Social Sustainability within the Manufacturing Industry

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Changes

Figure 6 and 7 have been fixed due to improving the "blurriness".

Figure 6 has been divided into implementation and challenges of CSR.

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Abstract

Purpose – The purpose of this research is to investigate how companies are working with social sustainability.

Method – The method used for this research is a case study carried out at Perstorp AB. Four interviews with a manager and three employees has been conducted. To complement the answers gathered from the interviews, reports from the case company has been used. Further, a literature study has also been carried out.

Findings – The lack of prioritizing social sustainability has created challenges for companies and employees. The findings revealed that the challenges are related to internal factors addressing communication, lack of education and training opportunities, high workload and being time-consuming. However, the benefits of implementing social sustainability is rewarding in terms of being an attractive business partner, employee satisfaction and having a good reputation.

Implications – The research of social sustainability has been neglected for many years and created issues for companies. Progress has been made and guidelines created, however, there are still uncertainties and challenges for companies. Although this research has highlighted the challenges related to lack of communication, training, education and high workload, more research is required to eliminate or to reduce these issues.

Limitations – In this case, the research had some limitations. This research focused on a case study which might have limited the generalizability. Further, the research was limited to a large-size company operating within the manufacturing industry in Sweden.

Keywords: social sustainability, corporate social responsibility, challenges, benefits, implementation

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Ilknur Kesici   *Illaf Suleman*

Abbreviations

CSR   *Corporate social responsibility*

NGO   *Non-governmental organization*

AA 1000   *Standards and Frameworks used to explain accountability in terms of leadership and performance, responsibility and sustainability for global and private companies, governments and societies (AccountAbility, 2019).*

ISO 14000   *Standard for managing environmental responsibilities by practical tools for companies (International Organization for Standardization [ISO], n.d)*

ISO 26000   *A guide for companies and organizations on how to be socially responsible in an ethical and transparent way to improve health (ISO, n.d)*

SA 8000   *A standard that measures social performance related to social accountability in workplaces (Social Accountability International, 2019)*

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1   Introduction

This chapter presents the introduction of this research, including background, problem area, purpose, research questions, research delimitations and outline of the thesis.

1.1   Background of the Research

The manufacturing industry have impacted and improved both developed and developing countries economy performance globally. This means that the manufacturing industry is important for the countries (Abdul-Rashid, Sakundarini, Raja Ghazilla & Thurasamy, 2017). During 2014, the manufacturing industry contributed with 31.1% of the $113.7 trillion of the global GDP; One of the reasons the manufacturing companies exist is to meet the need of the people and society. Further, people and communities around the globe are in some way impacted by manufacturing companies since the industry is responsible for employing 22.3% out of the 3.39 billion people around the world; This helps many people to provide for families and individuals and results in developing societies globally (Sutherland et al., 2016).

For many years, decision-makers within the industry has prioritised technological and economic problems; Researchers have also pointed out that managers also focus on the issues related to the economy which includes budgeting or financing; This is one of the reasons the problems related to the dimension of social issues are neglected. Companies operating within the manufacturing industry impacts all the aspects of sustainability which includes economy, environment and society; The last of the mentioned aspects of sustainability is the least known due to restricted and limited research on this topic. Social sustainability addresses many issues related to governance, human health and safety, working conditions, human rights, justice, and discrimination; The pillar of sustainability is not easy for companies to implement due to restricted knowledge and a range of concepts making it difficult to internalize and operationalize. However, over the past years, researchers have made some progresses and presented criteria and standards to guide companies to develop and improve the practices of social sustainability; Even though, there are guidelines for decision-makers to follow it has occurred to be a challenge on how to implement and measure the performances; Today, there are frameworks, principles and guidelines that helps companies to address the impacts of social issues, but the problem is that it does not include everything. Another solution has also been that companies turns to and focus on corporate social responsibility (CSR) (Sutherland et al., 2016).

The purpose with CSR is considering the need of stakeholders as well as holding companies accountable. Furthermore, the companies should not only strive for larger profits, a responsible company should also take into account of its employees, suppliers and communities (Chandler, 2017). The problem with CSR today is that companies interpret it differently and implement in various ways. For some companies, CSR is taken seriously and on the other hand there are companies using the concept only for improving brand image, reputation and marketing purposes (Öberseder, Schlegelmilch,

& Murphy, 2013). Companies that have chosen to implement CSR practices have included social standards which consists of both ISO 26000 and SA 8000. These certificates are valuable but can be interpreted and implemented differently by stakeholders as well as companies (Sutherland et al., 2016).

Even though there have been progress and companies are realizing the importance of social sustainability, there is a lack of knowledge and limited research within this field which has affected manufacturing companies as well as social groups; Between 2007 and 2015 an increase of suicides among workers were reported at the Hon Hai Precision Industry (Foxconn) premises in China; These suicides were related to mental health, stress contributed from the working environment. Instead of dealing with the problem properly, the company asked the employees to sign an agreement of anti-suicide and did set up cages made of steel around the balconies and nets below the factory windows. After this incident getting attention around the world, many manufacturing companies were interested in social issues (Sutherland et al., 2016).

Due to limited research on social sustainability, this research will explore the challenges the manufacturing companies are facing today as well as the effects. Additionally, it will also address how the manufacturing industry impact stakeholders and societies with the help of CSR theory. With this in mind, this research will provide an overview of the current problems and the benefits with social sustainability. With the help of this research companies or researchers can continue to contribute where the gap of knowledge is existing today.

1.2   Problem Formulation

The word 'sustainability' is becoming increasingly important nowadays and the definition of it is relatively new. Many companies have been affected by it and have started to do things differently to improve their practices. The biggest problem is that there is no clear structure of how companies should work with social sustainability. Awareness of social and environmental issues has gained significant importance among consumers, which also impacts on their shopping behaviours. In addition, companies must act in frame of being social and sustainable responsible, if not the consumer will choose another company that values the mentioned aspects. The pressure on companies are significant but for some companies it is more essential to take actions that benefits the society in the framework of corporate socially responsible and sustainable. Manufacturing is an industry that has greater pressure when it comes to this type of aspects due to effects such as pollution, disposal issues and chemical damage etc. (Chandler, 2017).

Due to demands and pressures from different business markets and politicians, CSR and social sustainability importance has increased tremendously over the years (Habisch, 2005). Social sustainability which also includes CSR is a relatively new business philosophy and that has created organizations implementing CSR in different

ways and focusing on different objectives. Furthermore, the problems some companies are facing today is that social sustainability lack a clear concept. Both social sustainability and CSR activities/programs are not fully integrated and incorporated within the strategy. Many critics are also questioning organizations purpose of using these types of philosophies to only improve reputation and brand name which at end only creates distrust among stakeholders (Sitnikov & Bocean, 2017).

Moreover, it is shown in previous studies that CSR and financial exhibition are linked, which results in increased profitability. It is not a responsible way to act for a company to only achieve for greater profitability. According to social sustainable principle and the concept of CSR, (Yusuf et al., 2013) a responsible company should also take account of its stakeholders (Cheah, Jamali, Johnson & Sung, 2011). Furthermore, if a company can obtain loyalty from its stakeholders it will eventually outgrow financial performance (Nilsson, 2015).

Social sustainability and CSR are not only beneficial for economic performance it is also advantageous for improving stakeholder relationship as well as increasing company reputation, achieving greater community and promoting customer loyalty as mentioned. Other kind of drivers are government legislation, top-level corporate culture and the type of industry they operate in (Valiente, Ayerbe & Figueras, 2017). Implementing CSR will result into being social sustainable and as well as reduced operating costs, that lasts for long time of period both for the company and the workers, better risk and crisis management and greater awareness of customer needs (Carlsson & Åkerström, 2008).

Every action a company take will have impact on the business performance in one or another way. Additionally, finding out how CSR can make an impact on company work towards social sustainability performance. Furthermore, the definition of social sustainability and CSR is applied differently at different companies and therefore it has become a complex topic (Yusuf et al., 2013).

1.3   Purpose and Research Questions

Social sustainability and CSR are the recent topics that has outgrown more attention lately. Various stakeholders are pressing companies to engage in social and environmental responsibility. It is essential for firms to identify the stakeholder needs and values in order to make decisions that will benefit both parties (Orlitzky, Siegel & Waldman, 2011). Further, the purpose of this report is to investigate how companies are working with social sustainability. It will address the benefits and challenges with being social sustainable.

Companies understand that using CSR strategy will give them several benefits which pushes them for being more socially and sustainable responsible. CSR activities has up to 60 concrete aspects that can be adopted which makes it more complex (Carlsson &

Åkerstöm, 2008). Furthermore, despite knowing the importance of social sustainability (Kaur & Sharma, 2018) and CSR, companies have difficulties while implementing it in to the practice. The result of this is an uncoordinated charity work that seems good for the exterior world which actually should be more strategic (Yusuf et al., 2013).

