market itself through advertising and other conventional methods, this applies to Pack (1999) and by working in this way, the marketing costs are minimised.

Hatch (2005) emphasises the element of surprise in the area of guerrilla marketing. This can be accomplished through the events.

During the interviews, conflicts between the company and its franchisees were indicated.

“Ben & Jerry’s wants to move slow and let the customers come to them while I would like them to promote and advertise more, like newspaper ads. They refer to what has been done in the US but this is not the US.” (Ronaldo van Rijn, 2005-04-19, personal communication). Obviously for a new brand it will take some time to establish in the Swedish market and create word-of-mouth among consumers, so the critique from the franchisee can be understood from his point of view.

5.1.2 Sourcing

Sourcing plays a critical role in the survival and growth of an organisation and should be embedded in the operating strategies of the buying firm (Zeng, 2000). According to the philosophy of values-led business, sourcing is the number one influence considering the amount of money spent on purchasing from suppliers. Here is an opportunity to choose sources wisely in order to give as much value as possible back to the community (Cohen & Greenfield, 1997). Neef (2004) states that ethical supply chains often lack coordination regarding ethical activities due to being spread out within the organisation. There is often not one single group that is given that responsibility. Ethical and social issues go beyond mere
strategic sourcing in that it demands monitoring criteria and evaluation programmes. Svensson and Wood (2004) have made a framework for how ethical performance can be measured in a time context as proactive or reactive. Carrol and Buchholtz (2003) have presented a four step corporate social responsibility model built on economic, legal, ethical and philanthropic levels.

**5.1.2.1 Sourcing at Ben & Jerry’s**

Ben & Jerry’s corporate concept is articulated through the company mission which consists of the three interrelated parts of product mission, economic mission and social mission. Central to the mission of Ben & Jerry’s is the belief that all three parts must thrive equally. The social mission is stated as progressive, non-partisan and seeks to meet human needs and eliminate community injustices by integrating concerns into the day-to-day business activities (www.benjerry.com, 2005).

The fact that Ben & Jerry’s uses common business functions together with GB Glace could potentially be limiting for Ben & Jerry’s should its time and context of its business ethics performance, as described by Svensson & Wood (2004), be more proactive than the performance of GB Glace. Being part of Unilever, contracts of dairy products are made centrally (Eva Tiedman, personal communication, 2005-04-19). The factory in Holland has its milk and cream supplied by the Caring Dairy programme that consists of small farmers which is in line with the idea of supporting the local community which is embedded in the values-led concept. The Caring Dairy programme indicates that Ben & Jerry’s performs proactively in

The environmental marking of Ben & Jerry’s products goes beyond traditional marks by initiating the launching of the Sustainable Milk Initiative Launch in Europe, SMILE. The Caring Dairy programme strives to supplying milk in a way that is tenable long term in terms of environmental issues and animal rights. From the view of Carroll and Buchholtz’s (2003) CSR model this means that Ben & Jerry’s take on ethical performance by this initiative. In the CSR implementation model by Rischard (2002) SMILE is a stage five act by looking at global problem solving by collaborating with other actors. Using eggs from freely roaming hens has recently been introduced in the European production and is an extension of this. Environmental and social selection and monitoring as described by Neef (2004) are apparent here as well as maintaining close contact and collaboration with the suppliers, at least by looking at the secondary empirical sources.

The sourcing decisions for the European market are centrally made at the Hellernsdorn location but are influenced by the branches through regular meetings.

**5.1.3 HRM and organisational culture at Ben & Jerry’s**

In many ways the values-led thinking within Ben & Jerry’s makes the work with HRM easier because of the ability to make employees feel committed to the company and thereby more motivated. This strong motivation creates a unity among the employees and also makes them more productive (Wilson, 1999). In turn, managers do not have to put that much energy into managing the employees and can therefore focus on improving other areas of the HRM.

