CORPORATE SOCIAL RESPONSIBILITY COMMUNICATION from a NETWORK PERSPECTIVE
A Case Study of Peab AB

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Abstract

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Problem Description: Since there are recognized similarities in the construction industry between relationship building and strategic CSR engaging thus managing and communicating CSR should be evaluated from the industrial network perspective. Close interaction between stakeholders and implemented strategic CSR facilitate to perform successfully and remain competitive when facing challenges in modern construction industry. Peab AB was chosen for the research as one of the leading construction companies in the Nordic region that recently redefined its CSR strategy and now delivering and sharing the vision through entire established network.

Purpose of the research: Sustainable development has become part of the business plans for Swedish construction companies. Therefore it is relevant to research implementation of sustainable dynamics in the Peab’s vision by analyzing their strategic CSR process and how it is communicated to their key stakeholders within complex industrial network.

Research questions:
How is sustainability vision and strategic CSR communicated through Peab’s business relationships within its industrial network?

- How does the company communicate its CSR strategy within the industrial network?
- How does the company handle its CSR issues within long-term relationships?

Methods: In this thesis qualitative research method with deductive approach has been used. The empirical findings contain primary data such as interviews with the management of the Peab Group, Peab Grundläggning, Swerock and Leimet. The secondary data sources were academical journals, books, Peab website and its corporate policy, annual & sustainability reports.

Conclusion: By combining traditional industrial marketing theories together with the modern strategic CSR communication, it has been concluded that the sustainability vision and strategic CSR engaged and communicated to the stakeholders through Peab’s industrial network have process kind of nature. Even though sustainability vision helps Peab to remain successful and competitive in the long run their performance in the industrial network depends highly on close cooperation with the stakeholders. Close interaction and committed relations with partners is one of the ways of handling sustainability aspects in the construction industry.

Keywords: Corporate Social Responsibility (CSR), strategic CSR, CSR communication, construction industry, sustainability, sustainable construction, industrial marketing, network perspective, Peab AB
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# Table of Contents

1 Introduction .......................................................................................................................... 1
   1.1 Background ...................................................................................................................... 1
       1.1.1 Raising Demand for CSR ...................................................................................... 1
       1.1.2 Business Sustainability .......................................................................................... 1
       1.1.3 The Swedish CSR Perspective .............................................................................. 1
       1.1.4 Sustainability in Swedish Construction Industry ...................................................... 2
   1.2 Problem Discussion ........................................................................................................... 2
   1.3 Problem Specification ....................................................................................................... 3
   1.4 Purpose and Research Questions ...................................................................................... 4
   1.5 Target Group .................................................................................................................... 4
   1.6 Delimitations .................................................................................................................... 4

2 Research Model .................................................................................................................... 5

3 Method .................................................................................................................................... 6
   3.1 Choice of the Research Topic ............................................................................................ 6
   3.2 Research Methods ............................................................................................................. 6
   3.3 Research Approach ........................................................................................................... 7
   3.4 Choice of Data Collection Method ................................................................................... 7
       3.4.1 Secondary Data ........................................................................................................ 7
       3.4.2 Primary Data ............................................................................................................ 7
       3.4.2.1 Semi-Structured Face-to-Face Interviews .............................................................. 8
       3.4.2.2 Semi-Structured Telephone Interviews ................................................................ 9
   3.5 Data Analysis .................................................................................................................... 10
   3.6 Criticism of the Research Process and Chosen Methods ................................................... 10
   3.7 Trustworthiness of the Research ..................................................................................... 10
       3.7.1 Validity .................................................................................................................... 10
       3.7.1 Reliability ............................................................................................................... 11

4 Theoretical Framework .......................................................................................................... 12
   4.1 Strategic CSR Theories ..................................................................................................... 12
       4.1.1 Outlines of Strategic CSR ...................................................................................... 13
       4.1.2 Strategic CSR Process Model ............................................................................... 14
   4.2 Industrial Marketing Theories ........................................................................................... 15
       4.2.1 Interaction Approach .............................................................................................. 16
       4.2.2 Network Concept ................................................................................................... 17

5 Insights to Construction Industry ............................................................................................ 18
   5.1 Sustainability, Sustainable Development and Sustainable Construction .......................... 18
5.2 Construction Process and Stakeholder Interaction .................................................. 19
5.3 Construction Contracts ............................................................................................... 19
5.4 Assessing the Project and Environmental Impact ....................................................... 20
5.5 Integrated Managerial systems .................................................................................. 21

6 Empirical Findings ........................................................................................................ 22

1 part: Secondary Data ..................................................................................................... 22

6.1 Peab Company Presentation ....................................................................................... 22
   6.1.1 Structure .............................................................................................................. 22
   6.1.2 Vision and Strategy ............................................................................................... 23
6.2 Relationship Building ................................................................................................ 24
   6.2.1 Stakeholders ........................................................................................................ 24
6.3 Trust, Follow up and Reputation Building .................................................................. 24
   6.3.1 Standardization .................................................................................................... 24
   6.3.2 Evaluation and Reporting Standards .................................................................. 25

2 part: Primary Data .......................................................................................................... 25

6.4 Peab Group – Top Management ................................................................................ 25
   6.4.1 CSR and Sustainability Perspective – Strategic CSR Theories ............................... 25
   6.4.2 Network Perspective – Industrial Marketing Theories ........................................... 26
6.5 Peab Business Area – Industry .................................................................................. 27
   6.5.1 CSR and Sustainability Perspective - Strategic CSR Theories ............................... 27
6.6 Peab Grundläggning – Foundation Work – Subsidiary ................................................. 27
   6.6.1 CSR and Sustainability Perspective - Strategic CSR Theories ............................... 28
   6.6.2 Network Perspective – Industrial Marketing Theories ........................................... 29
6.7 Leimet Oy – Material Supplier .................................................................................... 29
   6.7.1 CSR and Sustainability Perspective - Strategic CSR Theories ............................... 30
   6.7.2 Network Perspective – Industrial Marketing Theories ........................................... 30

7 Analysis and Discussion .................................................................................................. 31

7.1 Strategic CSR Theories ............................................................................................... 31
   7.1.1 Outlines of Strategic CSR in Peab ........................................................................ 31
      7.1.1.1 Peab's Company Identity ................................................................................. 31
      7.1.1.2 Peab's Stakeholder Identity ............................................................................ 32
      7.1.1.3 Peab's Reputation .......................................................................................... 33
   7.1.2 Strategic CSR Process Model in Peab ................................................................. 34
7.2 Industrial Marketing Theories .................................................................................... 36
   7.2.1 Peab and Construction Contract Relations ......................................................... 36
   7.2.2 Peab and Interaction Approach - Relationships Building .................................... 36
7.2.3 Peab’s Network Concept.................................................................................................................. 37

8 Conclusions .............................................................................................................................................. 40

9 Future Research Recommendations .................................................................................................... 41

References .................................................................................................................................................. 42

Appendices .................................................................................................................................................. 47

Appendix 1. Questions for Peab Subsidiary –Internal Supplier ................................................................. 47
Appendix 2. Questions for Peab Material Supplier – External Supplier ......................................................... 50
Appendix 3. Questions for Peab CSR responsible – Top Management Level .................................................. 53

List of Figures

Figure 1: Problem Specification and Research Question ............................................................................. 3
Figure 2: The Research Model .................................................................................................................... 5
Figure 3: Interview Model .......................................................................................................................... 8
Figure 4: Outlines of CSR ....................................................................................................................... 13
Figure 5: CSR Process Model .................................................................................................................. 15
Figure 6: A Firm’s Value Net .................................................................................................................... 17
Figure 7: Key Areas of Sustainability and Sustainable Development ......................................................... 18
Figure 8: Design-Bid-Build Construction Contract Model ........................................................................ 20
Figure 9: Turnkey Contract and Main Contractor Model .......................................................................... 20
Figure 10: Peab’s Business Area Structure ............................................................................................. 22
Figure 11: Peab’s Business Model .......................................................................................................... 23
Figure 12: Sustainable Community Building .......................................................................................... 23
Figure 13: Peab’s Stakeholders ............................................................................................................... 24
Figure 14: Outlines of Peab’s CSR Strategy ............................................................................................ 31
Figure 15: Peab’s CSR Process Model .................................................................................................... 34
Figure 16: Peab’s Stakeholders .............................................................................................................. 38
Figure 17: Peab’s Network ..................................................................................................................... 39

List of Abbreviations

BREAAM Building Research Establishment Environmental Assessment Method
CIRIA Construction Industry Research and Information Association
CSR Corporate Social Responsibility
DB Design-Build
DBB Design-Bid-Build
EMS Environmental Management System
GRI Global Reporting Initiative
GDP Gross Domestic Product
ISO International Organization for Standardization
LEED Leadership in Energy and Environmental Design
NGO Non-Governmental Organizations
OECD Organization for Economic Co-operation and Development
R&D Research and Development
UN United Nations
Definitions of the Key Concepts

**Construction industry** is “Economic activity directed to the creation, renovation, repair or extension of fixed assets in the form of buildings, land improvements of engineering nature, and other engineering constructions such as roads, bridges, dams and so forth.” (UN, 2010, cited in OECD, 2001 p.65)

**CSR** is “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission, 2011).

**Industrial marketing** the marketing and purchasing of industrial goods is seen as an interaction process between two parties in a certain environment (Håkansson, 1982, cited in Mattsson, 1997).

**Networks** is a set of two or more connected business relationships, in which each exchange relation is between business firms that are conceptualized as collective actors (Emerson, 1981, cited in Anderson, 1994).

**Stakeholder** is “any group or individual who can affect or who is affected by the achievement of the company's objectives” (Freeman, 1984).

**Strategic CSR communication** with stakeholders is a method of identifying the company's core values; organizations missions, its brand and products, and these must consistently reflect the values of its stakeholders (Urde, 2003).

**Sustainability** concentrates how business can sustain through time while also contributing to the improvement on society (Cohen, 2010).

**Sustainable construction** is defined as the construction industry's contributions to sustainable development (CIRIA, 2008).

**Sustainable development** is an approach where key factors social, environmental and economical are involved into companies' long term goals and vision statements (CIRIA, 2008).
1

INTRODUCTION

This chapter provides the outline of the thesis, starting with a common background, problem discussion and specification following by the purpose and the research questions, target groups and delimitations.

1.1 Background

1.1.1 Raising Demand for CSR

In the academic marketing literature the concept of Corporate Social Responsibility (CSR) is a matter of great interest. A widely recognized definition of CSR states that companies can integrate social and environmental concerns in their business operations and interaction with stakeholders on a voluntary basis (European Commission, 2011).

Over the past two decades the expectations of society towards responsible company behavior has increased. Therefore, companies are facing pressures to engage CSR into their business models in a suitable and manageable way (May et al., 2007; Hjelt 2010). It is common that companies are trying to find their own interpretation and suitable approach for their CSR actions (Schwartz & Tilling, 2009).

Different stakeholder groups (employees, suppliers, clients, community, society) have an important role as they can influence companies’ behavior by raising demands for CSR or sustainable actions (Freeman, 1984). Furthermore stakeholder expectations and requirements can put pressure on entire supply chain. Consequently, it is then companies' responsibility to make sure that business partners are performing sustainable (Brown, 2005).

1.1.2 Business Sustainability

As CSR concentrates on how a company makes business and impacts on people, society and environment, sustainability deals with how a company can sustain through time while also contributing to the improvement of society (Cohen, 2010). Business sustainability is often defined through the concept of managing the triple bottom line – a process when firms manage their financial, social, and environmental risks, obligations and opportunities. However, it is even wider concept as sustainable businesses create economic value, healthy ecosystems and strong communities. These businesses will survive even through difficult time of external pressures since they are closely connected to healthy economic, social and environmental systems (Bansal & Laughland, 2011).

1.1.3 The Swedish CSR Perspective

Sweden is today recognized as one of the leading countries actively promoting CSR. Its success in CSR is believed to be a consequence of the governments' active role in coordinating CSR policies and integrating them into trade and foreign policy strategies. Moreover a large amount of companies takes responsibility voluntarily as part of corporate transparency (greenbusinessstimes.com, 2011). Sweden was the first country that demanded sustainability reports from state-owned organizations in accordance with the Global Reporting Initiative (GRI) (sweden.se, 2010). An influence of cultural context is another aspect mentioned in the discussion of the success of CSR in Sweden as the country has a long history of environmental protection. Swedish managers often state that acting socially responsible; especially towards their stakeholders has been a natural part of their business since the beginning (May et al. 2007; Hjelt, 2010).
1.1.4 Sustainability in Swedish Construction Industry

The concept of sustainability has a great importance for the construction sector as the industry produces approximately 10% of the national waste in Sweden (Naturvårdsverket, 2011). The construction industry consumes 40% of the total energy consumption in Europe. It has also a great impact on the sustainable environment as a great amount of natural resources are often construction related (Anink et al., 2006).

It is becoming more common to set up sustainability in company goals and policies within the construction industry (Shen et al., 2010). These goals are focused on environmental perspectives including energy consumption; dust and gas emission; noise distribution; waste generation; use of water resources; pollution by building materials; land use; and use of other natural resources (Vivian et al., 2007). Thus sustainability as an environment oriented aspect in the construction industry can cause a conflict between long-term environmental benefit and short-term economic operational goals (Shen et al., 2010).