The purpose of this research is:

To investigate how companies are working with social sustainability.

Therefore, to answer the purpose of this research the following research questions will be formulated as following:

Due to no clear definition and neglecting social sustainability for many years, companies are struggling to implement social sustainability (Ajmal, Khan, Hussain & Helo, 2018). The first step in fulfilling the purpose is to investigate the challenges companies are experiencing within the manufacturing industry. The need to identify these challenges is related to how companies are implementing social sustainability and CSR. Additionally, social sustainability is getting more attention and the regulations are more demanding (Yusuf et al., 2013). Therefore, it is important to investigate the challenges. Hence, the first research question is:

RQ1. What are the challenges in implementing social sustainability?

The second step in fulfilling the purpose is to investigate the benefits when implementing social sustainability into companies' practices. When social sustainability has been implemented to the company, one of the important factors is to investigate if the companies goes towards a positive direction. Further, it is essential to study the effect of the implementation of social sustainability and CSR. Therefore, the second research question is:

RQ2. What are the benefits in implementing social sustainability?

1.4   Scope of the Research

The research is limited to a large-size manufacturing company located in Sweden. The company is active in the private sector which is another limitation for this research. The main focus of this research is to investigate the topics of social sustainability and CSR. Issues related to implementation of social sustainability and CSR are mentioned. These aspects will be addressed through definitions, explanations and research. In this report, the focus will be on giving recommendations and therefore implementation of improvements will be excluded and will not suggest how companies should work.

1.5   The Outline of the Thesis

This thesis consists of six chapters. The reminder of this thesis is structured as following:

Chapter 1 starts with presenting the introduction for the research. The research begins with introducing the background of the subject followed by the explanation of the problem formulation the current subject is having. In addition, the report continues with defining the purpose and research questions that will be answered. The chapter ends with a brief description of the delimitation.

Chapter 2 presents the theoretical framework. The information collected from different databases and literature explains the theories in a detailed way in order for the readers to understand the results and the analysis.

Chapter 3 describes the methodology part. In this section the authors explain the chosen method and justify the reason of choosing a qualitative approach for the research. Lastly, the quality (reliability and validity) of the research will be reflected upon.

Chapter 4 presents the findings which will be collected from the case company.

Chapter 5 continues with analysing and discussing the theory from the second chapter and the findings and this will be the analysis and the discussion of the report. The chapter concludes with discussion of method.

Chapter 6 summarizes previous chapters in terms of the findings of the research, implications, limitations and further research and recommendations.

2   **Theoretical Framework**

The chapter provides a theoretical basis and explanation of social sustainability, implementation of both social sustainability and CSR and challenges. The chapter ends with explaining the benefits of social sustainability and CSR.

2.1   Introduction to the Theoretical Framework

The research focus on how companies are working with social sustainability in terms of challenges and benefits. Therefore, these research areas will be further defined and explained within the theoretical framework based on the literature study. Firstly, this chapter will address social sustainability in general and continue with explaining the implementation of social sustainability with various methods and techniques. Secondly, the chapter explains the challenges companies are experiencing according to the researchers. Thirdly, CSR will be explained in terms of implementation and challenges. Lastly, the benefits of social sustainability and CSR will be described.
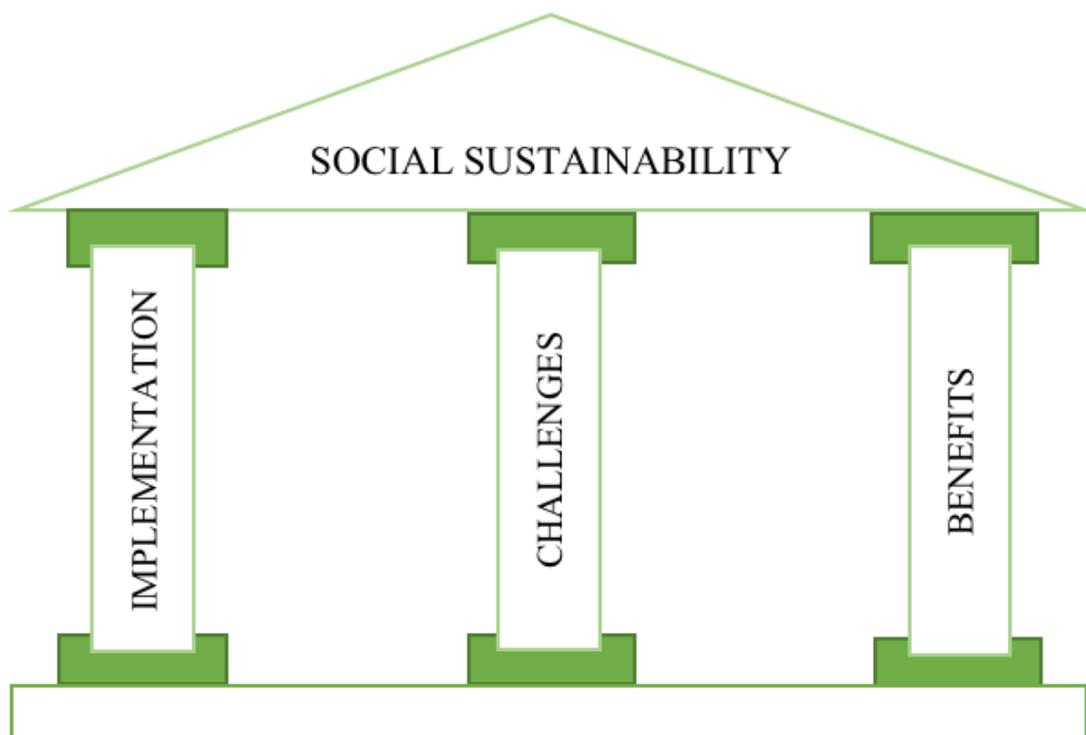

Figure 1 Explains what will be addressed in the theoretical framework.

2.2   Social Sustainability

In 1987 the United Nations Commission on Environment and Development wrote a report about Sustainable development known as the Brundtland report. The report mentions that people must "ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs" *(*Missimer, Robèrt & Broman, 2017, p. 32)*. In 2015 the world decided to continue to commit to the 2030 Agenda for sustainable development. The concept of Sustainable development has grown since it was introduced in the late 1980s. Nowadays there are many definitions, terms as well as a variety of approaches, concepts, methods and tools. However, according to scholars the meaning and definitions of sustainable development and sustainability is still unclear and that has been criticised (Missimer et al., 2017).

When the concept of sustainability was first introduced environmental and resource depletion were only included. However, social sustainability was included eventually in the Agenda 21 which created an action plan for sustainable development in early 1990s. The Organisation for Economic Cooperation and Development (OECD) identifies social sustainability in two aspects consisting of human and social. The human aspect address people's knowledge, skills, abilities and talents. This is related to performance in the labour market and to the economic growth. The aspect of social emphasizes actions and benefits of the society (Yusuf et al., 2013).

The triple bottom line of sustainability consists of three aspects which include economic, environmental and social (Hervani, Sarkis & Helms, 2017). According to several experts, social sustainability is essential in order to achieve and implementing economic and environmental sustainability. The definition of social sustainability is to have and improving human's quality of life without compromising and harming the environment. This means giving the people rights in terms of political, economic as well as ensuring the rights of societies which includes: resources are located properly, labour rights, community culture and sustainable human development (Yusuf et al., 2013). Furthermore, the social dimension of sustainability is also taking into account of social problems and how to tackle the issues to improve company's long-term survival. Overall, social sustainability address factors related to human rights, employees' health, diversity, equity and other social and safety-related issues which for manufacturing companies can be helpful when evaluating progress (Ahmadi, Kusi-Sarpong & Rezaei, 2017).

2.2.1   Implementation of Social Sustainability

A partnership between The United Nations Environmental Program and Society of Environmental Toxicology and Chemistry developed and promoted tools in order for companies to implement sustainability. This partnership contributed to tools that helps with evaluating opportunities, risks and trade-offs related to products and services. Further, the partnership indicate also that more focus should be on social and ethical aspects (Sroufe & Gopalakrishna-Remani, 2018).