There seems to be a fairly strong connection between the theory and the work at Ben & Jerry’s when it comes to HRM and utilizing the effects of employee motivation and commitment. The theory states that a committed employee is a motivated employee and a per-
son that will work harder and be more productive than an unmotivated, but most important is that it can make all employees to pull towards a mutual goal and direction (Wilson, 1999). For Ben & Jerry’s this means that they can benefit from their values-led thinking as employees feel much in tune with the companies philosophy and core ideology that cares about the local society and environment in large. Core ideology is defined as something that exist in companies that do not have money making as a goal but more as a means of achieving greater motives (Wilson, 1999). Core ideology is something that are found in companies with a strong organisational culture and that is built up on values an purposes, something that is very significant when it comes to Ben & Jerry’s.

Wilson (1999) claims firms with strong cultures are enjoying greater success on the market financially than those with week cultures. Because of their strong culture Ben & Jerry’s have also been enjoying positive sides such as good financial results but also by getting a highly motivated staff. However, the real strength of the company is that it actually has all those core beliefs and ideologies in print and therefore communication out in the organisation gets more effective than if it would not have been documented. Also, the fact that the social mission is seen as equally important as the quality and profitability goals enhance the message that the values are something that is handled seriously.

However, there is more to HRM than just commitment, motivation and core ideology. Other very important factors that a company must work with are communication and rewards (Wilson, 1999). The problem at Ben & Jerry’s was that these two factors often were more or less neglected by managers and that in turn led to dissatisfactory among the employees who wanted more clear directions and benefits. The focus on the social mission tend to take overhand and the work that managers regularly is committed to such as routines and guidelines were not present. Lastly, there are dangers with strong core beliefs as well because it easily creates strong counter cultures that will work against the organisation at large (Wilson, 1999).

5.2 SIA Glass

5.2.1 Marketing at SIA Glass

“The idea is to build the brand and at the same time promote the product” (Rolf Frid, 2005-05-04, personal communication). According to the theory of Treffner & Gajland (2001) a company must decide whether or not to promote the products and the company with the same attributes. The statement proves the marketing strategy for SIA Glass. With advertising, the company promotes its products, with the help of its advertising agency, but at the same time it promotes the brand. The reason for doing so is the fact that the company is too small in order to market products alone (Rolf Frid, 2005-05-04, personal communication).

According to Kotler’s (2001) theory on brand levels; the product attribute is as Ben and Jerry’s the ice-cream. The benefits of the product might not be as emotional as for Ben and Jerry’s since the two are not in the same segment. The values presented are “fresh cream” and “Swedish-made”, so social messages are not anything that the company is concerned with. Although, the company has established and positioned itself in the Swedish marketplace through its values in the advertising and this position might not be hard to imitate but since SIA has reached so far in this area the company will have an advantage in comparison with newcomers. Regarding the fourth part of Kotler’s brand level model, SIA Glass does
not reach as far as Ben and Jerry’s; the brand image can not attract stakeholders to express their values in the same way as the stakeholders of Ben and Jerry’s.

The way that SIA Glass approaches relationship marketing is that it is value-based, like Ben and Jerry’s but the values are not on the same level. With the messages of Swedish made and fresh cream, the company can attract customers with those preferences. The values are not social but the focus is on the product attributes.

SIA does not make use of event marketing since it would take too much personal effort and there is a fear that a big event company would ruin there image.

“We have not made anything concerned with event marketing because it demands too much of personal resources in order to get the right effect. We do not believe in paying an event company a million and then let them run a campaign. We are afraid that those people do not have the same loyalty and engagement as our own employees. It is not possible to market our company with a big event company, when we want to be seen as the small Swedish company from Slöinge.” (Rolf Frid, 2005-05-04, personal communication).

SIA handles its marketing mainly through classical advertising, primarily in magazines and now in the last time on television. The marketing campaigns have had a big impact on the growth of the company but the costs have been large. Like the event side of marketing, guerrilla marketing would cost the company a lot of personal resources and it might be hard to see if SIA would have any use of it and it might be easier to approach guerrilla marketing when doing it with values.