In Sweden companies within the construction field are aiming to meet stakeholder requirements by highlighting the responsibility for the environment and engagement with the surrounding community. Moreover CSR strategy is a way of commitment to sustainable economic development, implemented by work with the employees, their families, the local community and beneficial both for business and society (Cited in Blowfield & Murray, 2008).

Companies practicing and managing their CSR activities aim to reach all the stakeholders within its network which can cause both internal and external pressures. In order to practice CSR successfully and sustainable, companies are required to manage their relationships with other companies from an economic, cultural, environmental and social perspective (Dobers, 2009). In this bachelor thesis is discussed and analyzed how one of the major Swedish construction companies, Peab AB handles CSR communication and sustainable development through their key stakeholder relationships in its complex network that have recently restructured their CSR strategy.

1.2 Problem Discussion

The CSR initiatives must be deliberate, planned and evaluated, as CSR does not just “happen”. It reflects careful information gathering, prioritizing, and decision making to determine where resources should be invested to accrue the greatest benefit for the business, the social concern and stakeholders. However, CSR activities that are implemented and embedded into the organizational strategy should also reflect the company’s and the industry’s characteristics. Moreover stakeholders characteristic should be taken into consideration when managing and communicating CSR through the entire network since each stakeholder should be treated as a unique relationship (Coombs & Holladay, 2012).

Social responsiveness is not a new term for construction companies as Peab AB. For many years construction companies were facing a great responsibility and obligations to society putting lots of efforts in providing safety and reliability (Shen et al., 2010). Even though Peab has not had a clearly stated CSR strategy before 2010, sustainability actions have been taken into consideration. This is done in order to fulfill legislative regulations and customers’ requirements (Carroll, 1979). The responsiveness of construction companies includes overall corporate behavior and implies not only passively following social norms but being an active part of a dynamic social system (ibid).

Thus Peab’s sustainability guidelines should be shared and communicated with stakeholders as success or failure of one company can further put pressure on the whole network.
Committed relationships with company’s stakeholders will help in process of developing a stronger market position and trust in the society (Forsgren, 2011). Common values and objectives developed between partners can improve quality, technologies and lead company to a greater success (Blankenburg Holm et al., 1996).

Relationships in industrial markets can be seen more as a long-term commitment plan, where the firm needs good management skills both internally and externally. As companies within the industrial market form networks where each party has its own aims, it is important to manage and coordinate common goals and share the same vision with other actors on the network (Ritter et al., 2004).

Therefore if companies build up relationships with their stakeholders and engage CSR strategies in similar way with long-term commitment it will create a successful and sustainable business model. Thus managing CSR and its communication with the stakeholders should be evaluated from the industrial network perspective where close interaction between stakeholders and common vision helps to implement projects which hold economic, social and environmental aspects together. Peab AB was chosen for the research as one of the leading construction companies in the Nordic region that recently redefined its CSR strategy and now delivers it through the whole established network.

Since the common way to examine companies CSR communication is done through stakeholder and institutionalization theories. Therefore in this study a new approach has been taken by combining the traditional industrial marketing network perspective together with current strategic CSR communication theory.

1.3 Problem Specification

How is sustainability vision and strategic CSR communicated through Peab's business relationships within its industrial network?

Figure 1. Problem specification and research question (Source: Authors)
1.4 Purpose and Research Question

Sustainable development has become part of business plans for Swedish construction companies. Therefore the purpose is to describe implementation of sustainable dynamics in Peab’s vision by analyzing their strategic CSR process and how it is communicated to their key stakeholders within complex industrial network.

In order to achieve this purpose, the research has focused on the following question:

- *How is sustainability vision and strategic CSR communicated through Peab’s business relationships within its industrial network?*

In order to accomplish full analysis of the research problem presented above, the following supportive questions were developed:

- *How does the company communicate its CSR strategy within the industrial network?*
- *How does the company handle its CSR issues within long-term relationships?*

1.5 Target Group

This work will be useful for managers in construction industry with an interest in sustainability development and CSR communication and also for the students and teachers in Business Management field.

1.6 Delimitations

This study has been conducted within the construction industry where the case company was Peab AB. The aim of the study was to analyze Peab’s strategic CSR communication within its industrial network. This company was chosen since Peab recently restructured its CSR strategy. Due to the fact that the case company has implemented CSR in their corporate strategy, this study did not focus on multiple other ways companies’ can work with sustainable issues. Due to the same reason the discussion regarding pros and cons of CSR was not relevant.

Nevertheless since Peab represents a large group of companies, this research did not cover the whole internal or external network. The focus was deliberately delimited to specific stakeholder relations, where top management, subsidiary and material supplier connections played the most important part and covered the essential relationships in industrial network relationship. The complexity of CSR and industrial networks made the narrow focus as a natural research choice. It is more valuable to study the case of one company that allows in-depth analysis rather than only examining obvious aspects of many.
2
RESEARCH MODEL

The research model provides illustrated version of the research process of this paper; starting from the topic of the research to presenting the main theories continuing to the empirical findings of the case company. In the analysis part the applicability of the theories are discussed and utilized in the empirical case study analysis and ending with the conclusion and further research recommendations.

Figure 2. Research Model (Source: Authors)
3

METHOD

This chapter provides a detailed description of the research procedure; starting with the choice of the research topic, research strategies and research purpose and approach following by data collection and data analysis. Finally criticism of research process and chosen methods as well as trustworthiness of the research is revealed.

3.1 Choice of the Research Topic

At the preliminary investigations stage the research process was mainly focused on evaluating the degree of companies CSR involvement compared to customers attitude and response towards companies' CSR activities. However, considering the amount of work required for the implementation of qualitative and quantitative cross-industrial study, the decision of narrowing down the research topic to a clear and definite problem was made.

The following two C-level courses conducted in Mälardalen University have been inspiration sources for the topic change process; Nordic Perspectives on Marketing and Management with connection to industrial marketing issues, and Managing Multinational Enterprises presenting the importance of CSR. In the latter course scientific article was conducted with the research purpose how one of the major Nordic construction companies communicates CSR and sustainable development in its daily operations with attention to management, knowledge transfer and information technology. The interview on the 16th of March 2012 with Kai Tamminen, managing director at Peab Grundlägning was conducted and the problem of the industrial network complexity in the terms of CSR was introduced in multiple ways. Furthermore the information gained for the article is also partially used in this paper.

The idea to connect traditional industrial marketing approaches developed in the 1980’s with a contemporary strategic CSR communication model was inspiring as both theories highlights the meaning of effective communication and collaboration between relationships. In this sense, the choice of the company for the case study should combine the importance of relationship between actors within networks, value of stakeholders’ perception, and significance of company's sustainability and CSR strategy. The construction industry was in focus as it was an example of close interaction with effective communication and collaboration between stakeholders for executing environmentally, socially and economically appealing projects. Peab AB, in its turn, is one of the leading construction companies in the Nordic region that recently has redefined its CSR strategy and was chosen to be the model company for the research.

3.2 Research Methods

In order to conduct research there are two main methods to choose from qualitative and quantitative. Where qualitative research strategy is evaluated through words and on the contrary quantitative research is evaluated through numbers and quantification in the collection and analysis of data (Bryman & Bell, 2011).

A case study is a research strategy that involves the empirical investigation of a particular contemporary phenomenon within its real-life context, using multiple sources of evidence for increased reliability (Saunders et al., 2009). The case study can consist of single or multiple cases (Yin, 2003).

In order to meet the work’s objectives the qualitative method and case study strategy were chosen as both are supporting the idea to generate rich data (Bryman & Bell, 2011) and
gaining deeper understanding of the research context (Saunders et al., 2009). These strategies have been helpful in the process of getting in depth understanding of the context in comparison with the real life situation of case study company Peab AB.

Peab AB is an example of an industrial company with established relationships and a functioning network that works on reorganization of its communication approaches. Thus Peab represents a typical case of a company operating in complex industrial network in the present time when CSR activity has become a requirement of stakeholders and therefore key to success and further development.

3.3 Research Approach

This thesis is formalized around a deductive research approach where prior theoretical knowledge is building up the theoretical framework, formulize research question and connect it with new knowledge (Spens and Kovacs, 2005). With the deductive approach this research uses theory to guide the content and gathering of empirical data, and leaving some parts for exploring and creative contribution (Saunders et al., 2009).

The information regarding company's CSR activities and relationships in the complex construction industry situation was analyzed with the help of classical industrial marketing, CSR strategy development, CSR communication theories in relation to construction industry characteristics such as construction process contracts and roles and also with sustainable construction.

3.4 Choice of Data Collection Method

For the research development qualitative data collection was chosen. The method includes analysis technique of interviews, pictures and other non-numerical data. The choice of collecting both primary and secondary data derives from the assumption that they complement each other in sense of context understanding (Saunders et al., 2009).

The research methods were chosen in order to answer the research questions; collection of academical texts and theories formed the theoretical framework, case company publications and semi-structured interviews formed the empirical findings, the qualitative analysis combined and discussed thoroughly the empirical findings from the case company with the theoretical framework.

3.4.1 Secondary Data

Secondary data in this thesis consists of carefully selected academic literature collected from recent scientific articles, books, journals and internet sources which are utilized to form the theoretical framework. Before the interviews were conducted, documents from Peab were collected and studied. These were Annual Reports 2010 & 2011, Sustainability Report 2011, Codes of Conduct and other publications containing information on CSR. Also additional information from Peab.com website was collected. The internet sources were further used to find data about CSR from a Swedish perspective (Regeringen), CSR and sustainability in the construction industry (CIRIA, OECD), and also regarding the CSR reporting standards such as (GRI, ISO, BREEAM).

3.4.2 Primary Data

Saunders et al. (2009) argues that primary data increases the level of detail. Interviews were selected as the main primary data source for this thesis as it allows researchers to target
information directly related to the research topic (Yin, 2003). Primary data in this thesis were collected by two different interview methods; semi-structured face-to-face and telephone interviews. Multiple alternative interview methods were helpful when contacting respondents overseas or with busy timetables.

The connection between conducted interviews together with Peab organization structure is illustrated in Figure 3. Interview model. It is important to point out that Peab consists of more than 200 subsidiary companies that are divided in three different business areas, Industry, Civil Engineering and Construction. To focus on Peab's Industry business area was a practical choice, since Kai Tamminen Managing Director at Peab Grundläggning showed his interest towards the thesis project and helped with finding the essential participants for the research. The interviews were conducted at the Peab Group’s management level with the Environmental Manager, Kristina Gabrielii and Project Leader, Elin Olsson. From the Peab’s Industry Business Areas technical manager and Peab Subsidiary level CEO of Peab Grundläggning were involved. CEO of Leimet Ab was interviewed on the purpose to evaluate the communication process in the Peab’s network.

3.4.2.1 Semi-Structured Face-to-Face Interviews

All face-to-face and telephone interviews were performed through semi-structured questionnaires that were structured with open-ended questions. This approach is supported by Yin (2003) as he has noted that in case study interviews, with open-ended questions the respondent can be asked about the facts of the matter as well as their opinions.

Semi-structured qualitative interviews were done with pre-decided questions. This method is flexible as the questions can be asked in different order and also new questions can take place as the interview goes on. With this method the deeper meaning of behavior is often analyzed (Bryman, 2004).
Being well aware of the fact that the quality of semi-structured interview depends on the skills of the interviewer, careful preparation was needed. Before the interviews these preparations were made by a thorough study of the construction industry characteristics, Peab’s network structure, and network company presentations together with Peab’s sustainability and CSR actions.

- The managing director at Peab Grundläggning Kai Tamminen (Peab internal supplier) was interviewed on March 16, 2012 and May 21, 2012 at face-to-face situation.

The first interview with Peab Grundläggning CEO Kai Tamminen was conducted for the purpose for academic research article required in Mälardalens Högskola course Managing Multinational Enterprises. The second interview was needed in order to get additional information about network characteristics and construction contracts relations. Interview was recorded and it was transcribed afterwards (see Appendix 1 Peab internal supplier).

3.4.2.2 Semi-Structured Telephone Interviews

The use of telephone interviews as a research method is appropriate and practical when respondent is located overseas or respondent has busy timetable and can be classified as hard-to-reach type. Furthermore, although telephone interview may be disadvantageous as interviewers cannot engage observation of body language, and the quality of data might be affected by bad connection or background noises it still has certain benefits when asking sensitive questions since the interviewer is not physically present. Telephone interview is also easier to administer (Bryman & Bell, 2011).

- The managing director at Leimet Antti Leino (material supplier) was interviewed May 16, 2012 via telephone.

Since Leimet is one of the main material suppliers of Peab Grundläggning it was chosen to be interviewed and present the external suppliers perspective in Peab’s network. Due to the complexity of CSR, sustainability and industrial network, the research questions were sent to the respondent beforehand in order to allow him to familiarize to the theme (See Appendix 2. material supplier). Although the interview format was structured in English language, the actual interview was held in Finnish language. The interview was recorded and the answers were transcribed and translated afterwards.

- The Environmental Manager Kristina Gabrielii and Project Manager Elin Olsson at Peab Group (CSR responsible) were interviewed May 22, 2012 utilizing Peab telephone conference system.

In order to gain full perspective of CSR communication in Peab’s network, the top management point of view was needed. Kristina Gabrielii and Elin Olsson were chosen to be interviewed due to their involvement towards Peab’s sustainability report writing process. The questions directed to CSR responsible were about reputation building, CSR strategies and communication in complex industrial network and were also sent beforehand via email (See Appendix 3 CSR responsible). The interview was recorded and transcribed afterwards.