Social activities of companies' performance often improve through commitment, participation and decision-making related to sustainability. The problems of social sustainability in the manufacturing industry are related to employee's future health and safety, working conditions, discrimination, child labour, salary and benefits issues. Today, companies implement social sustainability through codes of conduct, social standards, social reporting and auditing (Nakamba, Chan & Sharmina, 2017). The meaning with social audits is to "monitor and evaluate an organisation's performance with respect to its social policies and objectives" (Islam, Deegan & Gray, 2018, p.193). This tool can be used for evaluating risks, manage stakeholders and image, relations with the public or prove what is told by the companies is the truth and practice what they say by living with the company values. Furthermore, social audits help manufacturing companies to understand whether the activities are impacting the society in a good or bad way. Thus, this gives the companies the chance to inform and empowering stakeholders, balancing power with responsibility and to improve environmental practices. Large companies have various possibilities when it is time for a social audit, by using internal auditors, experts or NGOs (Islam et al., 2018). Further, researchers have also encouraged companies to implement social standards which help to improve and maintain good place of work associated to working conditions and human rights (Nakamba et al., 2017).
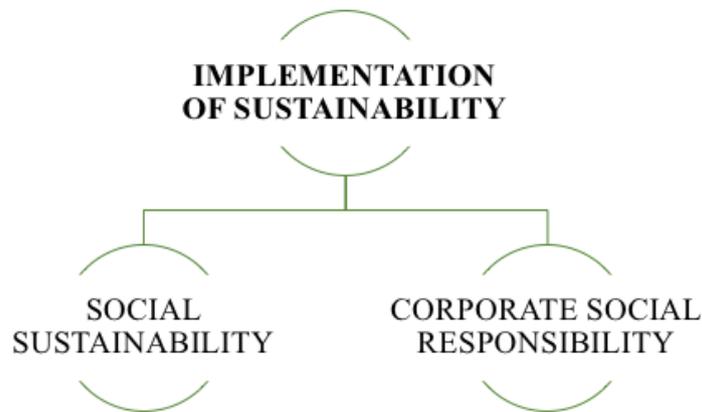
Figure 2 The implementation of Social sustainability

When implementing social sustainability, companies have used social goals to measure the performance in regard to legal issues, human health and safety, compensation of employees' and philanthropy matters. More and more large-size companies are agreeing and viewing social sustainability as important and brings value to its businesses. Companies has started to improve intangible aspects such as management skills, reputation, human capital and collaboration with stakeholders when applying social sustainability. These activities have improved ethical management and often contributed to implementing CSR practices (Sroufe & Gopalakrishna-Remani, 2018). According to Kaur and Sharma (2018) social sustainability practices are implemented through CSR. Furthermore, the authors mention also social sustainability and CSR are

linked with each other. Social sustainability and CSR emphasize on holistic economic development for companies through including ethical behaviour and social responsibility. This will be explained below in the sub-heading of CSR.

Figure 3: A summary of different methods of implementing social sustainability

2.2.2 Challenges with Social Sustainability

Due to no conceptual clarification in the manufacturing industry, it is difficult to measure global and universal social sustainability. Therefore, for that reason managers find it challenging to understand social problems and how it can be managed and evaluated (Ahmadi et al., 2017). Unlike the other dimensions of sustainability, social sustainability addresses cultural and intangible characteristics. Hence, the evaluation is indirect (Hervani et al., 2017) and cannot be measured through for instance cost benefit analysis or gross national product (Ajmal, Khan, Hussain & Helo, 2018). The pressure from the public and the research community regarding sustainability have made companies focusing on the effects caused by the activities on the physical environment. However, what many companies do not realize is that the activities impact the humans and the social environment rather than the physical environment (Hervani et al., 2017).

The negative part of social sustainability is discussed and debated at the moment. There are researchers arguing that giving support and improving employees' skills and giving compensation will lead to raising labour and manufacturing costs. On the other hand, other researchers disagree and argue that improving and apply social sustainability will not impact negatively on the company's finances which are the labour costs, material and service costs (Nakamba et al., 2017).

The dimension of social sustainability has been neglected and was not mentioned in the 1960s' environment movement nor during 1970s' economic development. This is one of the reasons that today there is an imbalance of the three dimensions of sustainability. Moreover, a vague definition and lack of international framework for assessment have created a gap in the literature which has made it difficult for companies to apply and focus on the social dimension. In addition, evidence present that some organizations

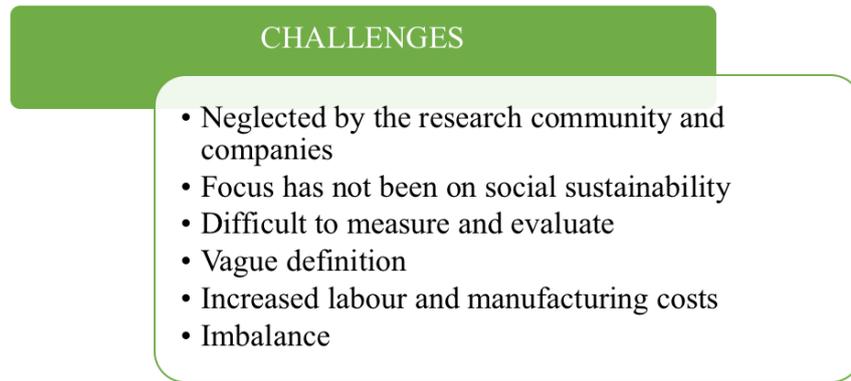report positive activities while ignoring reporting the negative effects (Ajmal, Khan, Hussain & Helo, 2018).

> CHALLENGES
>
> - Neglected by the research community and companies
> - Focus has not been on social sustainability
> - Difficult to measure and evaluate
> - Vague definition
> - Increased labour and manufacturing costs
> - Imbalance

Figure 4: A summary of the challenges that has been found

2.3   Corporate Social Responsibility

Companies responsibilities against society and environment has grown significantly due to changing world. Global warming limited natural and non-renewable resources and pollution are several factors that has gained remarkable attention lately. These type of factors and pressure from different actors are pushing companies towards being more socially and environmentally responsible (Mihalache, 2013). Therefore, the idea of CSR has obtained driving force and at present has strategic meaning for numerous companies (Homburg, Stierl & Bornemann, 2013).

According to Mihalache (2013) CSR is a new concept that is lacking a generally approved definition by researchers. This issue has also been highlighted by other authors. As stated by Sheehy, (2013) the definition of CSR is accepted as being complicated. The reason for the complexity is that both the nature and context of the issues. Furthermore, CSR is involved within their type of systems namely, environment, society and economic systems which are considered as extremely complex systems. The complexity is also due to the insignificance of the problems (Sheehy, 2013). CSR is not only a technical practise it is also a normative act on what companies do in society and therefore reaching an agreement for CSR definition has been highly difficult. Moreover, CSR has been marked as "substantially disputed" subject by researchers and consequently this is why the subject is still under debate (Boulouta & Pitelis, 2013). The companies have different purposes and therefore the definition of CSR differs from each other due to the value and the evaluation it provides (Mihalache, 2013). As stated there are several definitions of CSR but the following definition will be the base for this research.

The first definition of CSR that is generally accepted is "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those directions which are agreed in terms of values and objectives by our society" (Mihalache, 2013, p. 132). CSR is pointed out as a pyramid, which consists of four levels. These levels are shown in below figure:
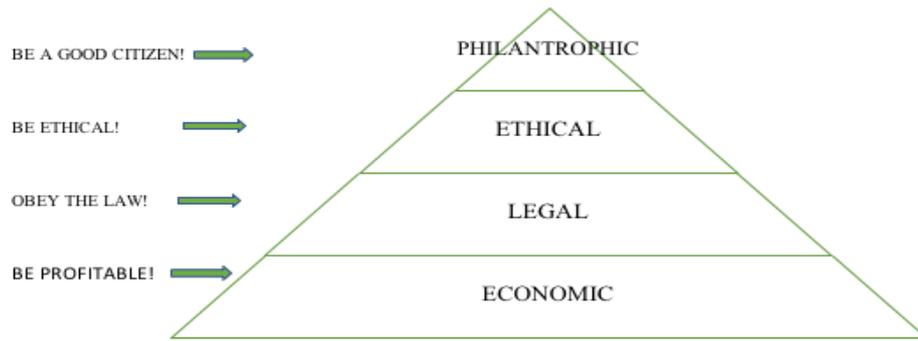
Figure 5: Pyramid of Corporate Social Responsibility; Source adapted from: Mihalache, S. (2013).

2.3.1 Implementation & Challenges of CSR

Nowadays, manufacturing activities of multinational companies are outsourced to developing countries in order to reduce the costs. However, this has a negative side due to very low awareness of societal and environmental issues. The downstream firm will be affected in several ways such as image, benevolence, cost and sales by the CSR obligations of the supplier. During 1996 Nike was criticized because their subcontractors were using child workers. Another example is from 2007 when it was discovered that supplier of Mattel was using lead paint in children's toys. Both of the companies were held responsible for the supplier's actions. This resulted in decreased revenues and company reputation. For that reason, it is crucial for companies to implement CSR activities in the whole supply chain in order to meet the demands of the stakeholders (Nguyen & Vo, 2017).

The concept of CSR is whereas companies takes the interests of society, environment and the relationship with essential stakeholders into consideration. Social and environmental factors are often adopted to the companies on a freewill base. The Green Paper on CSR published in 2001 by European Commission states that the notion of CSR is more popular among large companies (Saniuk & Szczanowicz, 2014). Due to its importance, CSR is being practiced by numerous companies and it is discussed in several studies (Nguyen & Vo, 2017). CSR activities are implemented into the companies by managers in order to achieve the overall objectives and at the same time decreasing the negative impact on society and environment (Goyal & Kumar, 2017).