5.2.2 Sourcing at SIA Glass

SIA Glass generally use suppliers long term to gain reliability for both the supplier and itself. This is in concordance with Zeng’s (2000) view of sourcing to be embedded in the strategies of the buying firm. Suppliers are evaluated in terms of purchase, storage and production by the purchasing department together with the quality department. Quality, delivery dependability are prioritised higher than price. If the supplier is not too far off geographically and does not have a bad reputation for environmental reasons then the environmental issues are of lower priority. This suggests that SIA performs on a legal level in Carroll’s CSR model although the ISO certification indicates that the company ambitions are higher than that. Rischard’s (2002, cited in Horn af Rantzien, 2003) CSR implementation model indicates that SIA Glass practises level three, offensive CSR with the objective of gaining market leadership.

As opposed to Ben & Jerry’s which is owned completely by Unilever SIA Glass being a family business is more independent in making its own decisions regarding the choices of sourcing as well as any other matter.

As stated by Neef (2004), strategic sourcing and supplier qualifications and supplier inspection too often remains a low priority. Neef (2004) also states that there is often not one single corporate group that has been given responsibility for ensuring that suppliers live up to standards of environmental health and safety. Here the fact that SIA Glass is a fairly small company and that it uses the ISO14001 certification assures communicating the company environmental policy to the suppliers.

Also concluded by Neef (2004) organisations often have little coordination or strategic focus on ethical supply activities due to being spread among several departments and at many different levels and locations in the company. At SIA Glass the product development and
purchasing/production manager along with the vice CEO evaluate suppliers on the basis of quality and price. SIA Glass being a medium size enterprise means that the distance between departments is so small that despite that sourcing decisions are made between departments this does not affect the ethical quality of the sourcing considerably. The environmental concerns of the company are those that are embraced by the ISO 14001 standard and do not officially go beyond that. Suppliers are very much controlled by laws and regulations and SIA Glass do not so much focus on lying ahead of regulations. However, SIA Glass is by following the standards of the ISO 14001 in parallel with society values and norms and could be argued to be towards proactive in a time context (Svensson & Wood, 2004) of internal and external perception by being the second first company to obtain the ISO 14001 in the food industry and by being the company that has had it for the longest time.

5.2.3 HRM/organisational culture at SIA Glass

Of what we can see from our studies at SIA Glass is that the company seems to have a rather strong culture, much thanks to its relatively small size and the fact that it still is a family company with a long and rich history. This obviously makes up strong potential artefacts in terms of stories about how the company has developed through the years (Jacobsen & Thorsvik, 2002). There are also evidence of that there are existing core beliefs in the firm as the main purpose of the company very much is to stay alive and grow in order still be able to offer job opportunities for the local community (Jacobsen & Thorsvik, 2002). This means that there are other goals and purposes with the organization than just financial and profitability. If the recent success that SIA Glass has enjoyed at the Swedish ice cream market is because of core beliefs is hard to say but at least it has been one of the factors.

However, there is evidence suggesting that there are negative sides with strong culture such as strong subcultures and SIA Glass is no exception. Problems have occurred when employees do not want to swap working ours with each other because they belong to different groupings inside the organization. Attitudes like these are very hard to change because of their fundamental nature (Jacobsen & Thorsvik, 2002). Though if SIA Glass was able to emphasise its culture at the management level these problems might disappear because of the unity social mission goals tend to bring.

When I come to reward systems for employees at SIA Glass there seem to be very good intentions and there are concrete things that the company does for its employees. Still, there also seem to be a lot of things left to introduce such as a good bonus system and other employee benefits. If the organisation was to give more rewards and benefits to its employees there would be a lot to gain in form of employee commitment which in turn leads to a stronger culture and hopefully a more unified staff (Wilson, 1999).

The final area (which we wrote about in the beginning of this chapter) is communication. Employee commitment and motivation will not exist unless the managers succeed in communicate the core beliefs of the company to its employees. This is a key factor in creating a strong and unified culture and as it is today SIA Glass do not seem to have succeeded in communicating its social purpose. If the employees are not aware of the underlying social purposes of the company they will not be as committed and the firm will miss out on a very important source for competitive advantage in the market (Wilson, 1999).
5.3 Concluding the analysis

The first part of our purpose with this thesis was to explore the concept of values-led thinking and we feel that we have done this in a satisfying way. Although there are aspects that were not brought up in this paper we feel that the most important aspects of values-led business were presented in the parts discussing and describing marketing, sourcing, HRM and the culture of the Ben & Jerry organization. We have also brought forward the differences and similarities between Ben & Jerry’s and SIA Glass which also have contributed to make our purpose fulfilled.