- The Industry Business Area’s Technical Manager Helena Eriksson was interviewed May 25, 2012 via telephone. Supportive material regarding Business Area presentation was send afterwards.

Since vice CEO’s of Swerock and Peab Asfalt were unable to do interviews after all, they recommended contacting Helena Eriksson. Her perspective on the question was covering the
whole industry business area and therefore the interview was valuable in gaining a full picture of Peab’s internal network. The interview was recorded and transcribed afterwards (See Appendix 1 Peab internal supplier).

The structure of the telephone interviews was not directly following the structure of the questionnaires. The purpose was to give free space for the respondents and let them describe their current situation in Peab network in the terms of sustainability and CSR communication. Questions were mostly used as an inspiration and as a helpful tool if the conversation would have not flown naturally. Therefore the interviews were successful and gave an extensive amount of useful information that was utilized in the empirical and analysis part of this work.

3.5 Data Analysis

In order to see whether the strategic CSR and stakeholder theories are related with industrial marketing theories and whether the research question can be answered the empirical analysis was done by discussing and comparing the theoretical framework together with the empirical findings.

The interviews conducted with the company’s representatives and their suppliers gave a better understanding of the communication strategies used in relationships within the industrial networks. The information obtained during the interviews was presented in the research in connection with the theoretical framework and follows logical pattern rather than chronological order.

3.6 Criticism of Research Process and Chosen Methods

The research process and chosen methods used in this thesis can be criticized. The following shows the reflections of the critical issues.

The conducted interviews were only covering a minor part of the whole group of Peab and its network. As each relationship and company is forming only specific parts of the total building process the applicability is limited. By the nature of qualitative research, it is impossible to draw conclusions that are applicable to a whole population as the research consists of a limited number of interviews. It is possible that the results would have been different if more companies and employees in different parts of the Peab group or network were reached and interviewed.

Furthermore, the companies may present a very positive image about their CSR programs and therefore the reality might be different. In order to examine the possible existence of gap between expected and perceived CSR the different kind of research approach (quantitative or combination of quantitative and qualitative) would be needed. However, with the mixture of gathered secondary and primary data the answers for the research questions were reached.

3.7 Trustworthiness of the Research

3.7.1 Validity

The major concern of the researched material is the matter of validity or truth of interpretations. Therefore it is important that the thesis provides something that is meaningful and true. The problem of validity is whether the constructed questions actually measure the thing it should be measured in the research (Fisher, 2010).
In order to outcome the problem of validity, the theoretical framework was constructed from carefully selected recent academic literature on strategic CSR, sustainability and industrial marketing, therefore the used theories, concepts and terms are current and liable. The theoretical framework was the base for further empirical studies which helped to develop interview questions with Peab's representatives and analysis. Therefore the questions in the interviews measure and support purpose of analyzing strategic CSR process and its communication within Peab's industrial network. Furthermore as the interpretations and conclusions are derived directly from the research findings, therefore the thesis has reached the outcome usable (Ibid).

3.7.2 Reliability

The result of the case study is reliable if the later research will get similar outcome by following the same procedure and if conducting the same case study (Yin, 2003).

Since limitations might cause occurrence of subjectivity a critical view has been taken in formulation of the interview questions and the analysis. Being aware of issues in reliability and forms of bias, these have been taken in account when constructing this research. Therefore this thesis used multiple sources of evidence for increased reliability (Saunders et al. 2009). Also minimal attempts to impose own beliefs and frame of reference were applied during the interviews.

It has been the priority to retain validity and reliability throughout the whole research process. As one of the authors had been familiar with one respondent prior to this investigation, the information obtained was deeper and reflective. However, since the other author did not have similar connection, it was possible to maintain neutrality throughout the whole process. The honesty, commitment and genuine interest of the research have been the main concerns for this thesis in order to provide trustworthy results.
THEORETICAL FRAMEWORK

This chapter provides the theoretical framework for the research. The theories suitable for this thesis are discussed. The first part consists of strategic marketing theories in the field of strategic CSR communication. The second part focuses on industrial marketing theories and specifically to the interaction approach and the network model.

4.1 Strategic CSR Theories

- From a Stakeholder Perspective to a Strategic Perspective

One of the most important theories concerning CSR is Freeman's (1984) classical stakeholder theory presenting that companies have responsibilities towards their stakeholders such as employees, communities, the environment and society. Another well-known approach to managing CSR is the multi-layered (Economic, Legal, Ethical and Philanthropic) conceptualization pyramid by Carroll (1991), which describes that, a company not only has economical and legal obligations but also ethical and philanthropic responsibilities. In other words companies have economic and legal responsibilities to the society but at the same time it can also be called as “moral or ethical obligations” of the companies to society (Carroll et al., 1979). In this sense CSR can be evaluated as an impact from both companies and stakeholders point of view. According to Werther and Chandler (2006; Cited in Coombs & Holladay, 2012, p.6) CSR is described to be an “integral element of the firm’s strategy” and also “is a way of maintaining the legitimacy of its actions in the larger society by bringing stakeholder concerns to the center”. In that sense CSR can be seen both as a process and an outcome, the beginning and the end. European Commissions CSR definition also connects business practices with stakeholder concerns and adds voluntary basis to the concept (European Commission, 2010, see 1.1.1 Raising Demand for CSR). The latest CSR management trend is to integrate CSR into the overall corporate strategy.

According to Morgan et al. (2006) in order to fully benefit from CSR business opportunities companies should include their stakeholders in the CSR strategy making process. In this CSR strategy-making process stakeholders can influence significantly through a mechanism of CSR communication that also aims at maximization of stakeholder engagement and organizational sustainability. According to Halme and Kourula (2008) CSR can be seen strategic when it supports core business activities and thereby contributes to the firm’s effectiveness in accomplishing its mission.

- CSR Communication

Communication is an integral part of any form of participation, in other words, communication constitutes participation. Therefore the form and means of participation matter (Crane et al. 2009). Urde (2003), suggest that, strategic conversation with stakeholders is a method of identifying the company’s core values; organizations missions, its brand and products, and these must consistently reflect the values of its stakeholders. According to Coombs & Holladay (2012) communication is woven into all parts of managing the CSR process. Therefore the concept of managing and communicating CSR are overlapping and cannot be separated.

According to Morgan et al. (2006), the CSR communication mechanism is multi-directional and multi-dimensional, which integrates the strategic initiatives of top management with both the firm’s capabilities and the competitive reality that the company encounters. In order to be
effective with strategic communication it should be precise, explicit and involve both talking and reflective listening by all participants.

In order to fully benefit from CSR, companies should communicate their CSR initiatives to their stakeholders (Coombs & Holladay, 2012). If CSR initiative requires communicative processes of additional value creation with their stakeholders, then appropriate concepts and practices of communication required is to move beyond mutual understanding toward making quality decisions together. Jointly made decisions are much appreciated by the stakeholders (MacDonald 2004, cited in Crane et al. 2009). With the help of strategic conversation the gaps like expected and perceived CSR between top management's and stakeholders’ perception of the firm's current performance and its capabilities could be closed (Morgan et al., 2006).

- **Promotional CSR Communication**

On the contrary the concept of promotional CSR communication should not be mixed with the concept of strategic CSR communication. This concept emphasizes the transmission of CSR information from the corporation to its stakeholders. It is important to recognize that not all stakeholders want the same information about the initiative so in that sense, the CSR communication must be tailored to each stakeholder. This process requires an understanding of stakeholders, their information needs and communication channels (Coombs & Holladay, 2012).

One of the common ways to communicate CSR initiatives to stakeholders is publishing sustainability reports (Dobers, 2009). However, as there are no standardized requirements for CSR reporting companies are free to present their CSR information at their discretion depending on the industry they operate in. Therefore they can choose what to report about their CSR initiatives as well as how to report it (Coombs & Holladay, 2012). By acknowledging this problem The Global Reporting Initiative (GRI) aims for similar reporting standards that would make comparison and assessment between companies easier. Companies and countries can still voluntarily decide whether to follow these standards or not (globalreporting.org, 2012).

**4.1.1 Outlines of Strategic CSR**

In order to implement CSR in corporate strategy, companies need to understand which obligations and responsibilities they need to adjust to. The company identity, stakeholder characteristics and company reputation all have their importance when engaging strategic CSR initiatives as illustrated in Figure 2 below.

![Figure 4. Outlines of strategic CSR (Coombs & Holladay, 2012)]
• **Company Identity**
Company identity or characteristics should be taken into account when making strategic CSR choices. To begin with company’s CSR initiatives should be consistent with their mission, values, business goals and capabilities (Bhattacharya & Sen, 2004). Also the size of the company matters since stakeholders might expect larger companies to have better-developed CSR programs as size is often interpreted with more resources available (Coombs & Holladay, 2012).

• **Stakeholder Identity**
Also stakeholder expectations and characteristics should be considered when making strategic CSR choices. Stakeholders should be the motivation for company’s CSR initiatives. Stakeholders are also an important source that helps identify the social issues needed to take into consideration with company’s CSR efforts (Coombs & Holladay, 2012). It is important that CSR initiatives are meaningful to the stakeholders (Bhattacharya & Sen, 2004). Presenting company's social values to their stakeholders in a meaningful way is a critical task that should be accomplished. When there is a gap between the expected and perceived CSR performance and behavior, stakeholder may withdraw their support to the company by engaging in negative word of mouth. For internal stakeholders as employees the CSR should be part of all work prescriptions and it should be integrated throughout the company culture. Stakeholder’s identification with companies’ CSR actions plays important part since they are more likely to support that company they can identify with. Therefore communication is a key factor as it generates awareness of shared social concern and facilitates identification with the company (Ibid).

• **Company Reputation**
Furthermore company's reputation also plays an important part when making strategic CSR choices. In general, a reputation is how stakeholders perceive an organization. A strong, favorable reputation attracts customers, motivates and retains employees, generates investment interest, increases job satisfaction, generates positive news media coverage, attracts top employee talents and improves financial performance (Carmeli, 2004). Also company with a strong positive implications of social responsibility can differentiate itself from the competitors improve company's image and create the security and belongingness for all types of employees (Coombs & Holladay, 2012).

### 4.1.2 Strategic CSR Process Model
Strategic CSR requires an obligation to both process and outcomes. Strategic CSR should allow the company to pursue business objectives while participating in the process of stakeholder engagement to perform meaningful CSR initiatives. The successful CSR strategy is a coordinated system build through planning, executing, evaluating and communication stages and it should be infused throughout corporate culture (Coombs & Holladay, 2012). The continuous process of strategic CSR effort is illustrated in figure 5 CSR Process Model on the next page.
In the first scanning and monitoring stage the company searches CSR concerns that could affect stakeholder perceptions from their surrounding environment. Because the needs and expectations keep changing the scanning and monitoring should be continuous process (Ibid).

The second stage refers to formative research and concentrates on the recognized CSR needs that should be evaluated how it would/would not benefit society and the company itself. Also the collection and evaluation of information is necessary in order to transform the recognized need into real CSR initiative (Ibid).

In the third creating the CSR initiative stage the recognized CSR need is converted into practice. The information gathered from previous stages and the discussions between the company and its stakeholders should lead to a deeper understanding of selected CSR initiatives. However, because different stakeholders have different CSR priorities, it is unlikely that any CSR strategy will satisfy all stakeholder expectations (Ibid).

The fourth stage refers communicating the CSR initiative that educates stakeholders about the CSR initiatives and helps them accepting it. In this stage the content and media selected should be used in meaningful way in order to reach stakeholders (Ibid).

In the last evaluation and feedback stage, the company should assess whether to the CSR processed gave the intended outcome. Measuring the effect of the CSR initiative on society, stakeholders and the company is important and the data should be published. Also the feedback concerning the process and outcomes of the CSR initiatives from the stakeholders should be gathered. Company should notify that the CSR process requires a continuous commitment to research, planning, implementation and evaluation, in other words, the CSR process cycle never ends (Ibid).

### 4.2 Industrial Marketing Theories

Industrial marketing can be defined as a complex pattern of interaction with a long term perspective and a setup of embedded relationships among parties (Hart & Milstein, 2003).
Operating in business-to-business environment requires companies to have a high level of commitment and building strong relationship with its partners (IMP group, 1982). In other words Industrial marketing theories today reflect the continuous process of purchasing parts and services where efficient and strong relationships with suppliers become a key to financial success and competitive market position (Van Weele, 2005).

4.2.1 Interaction Approach

Even a single episode of interaction between companies leads companies to a relationship and the question for business people is how to characterize the nature of relationship and define the degree of involvement between partners (Turnbull et al., 1996). Everyday interactions in industrial markets are more risky and require trust from both customers and suppliers. This trust can be build through long established relations and by following the code of conduct (Mattson, 1997). Therefore the Interaction Approach suggests that single transaction between the companies is not essential but a relationship is considered to be the minimum unit of management strategy (Turnbull et al., 1996).

The relationship perspective in industrial markets analyzes management issues by handling interaction with customers, suppliers and other third parties. In other words “interaction” becomes a core value of relationship and it can only be possible by interconnections of relationships (Håkansson & Snehota, 1995). Thus buyers are not seen as individually insignificant, passive and being a part of homogeneous market (Ford, 2002). The interaction between the parties of business markets requires more than just passive adaptation. Both buyer and seller become active actors of the relationship (Håkansson, 1989).