The implementation of CSR is specified as an organisational change process (Lindgreen, Harness, Hoffmann & Swaen, 2012). In order to implement CSR activities successfully involvement from top executives is highly important. The principles of top executives influence implementation process extremely due to every action that is taken will create a direction for the company which can be both beneficial or not. In order to apply CSR into the operating company the commitment at all levels of the management is significant. The management can sometimes limit their orientation towards

maximization of profit which challenges implementation of CSR in a correct way (Goyal & Kumar, 2017).

There are tools that are designed for implementing CSR which are focused in specific areas. Some of the common tools are IS0 14000, ISO 26000, SA 800 and AA1000. Stakeholder management is one of the key components of CSR. As claimed by AA1000 an organization's activities, products and services can affect several groups of individuals which are considered as relevant stakeholders (Saniuk & Szczanowicz, 2014).

Respecting human rights, equal opportunities for all employees, customers and suppliers are some of the aspects that must be deliberately adopted and reflected in a company's activities while integrating CSR. Moreover, code of conduct is developed by the company that will reflect the values of the organisation, stakeholders and society. This will help the company in long-term run. Development of ethical code is very important since it has several advantages for instance increasing company prestige, brand image, risk management improvement as well as establishment of a proper culture for CSR integration (Bucur, 2013).

A methodology that is used by companies are KPIs (key performance indicators) which helps to introduce the information, achievements and future plans. Further, this approach underlines the importance of meeting the needs of stakeholder and the effectiveness of the implementation process (Saniuk & Szczanowicz, 2014). Stakeholder theory is used in order to create an understanding for CSR implementation process. The direction of the company can be decided through stakeholder needs which can be useful when defining short-term goals and forming the strategic focus (Lindgreen, Harness, Hoffmann & Swaen, 2012). Moreover, it is important to having a transparent communication with the stakeholder through all stages of implementation. The needs of stakeholders are studied carefully, and a clear plan is conducted (Saniuk & Szczanowicz, 2014). Involvement of key stakeholders into CSR activities are very important for implementation process. Employees are one of the most important stakeholders for the organisation and therefore it is essential to having training program and education in CSR that will help them to develop skills and knowledge regarding CSR (Saniuk & Szczanowicz, 2014). However, if a proper training program is not offered to employees at all level can create a significant barrier in CSR integration (Goyal & Kumar, 2017).

The implementation process of CSR takes long time and it is not something that happens over a night. It is an extremely complex task and specific expertise is needed in order to secure the effective implementation of CSR activities. Furthermore, separate departments for CSR is created so that specialists can develop efficient policies. All divisions must work closely and be aware of the changes (Saniuk & Szczanowicz,

2014). The best option for implementation as well as sustaining the performance of CSR is going through collaboration (Nguyen & Vo, 2017).

Thus, there are several barriers that can obstruct the implementation of CSR (Saniuk & Szczanowicz, 2014). Economical, cognitive and legal aspects are the primary barriers when applying CSR activities (Nguyen & Vo, 2017). Lack of financial resources are one of the major obstacles during adaptation of CSR practices. These types of activities are considered as cost to the organisation. Further, another major barrier in manufacturing companies is the lack of knowledge and consciousness. The adoption of CSR routines often creates a quandary for managers, as there is no strong connection between CSR and organisational performance. Nowadays, firms are announcing the CSR activities through reports yet there is lack of reliable data, information shortages on qualitative factors and lack of correct index. Customers purchasing decisions are often based on the cost of the product however, it must really be the opposite. Several studies exhibited that if an organisation is not involved with CSR, the consumers could stop using their products. Nevertheless, the information that consumers get from companies is very limited and therefore decision-making is more complex (Goyal & Kumar, 2017).

The starting point for the whole process goes through strategic planning. "Formal strategic planning is positively linked to corporate social responsibility and increasingly important in achieving competitive advantage." (Goyal & Kumar, 2017, p.4). The implementation of CSR will be challenged if the strategic planning is lacking and ineffective (Goyal & Kumar, 2017).

IMPLEMENTATIONS	CHALLENGES
• Top management involvement • Tools • Code of conduct • KPI • Stakeholder theory • Training and education program • CSR department • Collaboration	• Absence of top managemet involvement • Shortage of financial resources • Lack of knowledge • Complexity of integrating • Time-consuming • Insufficient skills, education and training • Passive attitude from consumers • Ineffective strategic planning

Figure 6: A summary of implementation and challenges of CSR

2.4   Benefits of Social Sustainability and Corporate Social Responsibility

The purpose of social sustainability is to improve health and safety, child workers, working conditions and societal problems. These factors have a big impact on companies' social performance (Awan, Kraslawski & Huiskonen, 2018). The activities of social sustainability can be helpful for many companies to become sustainable (Kaur & Sharma, 2018). In addition, this can also create a culture that companies are contributing to something positive when addressing societal issues. The benefits of

addressing the societal issues can lead to increased legitimacy and trust as well as improved value, reputation and brand image among stakeholders (Schönborn, Berlin, Pinzone, Hanisch, Georgoulias & Lanz, 2019). In addition, reporting sustainability activities that include social sustainability has also been proven to be important and creates transparency and trust among stakeholders (Ajmal et al., 2018).

Social sustainability activities focus on both internal and external communities. It could be equality, quality of life, diversity, governance structures and demographic process (Sroufe & Gopalakrishna-Remani, 2018). Moreover, companies that have established a culture of social sustainability practices can often create socially sustainable working environments. This usually creates job satisfaction, purposeful work, sense of belonging as well as costs decreasing associated to workers being present. Additionally, educating and training managers and workers can have beneficial impact on productivity, quality and innovation. Communication and collaboration with stakeholders as well as incorporating it in the company strategy can have a positive impact on business development and growth. Furthermore, dedication and implementing activities related to social sustainability can further improve current processes and products as well as services (Schönborn et al., 2019).

The benefits with implementing CSR helps the companies to be more socially sustainable. Moreover, when CSR is a part of the company strategy and culture, it leads to improved brand image and better stakeholder relationship (Goyal & Kumar, 2017). In addition, current research has also proved that consumers' mind-set and opinion changes when CSR is incorporated in the company. This creates more satisfaction and loyalty. The positive aspects with implementing CSR according to Nguyen and Vo (2017) is that the condition of workers and involvement of societies can be improved which is the aim of social sustainability.

BENEFITS OF SOCIAL SUSTAINABILITY
- Improved health, safety, working conditions, societal problems, value and reputation
- Excluding child workers
- Increased legitimacy and trust
- Creates transparency
- Decreasing costs
- Impact on productivity, quality and innovation
- Positive business development and growth

BENEFITS OF CSR
- Becoming socially sustaianble
- Improved brand image
- Better stakeholder relationship
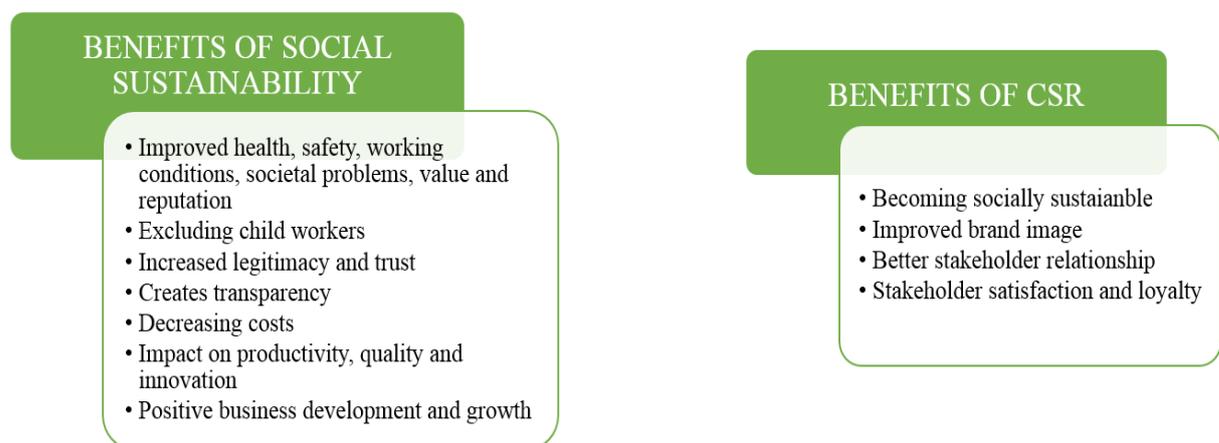- Stakeholder satisfaction and loyalty

Figure 7: Describing benefits of social sustainability and CSR

3   Method and Implementation

The chapter gives an overview of the research process. Furthermore, the research approach and design are described. In addition, the data collection and data analysis are described. The chapter concludes with a discussion on the credibility of the research.