Did we get the answers that we expected to get? We feel that although we viewed the values-led work at Ben & Jerry’s as something that were far ahead of the reality in corporations in Sweden that opinion do has changed. Our studies at SIA Glass showed that there is at least one company in Sweden today that has social mission as a central part of their culture and particularly in the sourcing area were using their power in order to create something good for the community as well. However, there is quite along way to if the company is to be values-led. First of all the social thinking must be written down and taken into consideration through whole of the organization. Also, this thinking must be spread from the managers and to all of the employees inside the firm something that can be a very challenging task. In this view we feel that we pretty much got the answers we expected from the start of our work.

When it comes to the second part of our thesis the conclusions are much harder to draw but still there are interesting results to take into consideration. Because of their social commitment there are a great potential of a successful implementation of a values-led thinking within the SIA Glass organization. We believe that if the company could somehow write down the thoughts and feelings about social commitment that at least seems exist in the management level the whole organisation would gain from it in form of more motivated employees.
6 Conclusion

To conclude our thesis we feel that we have been able to fulfil at least the first part of our purpose. The data collection that we have made considering values-led business we find satisfying considering how little that have been published in this area and how new the concept of values-led business is. We also feel that the comparing parts between Ben & Jerry’s and SIA Glass is enough to give a good overview of how the differences look like between a values-led thinking and a more traditional way of approaching business as a whole. The focus and limitation of business areas into four different subjects is in our view a must in order to not be too unspecific and unable to draw a conclusion on our thesis has not restrained us in our writing.

The second part of our purpose though has been a much harder task to fulfil. Our conclusion is that SIA Glass does have the capabilities of becoming a values-led company as its foundation is not based on financial goals but really is driven by a will to preserve something good for the local community. This is a good start but in order to develop a values-led thinking this social mission must be put down in print and be formally equal to the financial and quality missions. When that is done the organisation will gain a lot if this can be communicated out to the rest of the employees as this will surely get many to view the company in a whole new way, hopefully and most likely to the better.

We are well aware of that this is easier said than done (in most company’s a change like this would take a very long time and probably cost a lot of money) because changing fundamental beliefs is hard. But because of SIA Glass’ history we believe that these values about social commitment already exist within the company and therefore a transition like this would actually be possible.

If the changes are made there is a lot to be won for SIA Glass in a motivated staff and not least a competitive staff. There are also a lot to be gained in the marketing area as SIA Glass would be able to use more creative marketing methods (as described in the book of Cohen & Greenfield, 1997) and thus also be able to both save money and to position itself as a more unique actor in the Swedish ice cream market.

Even though we have been able to draw these conclusions we feel that one can (and probably should) go much deeper into the different areas and theories about values-led business in order to get a more fair view of its real potential (or non-potential) and aspects. Not least in the organizational area where the impacts, challenges and possibilities probably are greater than in the other areas of study.

6.1 Further topics of exploration

For us this thesis has probably raised more questions than it has answered and we have discovered other topics beside our own that would be worth exploring.

The most important of those topics is whether values-led businesses only exist because of a few people, that is, the founders of values-led companies. We would very much like to know, for example, how the culture has been affected at Ben & Jerry’s since the overtaking by Unilever and the exit of Ben Cohen and Jerry Greenfield as active members of the company board. Has it taken the same development as it has for The Body Shop since Anita Roddick stepped down, that is less values, less radicalism and more focus on profitability and to what extent? Are these changes for the worse or have these transitions only
empowered the concept of values-led business as it probably have made the companies more financially stable.

These issues probably constitute deep sources of information that we consider important to explore if business is to become more socially responsible and considerate to its surrounding world.
References


Flemming, J. (2003), Profit at any cost?, Grand Rapids, MI: Baker Books

Hatch, C (2005). When Should You Try Guerrilla Marketing?. ABA Bank Marketing; Mar 2005; 37, 2; pg. 53


SIA Glass. (2005). *SLA Glass tillhör Sveriges äldsta familjeföretag som fyller 436 år i årt Slöinge: SIA Glass AB*