The intensity and dynamism of relationship development between the companies depend on a number of explanatory variables (Håkansson & Snehota, 1995). IMP group in their work “An interaction approach” (1982) developed characteristics of companies involved in evaluating the success of further interaction process. Thus major factors influencing the relationship of parties are:

- **Technology**
  Technological issues are the critical factor when choosing a partner in industrial market. Moreover characteristics and the differences of the technological systems of the parties involved give the basic condition for interaction (IMP group, 1982).

- **Organizational Size, Structure and Strategy**
  The size of the company can be a determine factor of the market position and consequently influences relationships between the parties involved. Thus resources give greater possibilities to become a dominating firm. In its turn structure of a company (centralization, formalization and specialization) is the factor which has great influence on the pattern of the interaction process. Company’s strategy is one of the most important variables in relations as common goals and vision establishes and facilitates interaction process (Ibid).

- **Organizational Experience**
  Experience gives better understanding of the market and good knowledge of the management process. It does not only improve the existing relationship but also activates outside it (Ibid).

- **Individuals**
  In establishing relationships not only companies involved but also employees (individuals) who create company values, strategy and vision. The exchange process between two companies is based on interaction of individuals and their decision making process (Ibid).
4.2.2 Network Concept

The development of relationships between partners is referred to a network concept of business strategy. Companies become involved in inter-relationships across the entire industry where roles of suppliers and buyers are reversed (Cousins & Spekman, 2000). Industrial Networks deal with “totality of relationships” among the firms that are involved in the business process including production, supply, competition and distribution (Easton, 1992). As illustrated in Figure 6. The firm’s value net, the network includes connections between all actors of the industrial market and encloses both horizontal and vertical links such as buyers, suppliers, competitors and complementors meanwhile company itself is a connecting link (Ritter et al., 2003). The existing network is a result of various interactions between the companies, positive and negative experience that company gained during its business life, and the connections between actors and resources involved in the process. The pattern of the network is not easy to change as the investment of a company in terms of money, energy, and commitment is huge (Håkansson & Snehota, 1995).

![Figure 6. A firm's value net (Ritter et al., 2003)](image)

Relationships within network can be treated as small pieces that altogether create a complex mechanism. These connections are important because they are indicators of efficiency, stability, innovation and success. They also facilitate the development of the industry as a whole. Thus innovation implemented in one project can be later successfully modified and applied in another relationship. Moreover approaches and methods explored in one relationship will at certain degree influence the whole network (Ford et al., 1998). Analyzing companies’ business network can help to understand the business behavior and patterns of a firm (Ford, 2002).

Interdependence of companies within industrial network influences not only the technological performance but also the structure of supply chains as a whole. In its turn suppliers have direct influence on the buyer performance. However, further successful development and efficiency of this relationship depends on mutual willingness to cooperate and achieve common goals (Brito & Roseira, 2003). Thus the overall performance of the industrial network depends on the effectiveness of interaction between the parties and the way companies can manage existing relationships. Furthermore, society evaluates the companies’ actions in terms of company’s partners (Håkansson, 1989). From this point of view companies involved in industrial network represent structured and interdependent parties where performance is defined by their actions. This brings an important issue of managing those relationships and communicating common values within networks (Ritter et al., 2003).
5

INSIGHTS TO CONSTRUCTION INDUSTRY

Being aware of the complex nature of the construction industry this chapter presents the main characteristics relevant for this case study. The concepts will provide the reality base for the construction industry that should facilitate the understanding of the results.

The construction industry according to the United Nations is defined as "economic activity directed to the creation, renovation, repair or extension of fixed assets in the form of buildings, land improvements of an engineering nature, and other such engineering constructions as roads, bridges, dams and so forth." (Cited in OECD, 2001 p.65).

The construction industry plays a vital role in national economies (Behm, 2008) in terms of its contribution to GDP and total employment (OECD, 2001). Moreover it also has importance as being a market for materials and products that other sectors of the economy have produced, e.g. manufacturing. As the construction industry has a characteristic of being volatile and sensitive to the movements in overall business activity and the business cycle, they are recognized as key economic indicators and are closely observed (ibid).

5.1 Sustainability, Sustainable Development and Sustainable Construction

The three key areas that are involved to the sustainability concept are environmental responsibility, social awareness and economic profitability, illustrated in figure 7. For “true sustainability” companies should find the right balance between these three factors (CIRIA, 2008).

Sustainable development should be treated as an approach that companies are working towards where key factors are involved into companies’ long term goals and vision statements (CIRIA, 2008). Additionally Waddock and Bodwell (2007) have recognized sustainable development as a constant conversion process where the managerial commitment and strategic thinking, the company’s performing capacity and the key stakeholder’s needs are included.

Sustainable construction can be defined as a Construction industry’s contributions to sustainable development (CIRIA, 2008). Enforcement of sustainable construction is important as according to Dickie and Howard (2000) “what we build today will provide the built
environment of the future and will influence the ability of future generations to meet their needs”. More specifically defined sustainable construction is “creation and responsible maintenance of a healthy built environment, based on ecological principles, and by means of an efficient use of resources” (Cited in Öberg, 2005). Moreover Hill and Bowen (1997) has developed the concept of sustainable construction further by including technical factors together with social, economical and ecological aspects which are classically involved in the sustainability concept (Öberg, 2005). The economical aspect deals with cost efficiency of the building projects and ecological aspect refers to long term preservation of natural resources and environment; whereas safety of construction and its impact on building traditions have social applications, and the technological field concerns functionality and durability of a building (Öberg, 2005).

5.2 Construction Process and Stakeholders Interaction

Due to its dynamic nature and complex organization of work, the construction industry is distinguishable different from other industries (Ringen et al., 1995). Construction is a long term process that consists of many steps and suppliers’ presentation, their stable and transparent performance can be a define factor for success (CSR Europe, 2012). The construction process according to Rezqui et al. (2003) refers to the process of achieving the client’s or other relevant stakeholder’s requirements that are progressively captured, translated, confirmed and then communicated to the design and to the construction team. However, according to Rechtin & Maier (2002) there is a constant need for stakeholders to identify, clarify, analyze, formulate, and confirm their perspectives and aiming to constant coordination of client’s business and facility planning.

It is important to mention, that in the construction industry the supply chains are often long and highly fragmented. The choice of suppliers has the direct influence on health, safety and eco-compatibility. Thus choosing the partners that follow same standards and have same vision can eliminate the risk of accidents on the site; improve quality of work and operations. This is linked to effective monitoring and communication system with the partners. The monitoring system must be based on standards that are written in its CSR strategy and company’s vision (CSR Europe, 2012).

5.3 Construction Contracts

In construction industry companies are struggling to meet client’s requirements and design rational production alternatives. For a successful construction this two factors should be at main focus and finding the right balance is important when implementing projects in life (Öberg, 2005).

The contract forms presented here usually set up guidelines, roles and responsibilities of contractors that determine the execution process of projects. In order to execute project successfully environmental impact should be considered as well as the design and execution of the infrastructure scheduling, budgeting, construction site safety, availability of building materials and logistics (Molin & Spoof, 2006).

• Design-Bid-Build Contract (DBB)

The design-bid-build contract is the most common and traditional form of contracts in the construction industry. In Design-Bid-Build contracts the client has the responsibility of planning and processing the working drawings. The client will close a contract with a contractor, who has responsibility for the total execution. The general contractor can have further contracts with one or many subcontractors (Molin & Spoof, 2006). (See Figure 8.)
- **Turnkey Contract /Design-Build Contract (D&B)**

  In a turnkey contract the client has the responsibility of feasibility study and road planning. The contractor in this case has the responsibility of planning and processing the working drawings and the building project itself. Turnkey form sets big requirements to cooperation between contractor and planner because detailed design is executed partially before the official start of the project in order to make it possible for the contractor himself to pricing the bid. The client will close the project with only one turnkey contractor, who works as a main contractor for the project and has one or many subcontractors (Molin & Spoof, 2006). (See Figure 9)

  ![Diagram](image)

  **Figure 9. Turnkey contract and main contractor model (Molin & Spoof, 2006)**

### 5.4 Assessing the Project and Environmental Impact

In practice construction companies are often balancing between minimizing construction costs and working with requirements set in the industry (Öberg, 2005). Also by taking into account the complexity of the requirements that should be met in the construction industry, companies face a challenge of performing projects that are functional at the same time and socially acceptable that is considered to be a key to sustainable development (Öberg, 2005).

The costs, quality, reliability and environmental impacts of the used materials and techniques should be reviewed carefully in building projects. However, environmental effects in construction business are complex, difficult to assess and many of the consequences are questionable. There are few methods helping construction companies when making environmental choices for example BREEAM, Miljöbyggnad (Anink, 1996).

A BREEAM assessment measures performance of sustainable building design, specifications, construction, operation and use, which are set against recognized benchmarks. The measures include features related to energy and water use, the internal environment (health and well-being), pollution, transport, materials, waste, ecology and management processes (breeam.org, 2010).
Miljöbyggnad refers to a non-profit organization called Sweden Green Building Council who has created a common set of values and shared certification towards environmental and sustainability work in the Swedish construction and real-estate industry (sgbc.se, 2012).

5.5 Integrated Managerial Systems

Integrating environmental matters into a company’s decision-making process also impacts company’s managerial systems. Life cycle management and ISO standards are examples of integrating environmental and management issues (Robinson et al. 1998) and commonly used in construction industry.

- Integrated Life Cycle Management

Integrated life cycle management is one of the most influenced concepts in the current construction industry. The concept is seen as a bridge between the short term design perspective and long life nature of a building. It raises emphasis to take into consideration following aspects: current and future requirements on the building, facilities management and monitoring and also even planning the disposal of a construction by the end of its functional life (Sarja, 2003 cited in Öberg, 2005).

- ISO Standardization

The standardizing methods like ISO9000 for the quality, ISO14000 for the environment and ISO26000 for social responsibility are general systems of managements, meaning that the same standards can be applied to any organization whether its big a small, domestic or multinational. Standardized management systems are aimed to make complex and difficult CSR related issues, such as environmental impact and social responsibility more manageable (Schwartz & Tilling, 2009 cited at Dobers).

ISO9000 is a set of standards and guidelines regarding good quality management practices. The standards are dealing with fundamental requirements to company’s documentation, employees’ training, financial and economic aspects in regard with customer needs, audit system and companies effectiveness. Companies involve stakeholders to be an active part of audit the quality system as a check of full control of its activities (International Organization for Standardization, 2012).

ISO14000 is a set of standards and guidelines dealing with aspects of environmental management system (EMS). Thus following ISO14001 provides guarantee to stakeholders in environmental issues. It influences companies’ policies and actions in questions of eco-friendly activities (International Organization for Standardization, 2012).

ISO26000 is a set of standards and guidelines regarding Social Responsibility and companies’ operation in socially responsible manner. ISO26000 is based on seven core subjects which are the environment, human rights, labor practices, fair operating practices, consumer issues, and community involvement and development (International Organization for Standardization, 2012).
6

EMPIRICAL FINDINGS

This chapter presents and combines the data collected from the case company Peab and its network. The first part presents secondary data; the material available at Peab’s website and other publications. The second part presents primary data; done by interviews. Question forms utilized for interviews are presented in appendices 1-3.

I part: Secondary Data

6.1 Peab Company Presentation

Peab is one of the leading construction and civil engineering companies in the Nordic market with a net sale of SEK 40 billion and 15 000 employees. The company was founded in 1959 by the Paulsson brothers and is today represented throughout Sweden and in the major cities of Norway and Finland (peab.com).

The Peab group consists of a chain of collaborating production resources capable of handling the entire construction process from start to commissioning. It includes a complex net of subcontractors and suppliers and recognized today as a well established company in the Nordic construction market. Peab is characterized by its clearly decentralized organization, delegation of authority and responsibility in order to achieve efficient management and control in each business area (Peab Annual Report, 2011).

6.1.1 Structure

Peab is divided into three business areas which all together form the basis of operations – Construction, Civil Engineering and Industry as shown in figure 10 below.

![Figure 10. Peab’s business area structure (Copied from: Peab Annual Report, 2011)](image)

Each of Peab’s branches consists of divisions that all together develop a complex decentralized organization. Peab’s business model is influenced by their key idea which is; “building sustainable Nordic community for the future”. Through these operational divisions Peab can create a complete market offer and form the basis of Peab’s strategy, vision, business concept and financial goals illustrated in figure 11 below where the importance of innovation, professional skills, sustainability, and customer relations in the Nordic region are highlighted (Peab Annual Report, 2011).
6.1.2 Vision and Strategy

Peab has four core values: Down-to-earth, Developing, Personal and Reliable. Company builds its relationships and follows the business development in accordance with core values which are in the basis of their strategy (Ibid).

The term “sustainable business” lays in the company’s vision and defines strategic development. Peab sees itself not only as a construction company surrounded by stakeholders but rather as a partner in the Nordic community building process. The work and projects implemented by Peab are sustainable throughout the life cycle. For them the total quality is important in every single step of the construction process (Ibid).

**Figure 12** is illustration of Peab’s sustainable community building model. The main aspect in Peab’s sustainable development is **environmental** issues. Peab adapted the life cycle perspective in their operation activity improving with this functionality and comfort, providing greater safety, health and ecological awareness. The environmental issues are built on five aspects - usage and consumption of resources, substances hazardous to environment and health, transports, waste, and energy (Peab Sustainability Report, 2011).