3.1 Research Design

This research is conducted with the help of a case company operating within the manufacturing industry. To fulfil the purpose as well as answer the research questions of the research, different techniques have been used such as literature studies, interviews with manager and employees and secondary data. The literature research has played a vital role for the research. The theory helped with getting a deeper understanding of the topic (Patel & Davidsson, 2011) and answering the purpose and research questions. Further, the interviews, and secondary data was used as a combination to collect information from the companies. The interview was chosen to have an open discussion with the respondents, and the secondary data was collected from various reports written by the case company.

In order to answer the first research question: *What are the challenges the companies are facing today?* The used techniques have been secondary data, interviews and literature research. The interviews have been conducted with the employees within the case company that has the knowledge to answer the questions. The rest of the techniques has also been helpful to get deeper understanding. The reason for secondary data has been used is due to complementing the information as well as get different perspective to be able to answer the research question.

The second research question is: *What benefits do the companies gain?* The techniques used for this question has mainly been literature research, interviews and secondary data. With these techniques, the authors have been able to get information from the theory gained by the literature research, from the interviews and the secondary data providing reports.

3.2   Research Process

The research has been conducted during the spring semester and has consisted of five main phases which has been divided as:
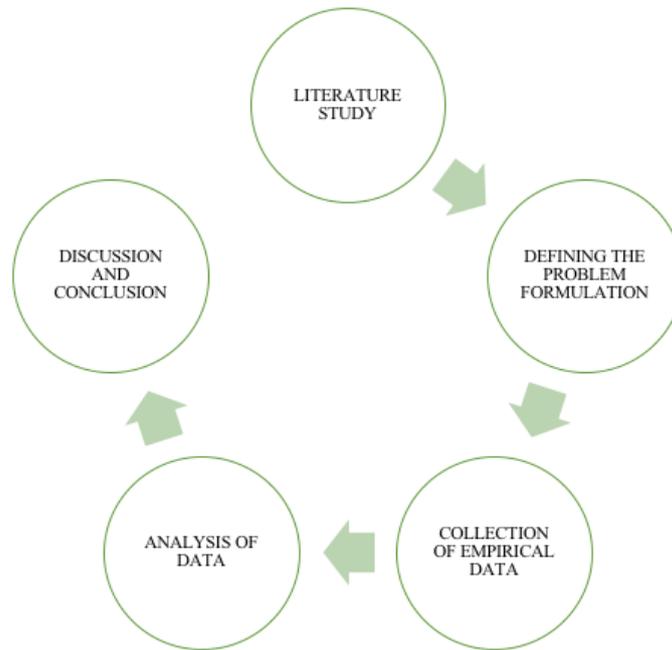
Figure 8: Shows an overview of the five phases during the work process.

The first phase was to define the problem formulation through a literature research. When the problem formulation was defined, the purpose and the research questions were formulated. The literature study was carried out from the start of the research until March which in this case the literature study has been overlapped with other phases. This phase has been the foundation as well as essential for the research which has helped to answer the purpose and research questions. Through different techniques, the phase of collecting the empirical data started in the middle of March. It continued with analysing the empirical data with the theory gained from the literature study. The last phase consisting of discussion and conclusion began when the analysis was done. The last phase was completed during May.
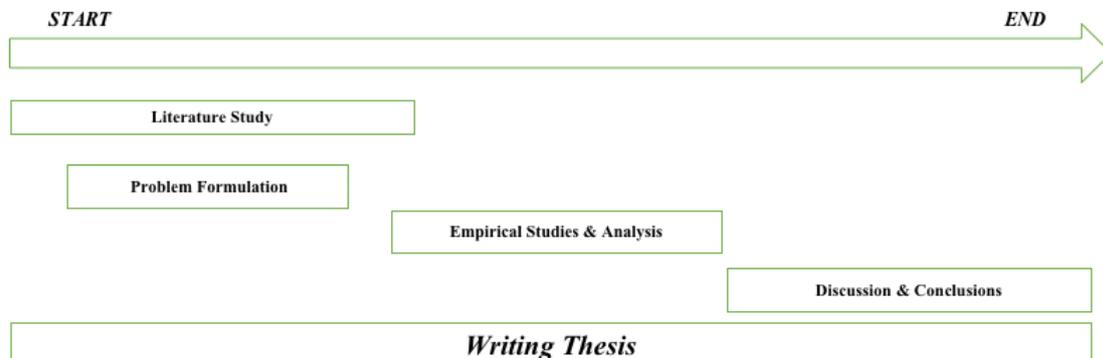
Figure 9: Work process of the Research

3.3   Research Approach

Since the knowledge about the topic already exists and in order to solve the problem an investigative research will be conducted. However, the knowledge existing about this field is not complete and therefore it needs to be developed and the gaps needs to be fulfilled.

Qualitative and quantitative data are two main research approaches that can be used in these types of studies. However, these approaches differ from each other due to the assumptions they are designed on (Yin, 2003). On the one hand, qualitative data research is executed through using for instance qualitative interviews. On the other hand, quantitative data aims to measurements by data gathering and statistical facts (Patel & Davidsson, 2006). The research questions will be answered through using qualitative data i.e. focus will be on word rather than numbers. This is essential in order to get a holistic overview of the current situation at the case company.

Deductive and inductive are two different theories that explains relationship between theory and research. Deductive research is a study that is based on theoretical findings and tested by empirical observations. In order to develop theories empirical observations are used and this type of approaches is referred to inductive research (Collis & Hussey, 2014). According to Crowther and Lancaster (2009) inductive research suits better when executing qualitative data. An inductive research approach will be carried out in this research through using the technique of interviewing the managers and collecting reports at the selected companies in order to explore how they implement social sustainability and corporate social responsibility activities as well as the challenges and benefits with these mentioned aspects. The data collection will later be analysed with the theoretical framework in order to be discussed.

3.4   Research Strategy

The case study is chosen as the research strategy for this thesis. In order to answer the research questions a research strategy is used as a plan which guides the researchers (Saunders et al., 2009). Case study is appropriate to use when a "why" or "how" question needs to be answered and when the researcher have less control over the case (Yin, 2009). The case study is appropriate in this research since the purpose in chapter one is based on a "how" question.

Further, using case study is preferable in order to investigate the problem in depth. The purpose of the thesis is fulfilled through profound information and this was possible through a case study (Eisenhardt, 1989). Yin (2003), states that a case study is explained as an empirical study that investigates a specific contemporary event within its real-life context. In this thesis a case study is appropriate since the researchers investigates how companies are working with social sustainability and CSR.

3.5   Data Collection

The data collection of the research includes literature study, interviews and secondary data.

3.5.1   Literature study

This section will describe and explain how the literature study was carried out in order to write the theoretical framework. The literature study began first with reading about the topic through various articles, textbooks and reports. Thereafter, to collect the needed articles for the theoretical framework, different databases (Scopus, ProQuest Central and ScienceDirect) and search engine (Primo) were used. The articles were reviewed and was later selected based on the publication year (2011-2019) as well as whether the articles were peer-reviewed or not to ensure the quality.

3.5.2   Interview

Semi-structured interviews were carried out with manager and employees at the case company related to social sustainability. The purpose with the interviews was to collect and detect as well as getting an understanding of the current problem the manufacturing industry is facing. The interviews provided thoughts and reflection from the manager's point of view as well as the employees. The criteria for the interviewing taking place was based on the title and working experience to have a good discussion about the topic. Further, these respondents were also selected based on sex, education and age.

The interview questions were prepared before the interview took place. The meaning behind it was to have a guide but at the same time the questions were designed to having an open discussion and the ability to ask follow-up questions. This type of interview questions is called semi-structured interview according to Patel and Davidsson (2011). The interviews began with a question related to the respondents introducing and explaining its role within the company. After, the semi-structured interviews continued with the questions related to the topic. Even though the interview is time-consuming, however, the reward of using this method creates the value of the response given which can be developed (follow up questions if necessary) and clarified (Bell & Waters, 2014).

In order to have a good quality of the interview and not miss important statements, the authors took notes and used a recorder. Further, the participants agreed on a follow-up interview if needed to complement missing aspects.

Table 1 Interview

Role	Method	Time
Manager	Semi-Structured	45 minutes
Respondent 1	Semi-Structured	30 minutes
Respondent 2	Semi-Structured	35 minutes
Respondent 3	Semi-Structured	30 minutes

3.5.3   Secondary data

The data collection can be conducted through techniques which is whether by primary or secondary data (Ghauri, Grønhaug & Kristianslund, 1995). According to Bryman and Bell (2007) primary data is collected by the researcher with the help of methods for instance interviews, questionnaires and tests. Further, secondary data is gathered by other researchers and institutions and refers to collection of literature, documents and articles (Bryman & Bell, 2007). In this report both primary and secondary data are gathered. Books, scientific articles, company reports databases and internet sources were used in order to collect the secondary data that has been evaluated critically. The primary data is gathered through semi-structured qualitative interviews with the managers of the chosen companies. The results of the research from the interviews are investigated carefully in order to evaluate the most important factors that can be implemented into the research.