**Economic** aspect includes the financial profitability which is a prerequisite for success, but Peab aims to add value to their clients, supplier and for themselves with all their building projects and contributes to sustainable societal progress (Peab Annual Report, 2010). Fair business values are included in the corporate vision at every level. Thus in the Financial Statement Peab declares their non-acceptance of corruption and any forms of legal and ethical violations (Ibid). The choice of suppliers depends not only on financial benefits but on ethical matters as well. Peab works with the Swedish National Tax Authority to prevent economic crimes. This is a unique example of economic responsibility which company takes in the
CSR Communication from a Network Perspective: A Case study of PEAB AB

construction industry. The method allows monitoring partners’ proper accounting and tax system. The agreement is also a way of developing more trustful relationships with other stakeholders (Ibid).

As a part of social activities Peab contributes to the development of the local communities. It includes sponsorship of sport and educational funds and training programs. Moreover, the company cooperates with nonprofit organizations in mentoring and motivation programs for young people in the community (Ibid).

6.2 Relationship Building

In Peab’s Annual Report it is stated that its main objective is to “build for the future”. Building for the future implies the obligations that the company carries in the society and for future generations. A very broad definition shows in reality the perspective Peab takes. Through experience, knowledge, teamwork and collaboration Peab aims to create productive environment and build network of stakeholders that are willing to cooperate and follow the high standards that the company sets in the industry (Peab, Annual Report, 2010).

6.2.1 Stakeholders

Peab’s vision and strategic development were built around understanding of stakeholders’ structure that it is involved with. Having the idea of Sustainable Business in mind, Peab’s management team in 2011 developed a model of connection with its stakeholders, which is illustrated in figure 13 (Peab Sustainability Report, 2011).

![Figure 13. Peab's Stakeholders (Copied from: Peab Sustainability Report, 2011)](Figure 13. Peab's Stakeholders (Copied from: Peab Sustainability Report, 2011))

It is important for Peab to establish long-term and trustful relationships with its clients, suppliers, contractors, general public and society (Ibid).

6.3 Trust, Follow up and Reputation Building

Peab believes that being a construction company it has responsibilities to the society and the environment. Any construction plans and projects follow clear ethical guidelines that should be shared and communicated not only within the organization itself but also with partners and suppliers (Peab, Annual Report, 2010).

Ethics for Peab means taking responsibility for society. Their clear guidelines have been communicated in the organization and with partners. It is highlighted that everyone in Peab
should take personal responsibility for their actions. Moral and ethics is stated to be a matter of common sense, and employees should react if something goes against their good judgment. Moreover it is important that everyone follows the rules (Ibid).

Peab follows a Code of Conduct developed in accordance with UN's Global Compact. Therefore the company requires its partners to share sustainable principles and guidelines. These requirements are vital in establishing trustful and long term relationships and applied not only to the local actors but to the international partners as well. For this purpose Peab develops control system in order to unify environmental, social and economic principles between the divisions. Moreover Peab’s Code of Conduct implies certain requirements on its suppliers and subcontractors that are involved in the projects (Ibid).

6.3.1 Standardization

Being one of the leading companies in the construction market, one of Peab’s main concerns is high quality of production. This requires integration of environmental issues in the project development process at every stage. Peab follows the standards of ISO 9001 and ISO 14001 even though they are not treated as compulsory (Peab Sustainability Report, 2011). Peab's corporate policy combines a variety of ISO standards; health and work environment policy, and quality policy. Utilizing standardization is their way of making complex CSR issues more manageable. Since both environmental and ethical aspects have been integrated into Peab’s managerial system, managers’ decision making and employees working methods should convey these guidelines (Peab's Corporate Policy).

6.3.2 Evaluation and Reporting Standards

Evaluation and reporting standards are important aspect in success of CSR strategy. In order to encourage and control the knowledge gained by these assessments, Peab uses reporting structures and performance evaluation systems. BREEAM, LEED and Miljöbyggnad are sustainable classification and measurement systems used in Peab's construction projects.

Thus Peab’s Sustainability Report is based on the guidelines laid down by the Global Reporting Initiative (GRI) (Peab Sustainability Report, 2011).

II part: Primary Data - Empirical Cases

This part consists of the interviews conducted with representatives of Peab Group, Peab Business Area Industry, Peab Grundläggning and Leimet (see figure 3 Interview model) to cover different perspectives of Peab network. Interview questions are presented in Appendices 1 – 3. The information gained in the interviews is presented in accordance with Research Model illustrated in figure 2, where CSR and sustainability perspective applies strategic marketing theories and Network perspective applies industrial marketing theories. Moreover the information was divided under communication, reputation, standardization and certification headlines in order to facilitate reading process.

6.4 Peab Group – Top Management

6.4.1 CSR and Sustainability Perspective - Strategic CSR Theories

According to Peab’s Environmental Manager Kristina Gabrielli, the construction industry has been working with the environmental issues and the ethical questions for a long time, but not until recently the concepts of sustainability and CSR have become more familiar. In Peab a lot of different initiatives and work have been done in both social and environmental sustainability areas. However, more efforts is still required until these issues will become a
natural part of Peab’s daily operations. Stakeholders have a great influence on the situation since their interest towards sustainable development has risen. One of the possible reasons for this tendency could be Swedish culture where these issues have important role. Another important reason for implementing changes in company’s strategy was the fact that Peab’s top managers recognized economic benefits in sustainable development, since right environmental and social policy can also be a profit generator. This shift in attitude was caused by the increasing interest of R&D towards CSR and sustainability innovations and every new development project has now a sustainable image. The increasing interest towards sustainable issues is driven from cost savings and possibility to gain competitive advantage. However, more time is required until sustainability and CSR activities become ordinary concepts in the construction industry (Interview, Gabrieli & Olsson, May 22, 2012).

- **Communication**
  Sustainability report is seen as one important ways of communicating sustainability issues within the Peab’s network and to its external stakeholders. Moreover reporting reveals more questions that should be taken into consideration as stakeholders who are interested in Peab’s sustainability development have opportunity to comment directly on the issues which should be worked through (Ibid).

- **Reputation**
  The process of managing CSR and sustainability has direct influence on Peab’s image and reputation. In this sense environmental aspect of sustainability is especially important and cannot be ignored. However, due to the fact that Peab’s competitors are also good in environmental area, Peab has chosen to stand out and become more competitive in social aspect of sustainability. Peab has gotten advantage in their way of working with customers, development of communities and other areas towards sustainable solutions. Thus social questions were recognized as a natural part of managing the company and Peab’s managers believe that company’s image can be enhanced by improved communication as its vision states “community builder” (Ibid).

- **Standardization**
  Standardization is a big part of sustainability concept in the construction industry because the arrangement of working process in easy, manageable and controllable way generates better quality and production efficiency. However standardization and certification are open issues among construction companies and this lack of trust has its historical background when certification companies were not familiar with construction process and in their turn construction companies were not aware with the benefits of certification. On the other hand standardization gives clear understanding of the working process in the company, not only the certification diploma (Ibid).

### 6.4.2 Network Perspective - Industrial Marketing Theories

Initiative towards CSR and sustainability development in Peab came from the top management group as a way to become more competitive in the environmental and CSR issues. This challenge started in 2010 when Peab was implementing CSR in the strategy level and today every company working under Peab’s name is involved in this process. However the process still does not function well and managers work on implementing this goal. The main problem remains a common belief in the Peab’s network that sustainability increases the production costs (Interview, Gabrieli & Olsson, May 22, 2012).

Peab’s aim today is contributing to sustainability by cooperation with customers and other stakeholders. Hence holistic and coordinated approach to sustainability and CSR issues within
the Peab network and in the whole construction industry was mentioned as one of the most important aspects (Ibid).

Peab has set up working groups for involvement of the subsidiaries to follow common goals and sustainability issues. They also work towards establishing specific organizational function for coordination of sustainability issues. The main aim of the group at this point is specifying short and long term sustainability goals, coordination and organization of the communication process between Peab’s top managers and smaller company’s units (Ibid).

6.5 Peab Business Area - Industry

Peab’s Industry business area consists of many companies having strong market presence and strong locally adapted brands where Peab Asfalt, Swerock and Peab Grundläggning are few examples. This business area covers different kind of foundation related works such as foundation, production and paving of asphalt, transport and machinery, rental of machinery, cranes, construction hoist, temporary electricity and etc. (Peab company presentation, 2012)

6.5.1 CSR and Sustainability Perspective – Strategic CSR Theories

Technical Manager of Industry Business Area in Peab, Helena Eriksson, stated that definition of successful performance in construction projects is not an easy task since each company in this area operates with different products, processes and investment needs. Therefore the sustainability work and environmental requirements for the companies are different. Nevertheless since sustainability was included in Peab’s overall vision it plays a significant part in the overall operations and project development considers always sustainable way of thinking. Peab works a lot towards sustainable development, but at the same time other construction companies take responsible actions in these questions as well. The main reason for that is due to the fact that sustainability issues cannot be ignored in the construction industry (Interview, Eriksson, May 26, 2012).

Peab’s Industry business area follows many sustainable acts such as recycling of asphalt, usage of green electricity and currently they started development of the exact life cycle analysis for concrete. Industry business area aims to get quality- and environment certificates for every company in the division as sustainable related development projects and innovations can reduce costs and give competitive edge (Ibid).

- Communication

Even though Peab works a lot with sustainable issues, their brand today is not usually associated as the most sustainable company. Therefore Peab should market better themselves especially with the sustainable work. “People will not know how sustainable we are if we do not tell that to anyone”. Sustainability marketing should be done through all means of promotion, press releases, web pages, magazines and etc. The problem is that many construction companies believe that the completion of a project is enough to sustain successful but it could be more beneficial to market company’s actions so that external stakeholders and general public would be also aware of this (Ibid).

6.6 Peab Grundläggning – Foundation Work – Subsidiary Company

Peab Grundläggning belongs to the industry business area (see figure 3 Interview model). Company consists of 144 workers and as a relatively small company the financial resources they own have to be invested carefully. It is a special unit in the whole Peab group, as they are the first ones coming to the construction site and work under the rough working conditions.
The solid ground not only provides foundation for houses, bridges or roads but also provides better working conditions for the following building contractors enabling them to begin their projects in the healthier surroundings. The foundation work is not visible for eye, but still extremely important, where quality is the highest priority. Trust, reputation and good relationship with stakeholders plays important role for Peab Grundläggning. (Interview, Tamminen, March 16, 2012).

6.6.1 CSR and Sustainability Perspective – Strategic CSR Theories

Foundation business does not have many possibilities to improve environmental sustainability. The construction business is hectic and very often Peab Grundläggning has no planning time for the new products development and selection of the best environmental materials for each project. As economic aspect directly connected to sustainability, the reduction of waste materials in the production could be seen both as eco-friendly and money-friendly action. The one, who is in charge as a main contractor with turnkey contract, plays more important part when considering the CSR responsibility of the total building process chain. The foundation work in Nordic countries’ clay ground has to be done in accordance with the regulations and the highest quality anyway. The concrete and steel piles set up to ground have not changed for 20-30 years. Thus improvement in environmental for a small company like Peab Grundläggning requires creativeness, innovations, new piling machines or cranes which are expensive. However economic growth and own expertise inside the Peab Grundläggning gave possibility to come up with new ideas. For example company has come up with innovation in designing piles which can be beneficial for the whole foundation business in future, moreover utilization of older machines for longer period of time by changing the engines has reexamined a good way to meet the regulations concerning exhaust fumes and keep the investment costs down (Interview, Tamminen, March 16, 2012).

- Communication

Mr. Tamminen acknowledges that it can be challenging to find own way to work as Peab represents a network consisting of almost 200 companies. Moreover the role of Peab Group is not always so clear and mostly used to find the right contact persons and necessary information. For example, Peab Grundläggning is too small to have own lawyer or other kinds of specific expertise, that is why these types of advisors are shared by the subsidiaries. However, last couple of years Peab Group has worked a lot on better organization (Interview, Tamminen, May 22, 2012).

One of the most important communication methods in Peab internal network is leader group meetings that are coincided with Peab Group structure at each hierarchy level. Leader meetings are functioning well and much appreciated as their employees’ concerns and needs are tracked and passed forward. Moreover as Peab’s organization chart is really flat, the message can be easily transferred to the top managers (Ibid).

Peab’s vision and strategy are set by the family owners and there can be no conflict between Peab Group level strategy and internal network companies own strategies. These values are usually accepted as there would be no possible reason to work at a company and disagree with top managers’ beliefs (Ibid).

- Reputation

Every new employee in Peab is obliged to attend an introductory course where Peab’s vision and values are transferred. This is an effective way to teach the Peab’s business approach which is also an important tool in reputation building. At the same time Peab Grundläggning CEO believes that company’s reputation can be built successfully by following rules and
regulations. Thus good reputation comes from good and professional relationships with the clients where honesty is the major factor (Ibid).

- **Certification**
  General discussion that certification can be beneficial for company’s reputation building is an arguable question as there is no real benefits in obtaining the certification diploma but the advantage can be seen in the process itself. It is important for Peab Grundläggning to have a system where every employee knows the rules and regulations of the construction process (Ibid).

### 6.6.2 Network Perspective – Industrial Marketing Theories

Peab Grundläggning’s relationships with their suppliers, partners and clients depend on the position in the construction contracts (see figures 8 & 9), and in 99% cases their role is subcontractor that works for the main contractor like Peab Housing or Peab Infra. The role of the main contractor is vital as they set the project standards and order the drawings from the consult. Peab Grundläggning can influence the project standards as often the consult informs only the strength demand for piles and the foundation company makes further decision on the piles type. However, due to the time pressure, foundation company has almost no time for planning and finding best materials or eco-materials for the piles and forced to use those available in stock. At the beginning of the project the client is only interested in the price and when Peab Grundläggning can start their work (Interview, Tamminen, May 22, 2012).

Foundation business is closed market and in Sweden it is about 3 billion SEK, so the number of foundation companies and suppliers is limited. All the connections between companies are based on long term relationships at the same time personal relationships are also important as in order to improve the image company needs good and reliable clients. As in any other business, there are successful and difficult times, but with good relationship even in crisis established connections continue business. (Ibid).

### 6.7 Leimet Oy – Material Supplier

Leimet Oy is one of the main material suppliers of Peab Grundläggning. It is a family owned Finnish company that was established in 1963 and works today in the metal sector. Leimet Oy operates in the Scandinavian Countries and Western Europe. Their core business is manufacturing and marketing of rock point and joint elements for concrete foundation piles for foundries all around Europe. Piling materials made of steel in standard dimensions have been part of the company’s product range since the establishment (Interview, Antti Leino, May 16, 2012). Their 40-years experience in the market, the high quality and efficiency of production, helped in process of creating satisfied customer base (leimet.fi).

Leimet CEO, Antti Leino, thinks that determine starting point of certain relationship is difficult as very often they are developed through personal contacts and long professional history between companies’ representatives, for example the cooperation and customer relationship between Peab and Leimet has been existing for 15 – 20 years. The cooperation between Leimet and Tollarps Betong was transferred under Peab’s name in 2008. Nowadays Peab is among the top five customer relations for Leimet (Interview, Antti Leino, May 16, 2012).

Today the relationship between Peab and Leimet is conducted by yearly continuous contracts concerning rock points, joints and concrete piles. Leino points out that this kind of relationship is different compared to project contract as the evaluation of success is continuous process involving mutual interests of both parties. (Ibid)
6.7.1 CSR and Sustainability Perspective – Strategic CSR Theories

The construction industry is very traditional and conservative that complicates adaptation of innovations at certain degree therefore it leaves concerns that CSR and sustainability perspectives will come to the industry later. Consequently the orders for special eco-projects have not yet taken place by any of the Leimet’s customers. Moreover sustainable projects are not easy to implement in real business life situation especially for small companies as all their plans must be coincided with cost, savings issues. There is a value conflict between the goodwill and the basic company principle which states that business should grow and generate profit to its owners. Sustainability innovation implemented by the companies would be inspiring and beneficial if they were able to develop product that combines cost benefits together with environmental aspects such as energy and raw material savings. Nevertheless the sustainability development in the construction industry is problematic as the regulations and legislation in construction industry set up by the authorities are very often contradict with the real business life or construction fields (Interview, Antti Leino, May 16, 2012).

However, company has shown own initiative towards innovative product development, which had cost saving as a driven force and eco-friendliness as a by-product. Thus intention to cut the cost of project by development of lighter piling joints caused decrease in CO2 emission without sacrificing the quality. Furthermore, systematic and long-term mutual projects with customers that bring environmental benefits to the society would be desirable as often this type of activities generates economic advantage beneficial in the future for both parties. Nevertheless, Peab has been the first big customer of Leimet that had required usage of freight companies with environmental certification. This request was pointed out in 2008 when the cooperation started and Mr. Leino was positively surprised with such activity (Ibid).

• Communication
According to Mr. Leino the main aspect affecting the communication between Leimet and its customers is the short sighted business behavior. Although customer aware of big project terms, they still can be unaware of the types of piles to be used and Leimet, as a material supplier, obtains this information right before the project starts. Therefore supplier’s order book is fulfilled only for two weeks further, and yet they should be able to meet immediate customer needs. However, Leimet considers that the ability to perform even in constantly changing situation has given them competitive advantage. It is Leimet’s way to build up trust as customers consider them to be reliable partners even in difficult situations. Even though Leimet has tried to improve information sharing and communication in many ways, customer’s situation still can change any time. In this sense situation could have been improved if customers had been able to keep bigger inventories however Mr. Leino acknowledges that large inventories are not in customer’s interests (Ibid).

Nevertheless both Peab and Leimet work on overcoming the problem of communication and one of the solutions is corporate meetings conducted twice a year where they can discuss delivery, price and contract term aspects and issues. That concept is clear, it functions well and much appreciated by CEO of Leimet. It is a way of getting feedback, building stronger relationship, discuss new ideas and meet staff from different levels of both companies (Ibid).

6.7.2 Network Perspective – Industrial Marketing Theories

Leimet feels that as a material supplier they do not have real possibility to influence sustainability development in Peab network. He sees it is partially due to the traditional character of the industry, where construction companies do not like to take risk in adapting eco-friendly technologies in order to fulfill other requirements set by the authorities (Ibid).
7
ANALYSIS AND DISCUSSION

This chapter presents an analysis that combines and discusses the empirical findings with the theoretical framework presented in earlier chapters.

7.1 Strategic Marketing Theories

7.1.1 Outlines of Strategic CSR in Peab

Peab’s top management made a strategic choice by integrating sustainability into Peab’s vision. In this study the interpretation of such action is seen as a strategic CSR initiative. In order to understand this initiative better the outlines for Peab’s CSR should be found. This can be done by observing Peab’s company identity, reputation and stakeholder identity which according to Coombs & Holladay (2012) are playing important part when engaging strategic CSR (See 4.2 Outlines of Strategic CSR). By doing this we will understand the characteristics affecting the CSR development process in situation of Peab. The factors defining Peab’s CSR strategy are illustrated in the following figure 14.

![Figure 14. Outlines of Peab’s CSR Strategy (Adapted from: Coombs & Holladay, 2012)](image_url)

7.1.1.1 Peab’s Company Identity

Peab’s company identity plays important part when creating meaningful CSR strategy, as it should help company to remain successful and competitive. Bhattacharya & Sen (2004) stated that CSR initiatives should be constant with the company identity. In Peab situation this is true as the sustainability is a fundamental part of their vision and helps Peab in their journey to become the Nordic Community Builder. Thus, it means that different company identity factors should not have been neglected when their CSR program has been created.

- Construction Industry
  Since Peab is a company working in construction business their CSR program should be related to situation there. According to Ringen et al (1995) construction industry has dynamic nature and has challenge as complex way of organizing the construction work. Therefore all CSR initiatives should be carefully planned and organized as it is often felt by supplier and foundation worker that due to hectic nature of construction work there are not many possibilities to work in most sustainable ways. As there is no time for planning nor waiting for the arrival of the most sustainable materials, these materials should exists in their stock before the project starts. Another characteristic feature affecting CSR programs in...
construction industry is their traditional nature. Therefore negative attitude towards regulations and change might cause challenge at the starting point. However, the contradictive perspective within the industry sees that there are no possibilities not to take care of sustainability issues the interest toward sustainable development through whole industry is increasing.

- **Major Player in Nordic**
  The brand and the size of the Peab are factors that matters when creating CSR, since stakeholders might expect better-developed CSR programs according to Coombs & Holladay (2012). Also as it was stated by Blowfield and Murray (2008) in Sweden companies within construction field take more environmental responsibilities and engage with surrounded community. Thus, sustainability issues have been implemented into the Peab vision, as in Sweden such action is a requirement. Therefore, Peab among others in construction industry has to take care of sustainability since there are no other possibilities.

- **Internal Network of Many companies**
  When top management group of Peab implemented sustainability into their vision they faced challenge where every company in Peab’s internal network should be engaged to this strategic choice. Since, as stated by CSR Europe (2012) all partners sharing the same vision and standards in construction industry network helps in generating better quality through the operations. In the situation of Peab the empirical findings showed that there is no conflict between Peab group and internal network companies when considering the strategic issues. However, the sustainability way of thinking has not yet spread through whole internal network. In that sense they are in working progress.

- **Peab Culture**
  Peab way of thinking and doing things has strong character. The Peab culture is based on vision of owners in the family owned company that have created flat and decentralized organization structure. The challenge is to shape up the Peab culture the way that every employee of Peab will be engaged with sustainability issues. When each of employees and units is more familiar with the CSR concept it becomes more meaningful and it helps to achieve company overall and sustainability goals. The leader group meetings that are much appreciated could be good communication channels for spreading sustainability message further.

7.1.1.2 Peab’s Stakeholder Identity

According to Bhattacharya & Sen (2004) CSR initiatives should have some significance to their stakeholders. Peab’s stakeholder expectations and characteristics are playing important part and should be identified when creating meaningful CSR strategy. By doing this Peab should be able to achieve their own business objectives while engaging stakeholders and enacting meaningful CSR initiatives. In this process, according to Coombs & Holladay (2012) also stakeholder communication plays vital part.

- **Relationships**
  In order to get sustainability issues through, the stakeholders should be engaged with such initiatives. The vision and strategic sustainable development of Peab is created in harmony of their stakeholders. The relationship building plays important part. One of the key values of Peab is their commitment towards relationship building as it generates positive business opportunities. For Peab it is important that all their relationships with clients, suppliers, contractors, general public and society are long-term and trustful. The holistic and coordinative approach to sustainability and CSR issues is gained through Peab stakeholder relations.
• **Joint Efforts**
In terms of sustainability and CSR programs the joint efforts have important part as they often generate sustainable innovations and further lead to cost savings or gaining competitive edge. Peab aims for creating productive environment and building the network of stakeholders through their expertise team work and collaboration. The willingness to participate in joint efforts and sustainability innovation projects was high by all parties interviewed. However, not many such projects had place. In other words, the willingness is greater than the current performance shows. The possibilities to influence sustainability development by all stakeholder groups in Peab network should be still developed further as many of them felt that they do not have such possibility.

• **Stakeholder Needs and Communication**
Stakeholder needs and communication also plays important part in Peab’s CSR initiatives. When Peab’s CSR initiatives relate the stakeholder need, they become more meaningful and further helps in process of achieving Peab business and sustainability objectives. Additionally, in order to fully benefit their CSR actions, CSR initiatives and actions should be communicated in meaningful way.

Peab has different type of meetings where among other things sustainability concerns are discussed. The top management has set up special work group to organize and manage sustainability issues that in first place will set up long and sustainability goals and how the message will be spread through whole network. Peab is now in the processes of trying to initiate environmental consideration to a larger extent than before, which requires improvements and development in their procedures and confidence that the whole network fully understands the changes they are making. A result of this understanding Peab now intensively works towards informing all parts of their network of its new strategies towards sustainability.

### 7.1.1.3 Peab’s Reputation

According to Carmeli (2004) the company reputation is outcome of stakeholder perception as strong and positive image attracts and engages stakeholders. As stated earlier when CSR is integrated into the strategy level of Peab it should help them to remain successful and competitive. Peab could also utilize their CSR by differentiating themselves from the competitors and helping in process competitive edge creation.

• **Sustainability Development**
Actions towards sustainability and CSR according to Coombs & Holladay (2012) can improve the company image. Sustainability is in Peab vision and the strategic aim for their future. In Peab the desired benefits what sustainability development could bring would be the cost saving, profit making and competitive edge. It can also shape the image of Peab since they are not associated with green image. Every company in construction industry wants to be sustainable; Peab needs to be too as ignoring it would be harmful. The differentiate opportunities with Peab CSR programs is in social area of the sustainability circle since the competitors are ahead in environmental area.

• **Trust, Reputation and Follow up**
In construction work there is often no room for mistakes as it can risk the collapsing the house or harming employees. Therefore, the success lays on doing everything by the book and keeping up good relationships. Peab wants to attain a sustainable production, where each completed building project can be seen as a final product that matches standards. Evaluation and reporting standards are important aspect with successful CSR strategy. In order to
encourage and control knowledge, companies use reporting structures and performance evaluation systems. The used managerial systems such as ISO standards, life cycle assessment, BREEAM, LEED and Miljöbyggnad in Peab will guide their gathered knowledge. Despite the controversial status of the standardization its helps in generating processes that are manageable and end result maintains good quality. The most valuable asset gained by standardization is the knowledge of the processes not the certification paper.

- **Communication**

Peab builds up their reputation through business concept, strategy, vision and values. According to Coombs and Holladay (2012) companies should effectively communicate their CSR initiatives with their stakeholders in order to fully benefit from CSR. Peab’s ambition is to have their brand seen as a synonym with good quality. Therefore communication plays very important role in reputation increasing process. The sustainability report of Peab can be an effective tool to reach stakeholders. However, other means of media to reach general public should be also used as they do not know what sustainability actions Peab is doing.

### 7.1.2 Strategic CSR Process Model in Peab

The focus in previous part was to define factors of successful CSR strategy in the situation of Peab. In this part the CSR strategy will be converted into the real action where stakeholders should become a part of Peab’s CSR initiatives through communicating and engaging process. Peab should notify that the CSR process requires a continuous commitment to research, planning, implementation and evaluation that should never end.

Interviews conducted with different Peab’s stakeholders groups, and information available in the Peab’s annual reports allowed to analyze adaptation of CSR strategy with the Process Model (see figure 15). Certain activities adapted by Peab in sustainability and CSR field cannot be separated from each other and thus should be seen as a continuous process of interdependent elements.