3.6   Data Analysis

Data analysis is a process that keeps running which starts with gathering the first data and until the end of the research i.e. a completed report. The purpose of data analysis is to answer the research questions and making sense of the data (Meriam, 2014). There are three stages of data analysis which is data reduction, data display and conclusion drawing and verification. (Miles & Huberman, 1994). In order to organize the data, have a clear focus and reach conclusions, data reduction will be used in this research. Furthermore, the researchers will decide what different things means by utilizing conclusion drawing and verification.
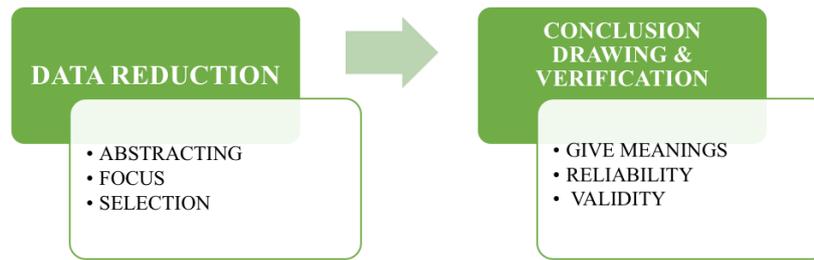
Figure 10: The process of Data Analysis

Theoretical suggestions and developing a case description are two type of strategies that researchers use in order to analyse the data. Theoretical suggestions are utilized when there is considerable number of foregoing researches within the topic. Further, developing a case description is used when the subject is not fully studied (Yin, 2003). This report will be based on theoretical suggestions due to it is built on preceding research in the social sustainability and corporate social responsibility area. A literature study will be executed, and a theoretical framework is set up as a ground for the analysis. The empirical data was received through data collection via interviews, secondary data and reports. The collected empirical data was subsequently compared with the theoretical framework.

3.7 Quality of the Research

In order to execute a credible and trustworthy research two type of measurements will be used, reliability and validity.

3.7.1 Reliability

When choosing a method for the data collection it is always important to evaluate the reliability and validity. The aim with reliability is to ensure that a test or a process always give the same or similar result under same conditions (Bell & Waters, 2014). According to Yin (2007) the best way of achieving reliability is to test and perform the steps a couple of times before carry out the task. Further, Bell and Waters (2014) mention that reliability is important for the research and if the process is unreliable then there is a big chance that the research is not valid.

Before conducting the interviews with the case company, the authors completed the problem formulation, the purpose, research questions and the theoretical framework. This made it easier to formulate the interview questions to achieve the purpose of the research. Moreover, two interview guides were created, and the questions was read by another person to get feedback to ensure the reliability. In addition, the interview guides were sent to the respondents before the interviews took place. During the interviews, the authors explained and described the purpose of the research and the definitions to make it easier for the respondents and to ensure that everyone is on the same page. To not miss important statements during the interviews, the sound recorders were used as

well as taking notes. These methods were used to ensure reliability which is aligned with Patel and Davidsson (2012) advice.

As explained earlier, this research is based on qualitative method. The interview questions are semi-structured which leave the respondents to answer freely. Further, the respondents have different backgrounds and experiences related to the subject. Therefore, the questions can be answered differently depending on the person and how companies are working with social sustainability and CSR. However, the questions have been the same ==for the three respondents to ensure the reliability except for the manager. This is due to the purpose of the interviews differs.==

3.7.2 Validity

Validity refers to the truth of its basic statements that has been established with the intention of reflecting to the purpose and objectives of the research that is gathered through empirical data (Babbie, 2013). This measurement is important in interpretivist studies due to it produces qualitative data which is subjective (Collis & Hussey, 2014). Patel and Davidsson (2012, p.102-103) suggests that "using theoretical framework studies for the interview phase and the questions will assure the validity context". Validity is divided into internal and external (Bryman & Bell, 2007). According to Bryman and Bell (2007) internal validity is when researchers concur and decide upon same conclusions. This refers also to if there is a perfect correspondence between the observations and theoretical ideas gained under research process. External validity is deemed as a problem in qualitative research due to the results of the research can be generalized to and across other situations (Bryman & Bell, 2007).

Factors that can debilitate validity are incorrect procedures, substandard samples and inaccurate or deceptive measurements (Collis & Hussey, 2014). In order to avoid the mentioned factors, the planning of data collection was set by available literature data collection within qualitative studies. In this report the interviews will be recorded and transcribed. The transcribed version will be sent back to the interviewee to get their approval of the transcribed material this will increase the validity of the research at the same time reducing the possibility of assumptions by researchers.

4 Findings

This chapter will begin with a description of the case company and continue with presenting the collected data in terms of the meaning of social sustainability, the implementation process and concluding with challenges and benefits.

4.1 Company Description

The case study has been carried out at a world leading company with focus on speciality chemicals. Perstorp AB was founded 1881 by Wilhelm Wendt and the company name was first registered as Stensmölla Kemiska Tekniska Industri. Perstorp AB has seven manufacturing units in Asia, Europe and North America with 1350 employees. The global headquarter of the company is located in Malmö where the management team is placed. Perstorp AB is presented with 26 sales offices around the globe. The turnover rate of the company in 2018 was 14.9 Billion SEK. The private equity company PAI Partners owns Perstorp Group since 2005 (Perstorp, 2018).

Figure 11: Summary of company description

Perstorp AB provides necessary resources for products in pockets, homes, offices and communities all over the world. Perstorp AB's products can be found in cars, mobile phones to towering turbines and local dairy farms. The company is specialized in several market segments, adhesives, resins & coatings, plastic materials, synthetic lubricants, animal nutrition and complementary. Perstorp AB started with producing acetic, acid, tar, charcoal and wood alcohol and formalin. In the end of World War II, the company offered 10.000 diversity of products and become Scandinavia's first modern plastic industry. The aim of the company is producing products that can make everyday life better by having sustainability in the mind. Perstorp AB is also active in biochemistry field since 1980. That year the company also launches Pergo which become an independent listed company that is well-known brand name in production of laminate floor (Perstorp, 2018).

In 2007 production of rapeseed methyl ester (RME) begins at the largest plant for renewable vehicle fuel in Scandinavia. Furthermore, the company took big step in 2008 by introducing "green" products that are more sustainable and eco-friendlier. Perstorp AB is one of the first chemical companies that introduced environmental policy. The company produced the world fist renewable Penta also called Voxtar™. Perstorp AB won multiple safety and environmental awards since the aspects such as safety, health

and environment are always prioritized by the company. 2016 Perstorp AB took over biodiesel plant in Fredrikstad, Norway and with that increased the biofuel in the Norwegian market (Perstorp, 2018). Perstorp AB works with three core values: responsibility, reliability and focused innovation. All three values are implemented through the entire organisation, the meaning of responsibility is doing the right while with reliability it is keeping the promise. For Perstorp AB focused innovation is about finding products that matters for the people and planet and making it better. Perstorp AB has developed "Care 365" for the employees where the opportunity of healthy and safe environment is offered. Perstorp AB continues the journey by exploring and developing more sustainable products and solutions for the company, customer, and environment interest (Perstorp, 2018).

4.2   The meaning of Social Sustainability

The interview and the answers collected provided a clear picture about the company's current work of social sustainability. According to the manager, the company which operates in the chemical industry wants to take their responsibility in terms of being a good "citizen" by engaging in debate issues that are important to them. Respondent 1, 2 and 3 social sustainability is something important to address and work with. The respondents think that the company needs to consider three dimensions: environmental, social and financial and that developing social part is of the appreciable interest to the employees. It is significant for the respondent to work with issues as reasonable working hours and conditions, health, safety and supply the society with the products that benefits them. Respondent 2 express that:

"Social sustainability is an excellent approach to present the work of the company to its stakeholders. Acting in a socially responsible manner is significant since belonging to a society requires, operating as it is expected from the company".

The company is active in speciality chemicals field and therefore it becomes even more important for them to consider CSR and social sustainability aspects in order to become a good comrade of the society and the planet. Perstorp AB is strictly operating in frame of law and regulations set by the national, regional and local authorities. The first step of following CSR and social sustainability is fulfilled by obeying the law and regulations. Respondent 1 has years of experience working with customers and states that:

"It is the company right to produce products that are qualitative and eco-friendly for the benefit of its all stakeholders".

Moreover, when the manager was asked whether they have a department working with social sustainability or CSR issues the answer was according to the manager:

"No, we do not have a department for sustainability. I am responsible for keeping the work together. Various social sustainability projects are under different departments, for instance some projects lie under innovation, Perstorp upper secondary school is the responsibility of HR and the Hunger project is under the sustainability manager. We only have one person responsible for reporting the sustainability activities and the rest of the work is done out in the field in order to have a huge impact".