![Figure 15. Peab’s CSR Process Model (Source: Adapted from Coombs & Holladay, 2012)](image)

The CSR strategy process starts by **identifying stakeholders’ needs** (Coombs & Holladay, 2012). CSR concerns, needs and expectations of internal and external stakeholders are experienced through their relationship. It can be interpreted that by the stronger relationship
the deeper understanding is gained and therefore the recognized CSR needs are more meaningful already in the beginning. On the other hand, internal stakeholders such needs and concerns are also playing important role when implementing CSR strategy. Peab employee’s needs are tracked within the leadership and managing groups where employees have an opportunity to deliver message to the top management effectively. This practice has received positive response through each level hierarchy level.

The second stage refers to conducting formative research with recognition of CSR needs (Ibid). The formative research is done in Peab by customer perspective survey and employee surveys which are aimed to identify stakeholders’ interests and opportunities for improvement. On the other hand customers and employees CSR needs are also recognized through constant communication process.

At the following stage company creates the recognized CSR initiative will be converted to practice (Ibid). Peab’s business model is influenced by their key idea which is; “building sustainable Nordic communities for the future” and “Nordic community builder”. Peab’s vision and financial goals is based on their business concept and strategies. Peab’s business model shows how CSR is integrated into Peab’s management systems. The vision includes all three aspects of sustainability concept – economic, social and environmental. “Nordic” relates both to the geographic market and economic plans, whereas “community builder” refers both to social and environmental aspects when interests and concerns of society also influences to Peab’s strategic plans.

The fourth stage is communication of CSR initiative to the stakeholders for further development and adaptation by other parties (Ibid). Communication of CSR initiatives is a sensitive question for Peab that needs to be improved both internally and externally. The main challenge is to engage Peab’s internal and external network with same sustainability values which can be seen as a long process due to large and complex network. Also the hectic nature of construction business reality makes the communication process itself challenging. However by informing better about the CSR issues all stakeholder groups would be better off. The use of traditional communication means with external public as media commercials and newspaper publications are as relevant as annual and sustainability reports since Peab should learn to tell better about their sustainability and CSR actions much more effective way.

At the final stage company assesses the success of CSR activities, measuring its effect on the society and stakeholders (Ibid). Construction industry has its specific features and evaluation of the company’s progress is not always an easy task. Peab wants to attain a sustainable production, where each completed building project can be seen as a final product that matches standards. Peab uses reporting structures and performance evaluation systems such as national constructions standards and international treaties regarding the environmental questions such as UN’s Global Compact strategic policy and ISO standards to show that they are doing the right thing. Also reputation and company’s good image, positive feedback from customers and suppliers are good measures of success in any industry. Peab has strong reputation in the market and has received positive comments from their business partners. Building of reputation starts at the stage of working with every employee who are obliged to attend courses where Peab’s vision and values are presented. Moreover, Peab believes that everyone has direct impact on overall Peab’s image and it is important to follow rules, regulations, and norms put in the basis of construction industry which can change through time. That is why CSR and sustainability strategy development is a continuous process which cannot be separated.
7.2 Industrial Marketing Theories

7.2.1 Peab and Construction Contract Relations

The factors defining successful CSR strategy and its converting process from initiative stage to real action have been discussed in earlier parts. However, construction contracts are playing important part when implementing CSR strategy and initiatives successfully. One construction project can be a complex net of contracts, legal obligations, responsibilities and relations the successful performance in terms of construction project is not easy to define. Therefore the industrial marketing perspective with is dedication towards relationship building is recommendable approach.

The principle approach in industrial marketing is interdependence of companies involved in business operations which requires individual treatment at certain degree. Thus single company’s performance should be evaluated by analyzing its relationships with other parties involved (Hammarkvist et al., 1982). Peab operates in the complex construction industry where success of building projects depends on teamwork and mutual trust between the companies. Therefore, willingness to cooperate, trust between partners, reliability of the suppliers and effectiveness can be named as key factors for relationships building in case of Peab.

In the creation of CSR program the position in the construction contracts is determining the roles and responsibilities. Although, responsibilities might vary depending on the contract type, in terms of sustainability requirements, the main contractor’s role is most essential. From supplier and subsidiary point of view they do not have such role, since the standards and drawings for the projects are coming from elsewhere. In Peab network the subsidiaries such as Peab Housing is holding main contractor role that can require sustainability and can be considered as an internal client.

As multiple construction projects are managed simultaneously and some of them can be lasting several years it is common to use yearly contracts between parties. They could be seen as a tool of assessing the progress and performance. In this system failure in one project is not ultimate measure as long as a company has a good reputation and has showed continuous progress in earlier projects. Considering the importance of close communication between parties, their mutual trust and limited time frame building companies need to accomplish, it is fair to claim that long – term relations are essential for Peab.

7.2.2 Peab and Interaction Approach – Relationship Building

Relationship building in construction industry is one of the determining factors to sustain in the competition for longer run, and therefore also playing important part when implementing successful CSR strategy. Construction industry and especially foundation sector can be described as a limited market with conservative character. This means that companies and actors within the industry are all familiar with each other, the reputation of the companies is established and tight bonds are created. In other words same partners are used, since companies do not want or cannot change partner. Thus the business relationships in Peab are seen as an assets and the commitment towards relationship building is often generating positive business opportunities; product development, joint efforts or new innovations with sustainable goal. The process of relationships development in case of Peab can be seen through the following characteristics (see 4.4.1 Interaction Approach):
• Technology
Working in construction industry requires certain international and national security standards. Peab emphasizes that sustainable issues are important even in technological questions. Every construction plans and projects follows ethical guidelines that are shared with partners and suppliers. The technological aspect is recognized as an important sustainability factor in construction industry because it has direct effect on functionality and durability of a building (see 5.1 Sustainability, Sustainable Development and Sustainable Construction). Therefore technological issues are determinate factors also for Peab when choosing their partners. This approach comes from construction contracts when specification of building projects implies to follow certain technological standards. For Peab the main benefits with close cooperation with partners in long run might even generate certain technological advantage when new environmental technologies is being developed in collaboration with suppliers.

• Organization Size, Structure and Strategy
Being one of the biggest construction companies in the Nordic region Peab has resources and therefore possibility to get the leading role in interaction with other parties in the network. Despite of large number of subsidiaries Peab has flat and decentralized structure. As it was said in company’s annual report, every employee has possibility to deliver his message to the top managers. Moreover the creation of working groups within Peab Group simplified this process at certain degree. Thus top management can communicate company’s CSR and sustainability strategy at every level whereas employees can deliver their concerns, ideas and innovations. This practice influences the interaction process with external stakeholders as well. Principles that are determined as core values of Peab, such as responsibility to society and environment, are shared and communicated to their partners and suppliers.

• Organizational Experience
Peab believes that experience gained in relationships with partners affects the operation in the market and gives better understanding of the industry. Moreover, experience is seen as a reputation builder factor. In its turn reputation is one of the most important aspects in the construction industry. On the other hand Peab emphasizes that companies’ ability to good operational performance gives competitive advantage which stimulates further cooperation and trust in relationship. Even the experience with competitors pushes Peab further to improve their environmental and energy issues. Thus in the long term, experience is seen as a motivation factor.

• Individuals
Individual connections between companies are important part of Peab’s business practices. In many cases personal communication can be a key factor to problems solving. The established bonds between Peab partners are hard to break. Moreover Peab sees personal communication as responsibility and right way to do business. Thus a trustful relationship established between individuals is not seen as an abstract concept but rather as a base of good contacts and security of success.

7.2.3 Peab’s Network Concept

Previously the successful CSR strategy, strategic CSR development process and determining factors for competitive performance in the construction industry in the terms of construction contracts and relationship building have been discussed. However, Peab should also consider entire network when implementing their CSR strategy in order to perform successfully. Therefore companies in the entire Peab’s network are aiming to achieve common goals and
work in one direction. Currently Peab's CSR strategy is stated as “Nordic community builder” that holds sustainability concept completely. These values should be shared within the entire network in order to create closer connections between the partners but at the same meet growing society’s requirements. Thus strategic development was built with respect to interests of the stakeholders involved as it was presented in figure 13 (see 6.2.1 Stakeholders).

Figure 16 highlights the stakeholder groups participated in this research. It was found out that the main strategic CSR decisions in Peab came from the top management level. Nevertheless the main challenge appears in communicating further the common goals among the stakeholders and company’s partners. Internally this connection is achieved through working groups where representatives from each level have opportunity to discuss problems and adapt Peab’s initiatives in practice. On the other hand Peab Group is also a link that connects the internal and external stakeholders. It can be said that Peab’s performance depends directly on the effectiveness of interaction within the network and also Peab’s ability to manage these relationships. Thus as a part of external communication Peab shares sustainable principles with its partners and suppliers.

The connections between counterparties in construction industry are vital due to the security, functionality and sustainability reasons. At the same time constant and hectic process of analysis, calculation, confirmation, and finalization require trust between partners and clear interrelation. Nonetheless the question of stakeholders’ involvement in sustainability issues is still open in case of Peab. As most of the initiatives come from community and customers side, other groups of stakeholders have just started to show their interest towards these issues as question of cost - efficiency in construction industry one of the most important. Figure 17 represents dependence of the companies involved in the research with regard to their position in the Peab’s network.
As it was discussed earlier (see 4.4.2 Network Concept) in network Suppliers and Customers roles are reversed. This approach is applicable in Peab situation, when their competitors Skanska and NCC can be customers for Peab. At the same time Peab itself can be contractor for its own subsidiary. Thus companies involved in the network are interdependent and their final performance depends on the actions of each party. In this sense ability to manage relationships, communicate common strategy and values are treated as vital questions.
The conclusions have been drawn from the analysis carried out with a purpose of answering the research questions of the paper.

The main purpose of this research was to investigate how Peab’s sustainability vision and strategic CSR is communicated through their business relationships within the industrial network. The qualitative approach towards the research has helped in the process of gaining deeper understanding of this purpose. In order to answer the research question the theories within industrial marketing and strategic CSR development were applied.

- **Peab’s redefined CSR strategy**
  It was found out that strategic CSR in Peab situation refers to sustainability statement that is integrated into overall strategy and sustainability has become a fundamental part of the vision and helping Peab in their journey to become the Nordic Community Builder.

- **Peab’s strategic CSR is a continuous process**
  It can be claimed that Peab’s strategic CSR has a process kind of nature meaning that when converting CSR initiative into real action it should be engaged and communicated to their stakeholders in a meaningful way. In other words the CSR process of Peab requires a continuous commitment to research, planning, implementation and evaluation that should never end.

- **Engaging stakeholders with Peab’s CSR values**
  Peab’s company identity, reputation and stakeholder identity are defining factors for successfully implemented CSR strategy, and each of them are playing equally important part when engaging the sustainability vision to their stakeholders. Peab’s strong and positive reputation is attracting their stakeholders, and Peab is working to know their stakeholder expectations even better in order to be able to set up CSR strategy that is also meaningful to their stakeholders.

- **Sharing common CSR values within the network**
  It was found out that communicating common sustainable values in Peab’s network is a great challenge since cooperation and connection between partners plays a key role. Since Peab’s sustainability vision is relatively new and not all the parts of internal and external network are supporting this new way of thinking. However Peab is working towards better CSR communication and engagement through entire network which is important in order to remain successful and competitive. Moreover, close interaction and committed relations with partners is one of the ways of handling sustainability aspects in the construction industry.

- **Shared sustainability vision and close network relations are the way to success**
  The connection between traditional industrial marketing theories such as network perspective and interaction approach together with modern strategic CSR communication used in this thesis is both possible and recommendable. The growing interest towards CSR and sustainability has started the development process where sustainability statement has become part of the business plans for Swedish construction companies. Therefore it is important for Peab to continue working with improvement of their CSR strategy and sustain competitive. With modern strategic CSR theories the importance of communication and stakeholder engagement was highlighted. On the other hand the CSR communication is not enough to perform successfully in complex construction industry situation where the construction projects characterized by dynamic nature, involving complex net of contracts,
legal obligations, responsibilities and relations. Due to this reason the industrial marketing perspective with its dedication towards relationship building is recommendable approach.

In conclusion, there is reason to believe that this combination of industrial marketing theories and strategic CSR communication could be developed and become a useful tool for companies in construction industry to increase their awareness, communication and relationship building in the terms of sustainable development and CSR. As a result the theory combination studied here offers the solution for better fitted CSR programs within industrial market by combining CSR and relationships building together.

9 FUTURE RESEARCH RECOMMENDATIONS

The future research recommendations offered here would help to make more in depth analysis of strategic CSR and industrial marketing connection.

There are numerous previous studies about CSR communication combined with institutional theories or stakeholder theories but hardly ever connected to industrial marketing theories. Usually CSR communication research is concentrating on the ways companies may benefit from CSR activities. However, the combination presented in this work, has purposed new possible way towards more comprehensive understanding of CSR. This combination is beneficial as companies can create even more suitable and meaningful CSR programs for all stakeholder parties within industrial network.

In Peab situation it is recommended to continue this study even further in order to cover all parts of the internal and external network.