The company does not want to have a department only related to social sustainability because they do not believe in it. Further, the company have chosen an approach by each department are responsible and handling issues where it belongs. The manager also points out that Perstorp AB has a drive to work with social sustainability issues, especially the innovation department that have more knowledge about what the company should work with in the future.

4.3   Implementation

One of the core values of the Perstorp AB is responsibility which is about doing the right thing. Respondent 1, 2, 3 and the manager agrees upon that the company do care internally, externally and environmentally. The company works actively with ethical standards through the whole value chain and including the suppliers of the company. Respondent 3 mentions three initiatives that guides company to act more in responsible frame of work. *"Signatory to the UN Global Compact which is 10 different principles that relates to human rights, labour, environment and anti-corruption. The other two initiatives are responsible care member and commitment to the UN sustainable development goals".* The company also focuses on a Product stewardship program that secures safe chemicals for the customers by restricting the availability of dangerous chemicals. Furthermore, code of conduct is considered as one of the most important policy documents that covers business principles, products & environment, working conditions and human rights. All respondents see code of conduct with importance and think that it is the best way to work with the social sustainability and CSR issues. Furthermore, a project that the respondents and the manager are very proud of is the Hunger Project in Ghana. Perstorp AB has partnered up with this non-profit organization in order to support them with their aim which is eliminating hunger and poverty.

According to the manager, Perstorp AB have a comprehensive sustainability report that goes to the owners who decide what they want to know, and the activities related to CSR is also included. Further, the company has also a public report that is soon finalized for 2018.

All respondents mention the CARE 365 initiative that Perstorp AB took in later years due to the issues the company had with undesirable levels of work-related injuries and health issues. According to respondent 3 the aim with this initiative is to improve structures and processes for compliance with occupational health and safety standards.

The respondents also mention the health and safety education given by Perstorp AB. However, respondent 1 and 2 think that an overall CSR and social sustainability education could been provided by the company. Another important initiative that the company performs is the employee survey that are aiming for finding the areas that Perstorp AB needs to make improvements in.

In Appendix 1, a summary of the findings for implementation can be found.

4.3.1 Goal and Vision

Right now, the company are trying to develop guidelines for what we they can and want to support in the future. It is significant for Perstorp AB to emphasize the importance of being a good neighbour and a citizen of the community where they operate in. Moreover, the company have ambitions when it comes to social sustainability, a company vision and an ambition that is in line with the UN's sustainability goals that extend to 2030. However, it can be extended longer if needed or shorter if they need more time. The company has a goal where they should not use more than what they give back. This means to stop the use of fossil raw materials and should be replaced with either recycled raw material or renewable raw material (water or waste management etc.) in order to influence the stakeholders and the society.

4.3.2 Impact

There are various organizations that work with social requirements and Perstorp AB have looked at how they work. Today the company have an assessment tool where evaluation of suppliers is carried out on different social parameters. Trust and honesty are important for the company which the manager mentions. Therefore, the company have chosen to give the suppliers responsibility to carry out an evaluation and tell Perstorp AB.

Further, the company are viewing at whether becoming a member of an organization called *"together for sustainability"* which is an organization for the chemical industry that involves making audits. It is costly both in terms of time and money. However, this will provide the company with access but at the same time they will be obliged to make audits. According to the manager, it will provide the company with information from previous audits which at the end gives Perstorp AB more knowledge about their own suppliers. The management are not sure whether to become a member due to being prepared to handle it right now.

The impact of being social sustainable has influenced the company in many ways. the manager has noticed that the industry is moving in the same direction of becoming socially sustainable.

"It is about to clear itself out because there are many large players who are changing in order to survive in the future. They must follow the regulations and must have a good

intention about how to work, how to hire and how to buy etc. It feels a bit like self-regulating".

Further, the company wants only to work with suppliers following the same policies that we have the same values. It is a matter of having good working conditions, not having any coercion in the company and not base any business decisions on corruption since there are extensive rules on corruption. The company emphasize the value of "what we ourselves live, we have a requirement that suppliers should comply". The latest the company implemented was the trafficking policy to show how important it is for the company to be clearer with the values. Due to the rules in England, the company introduced an anti-slavery policy which they think is significant and obvious to have.

4.4   Challenges & Benefits

The relationship and interaction between the company and its stakeholders is critical. The employees in the value chain, customers and local communities are affected both directly and indirectly by the company and therefore it is very important to proactively manage the effects. Respondent 1 states that the company's social status depends highly on social sustainability efforts. Otherwise, if there is lack of social development, poverty, inequalities and poor state of law can impede the development of the business operations. All respondents strongly agree that working with social sustainability will help Perstorp AB become more attractive business partner. The company will also become a source of innovation for new products. Further, internal spirit and employee participation will increase, and the productivity will develop. The respondents are pleased of being part of Perstorp AB since the company cares about the planet and society. Respondent 3 states:

"Being satisfied with the company impact the efforts you make, the way you talk and the way you feel about the employer which in turn increases the productivity and comfort among us".

The manager points out that it is self-evident that Perstorp AB is a large company that must contribute to society in addition to its activities. Further, respondent 1 explains the benefits of adopting CSR and social sustainability into the company activities. In recent years, the awareness of benefits of the mentioned fields has increased tremendously among customers which results in stable growth in market demand. According to respondent 2 Perstorp AB is heading toward being sustainable chemistry industry. The company spirit is "going green" in the chemicals and coating industry and at the same time taking care of their "neighbours". It is all about the two pillars of Perstorp AB's commitment to the industry and the focus of the company to be completely renewable and sustainable. These actions come with the benefits for instance meeting the needs of different markets and being attractive for manufacturers by offering a several sustainable solutions. All of the respondents mention, by improving social wellbeing the reputation of the company will be impacted in a good way which increase the

attractiveness of the company. Respondent 2 that has customer contact states that it is recognizable that the customers and the company deem ethical and environmental factors are important as much as cost and quality when deciding which supplier to use.

The interviews revealed current challenges the company is experiencing. The respondents think it is important to engage in issues relating to CSR and social sustainability in order to make improvements. Respondent 1 and 2 brought up the concerns about communication with top managers. The respondent thinks that there is lack of communication with the top managers. Further the respondents see the insufficiency of education and training as a challenge when adopting CSR and social sustainability. Further concern uttered by respondent 3 is the stress created due to the workload since the company has grown ponderously. All of the respondents are worried to lose their job since the company is changing towards adopting more automatically practices and are at the moment reorganizing by letting 56 workers go concerning 32 employees in Sweden.

According to the manager, the employees think the company could do even more because there is a great commitment within the organization and wants them to do a lot. The manager mentions also that an improvement of communicating and telling everything they do for the employees. Currently, the information regarding social sustainability is communicated through Intranet and on the company's website. The respondents feel that the communication could be through meetings instead of digital information. This would improve the integration between employees and managers as well as communicating the information. Furthermore, the implementation of social sustainability is very time-consuming and challenging according to the respondents and the managers. In order to achieve the goals and the vision, the company is continuing working full-time with projects internally and externally.

Table 2-3 summarize the main findings within the case company. Under the "source", the findings from the interviews are presented and under "quote" citation from M(Managers) and 1,2,3(respondents) are reported.

Table 2 Empirical Findings of challenges

Challenges	Description	Source
Communication	Lack of communication between managers and employees	1,2
Insufficiency in education and training	Lack of education and training when adopting CSR and social sustainability activities	1,2,3
Workload	Stress created due to company growing	3
Organizational changes	Company adopting automatically practices and firing workers.	1,2,3
Better communication methods	Information regarding social sustainability is communicated through Intranet and website. Employees wants face-to-face meetings.	M,1,2,3
Time-consuming	Hard to implement all social sustainability practices. The company is continuing working full-time.	M

Table 3 Empirical Findings of benefits

Benefits	Description	Source	Quote
Attractive businesspartner	Social development will improve business operations and reduce poverty & inequalities.	M,1,2,3	*"Perstorp AB works a lot with social development which has been something positive due to demands from customers. This is proved by customers coming back to us"*
Employee satisfaction	Internal spirit and employee participation will increase productivity	M,1,2,3	*"I have been out in the field with the hunger project and have had a meeting internally which has created huge enthusiasm. I think the employees are noticing the work with social sustainability. It is important that you can be proud of their employer and that it feels good in the stomach that one's employer wants well and has a good attitude"*
Growth in market demand	Awareness of social sustainability and CSR among customers.	1	*"Our customers prioritize prices, but the customers have become more aware of CSR and social sustainability, which has become an important issue for them"*
Reputation and attractiveness	Improving social wellbeing which impacts the company	M, 1,2,3	*"An improvement that has been done within this field has made our brand image better and the reputation among our customers and employees. However, since we are letting people go this has become a new challenge."* *"The initiatives taken by the company has improved our workplace and team spirit."*
Being a sustainable supplier	To be a suitable supplier through ethical and environmental factors as well as price and quality.	2	*"I am in a daily contact with customers and take into consideration their desire and perspective. Usually they prefer a supplier who cares about CSR and sustainability".*

5   Analysis & Discussion

In this chapter the theoretical framework and the findings will be compared, analysed and discussed to provide a result based on the research questions. The outline of the chapter will be based on the two research questions as sub-headings. This chapter will conclude with discussion of method.