Since this combination of CSR communication and industrial marketing theories is new approach it would be recommended to investigate this combination within other industries than the construction industry situation. In the bachelor level the future studies could remain as a single – case study type as this thesis was.
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Interview participants
Eriksson Helena, Technical Manager, Peab AB, [May 26, 2012]
Gabrielii Kristina, Environmental Manager, Peab AB, [May 22, 2012]
Leino Antti, Managing Director, Leimet OY, [May 16, 2012]
Olsson Elin, Project Manager, Peab AB, [May 22, 2012]
Tamminen Kai, Managing Director, Peab Grundlägning AB, [March 16, 2012 and May 21, 2012]
APPENDIX 1: Questions for Peab Internal Supplier

Please type your answers after the question to the blank area (you can use as much space as needed). If any challenges with the intention of the questions, answer the best of your understanding. Try to be as descriptive as you may. Answering with English or Swedish language is accepted. Please send the fulfilled questionnaire as an attachment to the following emails: seg09001@student.mdh.se, vca09001@student.mdh.se

NAME: ____________________________________________________________
POSITION: __________________________________________________________________________
NAME OF THE COMPANY: ____________________________________________________________

IN TERMS OF PEAB NETWORK WHAT IS YOUR POSITION:
- [ ] Total Entrepreneur
- [ ] Subcontractor
- [ ] Material supplier
- [ ] Client

What are the key factors for loyal relationship with Peab?

1. BACKGROUND

Company description - What your company does? What Peab business area you belong?

What are the most typical projects and to whom you work for? How big share of all the projects are for Peab? Please name the main units.

When selecting a customer, what are the key factors you value for successful cooperation? What are the key factors for successful cooperation with Peab? What are the main advantages of Peab? What are Peab’s main improvement areas?

What are the key factors of your company’s competitiveness, what way you are gaining projects?

What are the key factors that determine the successful performance in construction projects?

2. CSR AND SUSTAINABILITY

CSR definition:
The goal of CSR (Corporate Social Responsibility) is to embrace responsibility for the company’s actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. Development business ethics is one of the forms of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment. ISO 26000 is the recognized international standard for CSR.

Sustainability:
A process by which firms manage their financial, social, and environmental risks, obligations and opportunities. Sustainable businesses create economic value, healthy ecosystems and...
What are the main actors in your market towards sustainable development?

What way your company is acting with CSR and sustainable issues? How much importance CSR and sustainability is playing in your overall operations? Do you feel you are doing enough? What should be done differently?

How do you choose to which CSR and sustainability issues to participate? What are the criteria’s? Who is involved to decision making process?

What are the biggest challenges and obstacles when implementing CSR and sustainability issues in practical operations? How flexible a company can be when it comes to CSR issues?

Do you follow any standardization measurements in your projects/production? Please name them. What are the disadvantages and advantages of utilizing them? What is your personal opinion towards standardization?

How your unit is balancing between short term design perspective and long life nature of a building? How you are securing long life of a building and the disposal of a construction after the end of its functional life?

How much and what way your company can influence on development of CSR and sustainability issues in Peab network? How would you like to improve Peab’s CSR and sustainability managing?

How much importance CSR and sustainability is playing for your business partners, suppliers, clients, potential and current employees?

3. CSR COMMUNICATION AND REPUTATION

How does Peab communicate their CSR strategy and requirements to you? What would be the most preferable way for communicating CSR initiatives?

How do they track your needs? How you can give feedback about CSR issues among other important issues to Peab?

How much importance internal supplier of Peab has towards CSR performance and in Peab’s reputation building?

How much importance the long-term relationships are playing in terms of efficiency and sustainability requirements? Are there recognized common goals within Peab network? How to get companies with individual goals to play towards common goals?

Has your company ever experienced any forced adjustments due to the sustainability requirements set by the customers, or Peab? Have you experienced difficulties to adjust to their CSR strategy and requirements?

In the complex network how to fit your company strategy and your sustainability/CSR initiatives with Peab’s strategy? Is there any conflicting interest? If yes how to solve it? If no what are the key factors for it?
Working in the complex construction projects, is the clients requirements always clear? How you handle the difficulties that constant identifying, clarifying, analyzing their perspectives might cause?

Is there mutual engagement towards technological improvements, new innovations or CSR involvement with Peab network organizations?

Have you experienced great differences in the work since the CSR was implemented to strategic level in Peab?

Do you see PEAB’s CSR strategy as an obstacle or opportunity for development? Have you experienced difficulties to adjust to the CSR strategy?

Have you experienced a conflict of interests between the CSR perspective and profit thinking?

4. STAKEHOLDERS (clients, partners, suppliers)

How do you track your stakeholder’s expectations in CSR issues?

How recognized stakeholders’ CSR needs are converted into real CSR action in Peab?

What are the main criteria when choosing business partners, clients, suppliers? Do you think CSR strategies of your partners are important when making a choice?

Have you experienced breaking the relationships with suppliers due to the CSR issues? How you handled this situation?

5. FUTURE

What business value CSR will generate for your company in future?

What possibilities and opportunities do you have as a company to act for the greater good in future?

Has the economic cycle changes affected to the sustainable activities in PEAB? Is there difference between economic boost and recession in terms of sustainability and CSR initiatives? What are the reasons for it?

Other contact

In order to gain full network perspective for this thesis can you please name one client and one supplier connection with contacting details that could be beneficial for further interview?

THANK YOU FOR YOUR PARTICIPATION!
IF YOU ARE INTERESTED OF READING THE FINAL THESIS ATTACH YOUR CONTACT DETAILS
APPENDIX 2: Questions for Peab Material Supplier

Please type your answers after the question to the blank area (you can use as much space as needed). If any challenges with the intention of the questions, answer the best of your understanding. Try to be as descriptive as you may. Answering in English, Swedish or Finnish language is accepted. Please send the fulfilled questionnaire as an attachment to the following emails: seg09001@student.mdh.se, vca09001@student.mdh.se

NAME: ________________________________________________________________________

POSITION: _____________________________________________________________________

NAME OF THE COMPANY: _________________________________________________________

IN TERMS OF PEAB NETWORK WHAT IS YOUR POSITION:
- Total Entrepreneur
- Subcontractor
- Material supplier
- Client

HOW LONG TIME YOUR COMPANY HAS BEEN IN COOPERATION WITH PEAB:
- Less than a year
- 1-3 years
- 4 – 5 years
- More than 5 years

What are the key factors for loyal relationship with Peab?

1. BACKGROUND

Company description - What your company does?

What are the most typical projects and to whom you work for? How big share of all the projects are for Peab? Please name the main Peab divisions you work for.

When selecting a customer, what are the key factors you value for successful cooperation? What are the key factors for successful cooperation with Peab? What are the main advantages of Peab? What are Peab’s main improvement areas?

What are the key factors of your company’s competitiveness, what way you are gaining projects?

What are the key factors that determine the successful performance in construction projects?

2. CSR AND SUSTAINABILITY

CSR definition:
The goal of CSR (Corporate Social Responsibility) is to embrace responsibility for the company’s actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. Development business ethics is one of the forms of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment.

Sustainability:
A process by which firms manage their financial, social, and environmental risks, obligations and opportunities. Sustainable businesses create economic value, healthy ecosystems and strong communities
What are the main actors in your market towards sustainable development?

What way your company is acting with CSR and sustainable issues? How much importance CSR and sustainability is playing in your overall operations? Do you feel you are doing enough? What are biggest challenges or obstacles?

What business value CSR generates for your company today?

How do you choose to which CSR and sustainability issues to participate? What are the criteria’s? Who is involved to decision making process?

Are there any challenges when implementing CSR and sustainability issues in practical operations? How flexible a company can be when it comes to CSR issues?

How much and what way your company can influence on development of CSR and sustainability issues in Peab network? Are you involved to Peab’s strategic CSR activities? How would you improve Peab’s CSR and sustainability managing?

How your unit is balancing between short term design perspective and long life nature of a building? How you are securing long life of a building and the disposal of a construction after the end of its functional life?

Do you follow any standardization measurements in your projects/ production? Please name them. What are the disadvantages and advantages of utilizing them?

3. CSR COMMUNICATION AND NETWORK

How much importance has CSR in reputation building?

How much influence material suppliers has towards CSR performance and reputation in mutual projects?

How does Peab communicate their CSR strategy and requirements to you? What would be the most preferable way for communicating CSR initiatives?

How do they track your needs? How you can give feedback about CSR issues among other important issues to Peab?

How much importance the long-term relationships are playing in terms of efficiency and sustainability requirements? Are there recognized common goals within Peab network? How to get companies with individual goals to play towards common goals?

Has your company ever experienced any forced adjustments due to the sustainability requirements set by the customers, or Peab? Have you experienced difficulties to adjust to their CSR strategy and requirements?
In the complex network how to fit your company strategy and your sustainability/CSR initiatives with Peab’s strategy? Is there any conflicting interest? If yes how to solve it? If no what are the key factors for it?

Working in the complex construction projects, is the clients requirements always clear? How you handle the difficulties that constant identifying, clarifying, analyzing their perspectives might cause?

Is there mutual engagement towards technological improvements, new innovations or CSR involvement with Peab network organizations?

5. FUTURE

What business value CSR will generate for your company in future?

What possibilities and opportunities do you have as a company to act for the greater good in future?

THANK YOU FOR YOUR PARTICIPATION!
IF YOU ARE INTERESTED OF READING THE FINAL THESIS ATTACH YOUR CONTACT DETAILS
APPENDIX 3: Questions for Peab Top Management CSR responsible

**PEAB NETWORK (CSR responsible) - THESIS 2012**

*CSR COMMUNICATION IN A NETWORK PERSPECTIVE – A CASE STUDY OF PEAB AB*

**Please type your answers after the question to the blank area** (you can use as much space as needed). **If any challenges with the intention of the questions, answer the best of your understanding. Try to be as descriptive as you may. Answering with English or Swedish language is accepted. Please send the fulfilled questionnaire as an attachment to the following emails: seg09001@student.mdh.se, vca09001@student.mdh.se**

**NAME:** ____________________________________________________________

**POSITION:** ________________________________________________________

1. **CSR AND SUSTAINABILITY**

What is your definition of sustainability/CSR?

What are the key factors towards sustainable development? Where the CSR and sustainability requirements are coming from?

What are the main sustainable and CSR issues for Peab? How much importance CSR and sustainability is playing in overall operations?

As in the construction business the legal requirements are quite high, where the need for strategic CSR in the building business is coming from?

How Peab chooses which CSR and sustainability issues to participate? What are the criteria’s? Do you feel you are doing enough in the terms of CSR? Who is involved to decision making process?

What are the factors that determine the successful performance in construction projects?

2. **NETWORK AND STAKEHOLDERS**

How much importance the interaction between companies is playing? How much importance the long-term relationships are playing in terms of efficiency and sustainability requirements?

Are there recognized common goals within Peab network? How to get companies with individual goals to play towards common goals? Is there recognized stakeholder pressure towards Peab to facilitate CSR? How they show their need?

How Peab is tracking their stakeholder expectations/need/requirements in terms of CSR? How have the expectations changed over the time? What in your opinion have caused these changes?
How much importance CSR and sustainability is playing for your business partners, suppliers, clients, potential and current employees? What are your requirements for your stakeholders in the terms of CSR?

How much and what way other Peab companies and stakeholder participants’ can influence on development of CSR and sustainability issues in Peab network?

How recognized CSR needs are converted into real CSR action in Peab?

As the strategic CSR is referring to the constant participation with the stakeholders, how Peab is doing it?

How to involve stakeholders in the decision making process? Can you give examples of CSR projects developed collaboratively with the company’s stakeholders?

In the complex network how to fit Peab’s strategy and your sustainability/CSR goals with Peab’s stakeholder requirements and subsidiaries strategy? Is there any conflicting interest? If yes how to solve it? If no what are the key factors for it?

Have you experienced conflict of interests between the long-term sustainability and CSR benefit and short-term economic operational goals? Have you experienced conflict of interests between Peab and stakeholders?

3. REPUTATION

How Peab is building up their reputation and image? How much importance CSR has in reputation building? What were the reasons for Peab to implement CSR into their strategy level?

What benefits CSR is giving to Peab? How Peab is differentiated with their CSR compared to the competitors?

What business value CSR generates for Peab today?

What are the biggest challenges and obstacles when implementing CSR and sustainability issues in practical operations? How flexible a company can be when it comes to CSR issues?

How many (%) projects are according CSR and sustainability standards? What ways you are monitoring CSR performance in your construction projects?

Do you follow any standardization measurements in your projects/ production? Please name them. What are the disadvantages and advantages of utilizing them? What is your personal opinion towards standardization?

In your opinion, can companies like Peab set standards in the construction industry in the Nordic region? Or who has the main role?

Peab signed contract with Swedish Tax Agency for monitoring economic frauds. What are the reasons behind it? Have you experienced breaking the relationships with suppliers due to the CSR issues?
4. COMMUNICATION

What does it mean for Peab to communicate common values and CSR information to their stakeholders; current and potential employees, suppliers, clients? Are there any differences between used and preferred ones? Does company use different strategies of the internal and external communications? If yes, what are they?

How to perform and communicate CSR initiatives that are meaningful to stakeholders (employees, suppliers, clients)

How the effect of CSR initiatives is provided to public?

How do Peab’s stakeholders give feedback about the Peab’s CSR initiatives, outcomes and process?

5. FUTURE

What business value CSR will generate for your company in future?

What possibilities and opportunities do you have as a company to act for the greater good in future?

Has the economic cycle changes affected to the sustainable activities in PEAB? Is there difference between economic boost and recession in terms of sustainability and CSR initiatives? What are the reasons for it?

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