5.1   What are the challenges in implementing social sustainability?

Due to vague definition and neglecting social sustainability for many years companies are struggling with the implementation which has resulting in imbalance of the three dimensions of sustainability (Ajmal et al., 2018). The case company has chosen to interpret the definition of social sustainability by taking responsibility and being a good neighbour and citizen to the societies and its stakeholders.

According to Nakamba et al., (2017), the usual approach to implement social sustainability is through codes of conduct, social standards, social reporting and auditing. The method of social auditing is helpful for companies that aims to evaluate and monitor the performance, policies and objectives (Islam et al, 2018). The case company has an assessment tool where the suppliers can be evaluated based on social activities. Moreover, Perstorp AB is considering entering a membership with an organization to improve the activities regarding auditing and evaluation of suppliers. This is a challenge at the moment for the case company due to being time-consuming in terms of obligations and commitment as well as costs. However, the management is aware of the essential information that will be provided through the audits since the chemical sector is sensitive.

One of the challenges managers are experiencing is that it is hard to understand the social problems and evaluate and manage the progresses (Ahmadi et al., 2017). This is because of social sustainability takes into consideration cultural and intangible characteristics (Hervani et al., 2017) which make it nearly impossible to measure through cost benefit analysis or gross national product (Ajmal et al., 2018). Furthermore, Goyal and Kumar (2017) also mention that companies use reports to show CSR activities, but the problems are lack of reliable data, information shortages on qualitative factors and lack of correct index. Despite the challenges mentioned above, the case company has chosen to focus on reporting every activity on the sustainability report where CSR is also included instead of focusing on gross national product.

Social sustainability is about having a good quality of live without harming the environment which means having policies in place, properly locate resources and contribute to sustainable human development (Yusuf et al., 2013). At the moment the company is working with various projects and programs to be socially sustainable. Since the case company are active in the chemical business, the Product stewardship program has been implemented to secure safely the chemicals and restricting the availability of dangerous chemicals. Further, the company has also a code of conduct

in place that addresses the principles, products, environment, working conditions and human rights. Additionally, two new policies have been included that covers trafficking and anti-slavery policy. Moreover, Perstorp AB is working with an organization operating in Ghana to stop poverty and hunger to contribute and taking responsibility. These projects, activities and actions are viewed as positive by the employees to be socially sustainable. However, the company is lacking with the aspects of communication, education and training when adopting CSR and social sustainability. Some workers do not get the proper training and education in terms of having the opportunities to follow all the policies or to implement the practices of social sustainability and CSR into everyday activities at the workplace. Due to great commitment from the employees, the aspect of communication could be improved with top managers and not only shared on the websites.

The process of implementing CSR is time-consuming and needs patience. The task is complex and needs specific expertise to implement CSR. Furthermore, departments related to CSR is advised to have in order to be successful and to develop policies (Saniuk & Szczanowicz, 2014). Nguyen and Vo (2017) states that an important aspect to consider when implementing CSR is to collaborate with various stakeholders. The company has chosen not to have a department related to social sustainability or CSR. This is not what they believe in and thinks it is better to divide the projects where they belong on specific departments to enhance the collaboration between each other and the specific experts to have responsibility to suitable project. Moreover, the current challenge the company is facing today is due to the implementation of social sustainability and CSR is time-consuming. However, the aim is to work full-time internally and externally to fulfil the vision and the ambition.

Table 4 Comparing the results from Literature and Empirical Findings

Challenges	Literature	Empirical Findings
Communication		X
Insufficiency in education and training	X	X
Workload		X
Organizational changes		X
Better communication methods		X
Time-consuming	X	X
Neglected by research community and companies	X	
Focus has not been on social sustainability	X	
Difficult to measure and evaluate	X	

Wage definition	X	X
Increased labor and manufacturing costs	X	
Imbalance	X	
Absence of top management involvement	X	
Shortage of financial resources	X	
Complexity of integration	X	
Passive attitude of consumers	X	
Ineffective strategic planning	X	

5.1.1   Summary of RQ1

Table 4 is providing the comparison of the literature and the empirical findings. As the table 4 looks, it is quite different. Some points found in the empirical findings were not found in the literature while similar points could be found in both the literature and empirical findings. The reason why it differs quite a lot can be because the company has adopted a different definition and implements social sustainability as they see fit. But the company has hired a consultant who will help to set up criteria and guidelines. In addition, changes are taking place within the company, which means that they have started a process where they let some of the employees go. This has created uncertainties and has also increased the workload. Communication has been a recurring obstacle between managers and employees. This has been highlighted by the both parties and the company is trying to fix the problem by integrating more with each other in terms of having activities together.

Social sustainability has been neglected for many years which has created challenges for companies. In addition, the vague definition has given companies the opportunity to interpret differently. In this way, companies implement social sustainability differently. The literature states that many companies within the manufacturing industry are struggling with evaluating and measuring the performance. However, the case company is not having that issue. This is due to the case company has found a way of documenting and compiling everything they do by writing a sustainability report and conducing a survey for the employees.

The case company believe to be successful with implementing social sustainability, there need to be a balance between all the pillars of sustainability and commitment from top management. This is a challenge for companies as it is stated in the literature.

5.2 What are the benefits in implementing social sustainability?

According to Awan, Kraslawski and Huiskonen (2018) company performance is affected by health and safety, child workers, working conditions and societal problems. By adopting social sustainability and CSR into organizational actions the companies are able to make improvements in mentioned areas (Awan, Kraslawski & Huiskonen, 2018). The case company puts efforts on social sustainability in order to avoid factors for instance, lack of social development, poverty and inequalities that can obstruct improvements of the business operations.

In addition, working with societal issues will benefit the company through increasing the legitimacy, trust, value, reputation and brand image among stakeholders as well as stakeholder relationships (Schönborn et al., 2019). The case company is aware of social sustainability issues and works with them actively. This supplies the company with several advantages for instance becoming a more attractive business partner. Moreover, improvements in the internal spirit and employee participation and productivity as well as stable growth in market demand. The company will also be able to deliver innovative products for the market.

Social sustainability focuses on both internal and external communities. Gender equality, quality of life, diversity, governance structures and demographic process. In addition, companies that establish a culture with social sustainability practices can often create socially sustainable work environments. As a result, this will create job satisfaction, enthusiastic work and reduced cost related to workers being absent (Sroufe & Gopalakrishna-Remani, 2018). Perstorp AB cares about the planet and society by introducing "greener" chemicals and coatings. The company is focused on two main pillars, being completely renewable and sustainable. The efforts of the company affect the employees in a good way since it increases the productivity.

The communication and collaboration between the company and its stakeholders essential for organizational development and growth. Moreover, social sustainability participation and implementation activities can further enhance existing processes, products and services (Schönborn et al., 2019). The implementations mentioned above are also applied at Perstorp AB and it comes with further benefits. The company is able to meet the different markets need as a result becomes attractive for manufacturers through offering several sustainable solutions. According to Nguyen and Vo (2017) implementation of social sustainability and CSR creates satisfaction and loyalty among stakeholders and at the same time conditions of workers and involvement of societies can be improved. This is also recognizable at the case company according to what the respondents and the manager express.

Table 5 Comparing the results from Literature and Empirical Findings

Benefits	Literature	Empirical Findings
Attractive businesspartner		X
Employee satisfaction		X
Growth in market demand		X
Reputation and attractiveness	X	X
Supplier assessment	X	X
Improved health and safety	X	X
Improved working conditions	X	X
Improving societal problems	X	X
Excluding child workers	X	
Increased legitimacy, transparency and trust	X	X
Decreasing costs	X	
Impact on productivity, quality and innovation	X	X
Positive business development and growth	X	X
Becoming socially sustainable	X	X
Better stakeholder relationship	X	X
Stakeholder satisfaction and loyalty	X	X

5.2.1   Summary of RQ2

Table 5 compares the benefits discovered from literature and empirical findings. It is recognizable that some of the points cannot be found in the literature. However, several points were included in both literature and empirical findings while some of them only exists in the literature. The reason for this is how the company implements social sustainability and CSR into its business activities. Further, as mentioned before the company interprets the definitions different.

5.3   Discussion of Method

In this part of the chapter the chosen approach and method used in the case study will be discussed and criticised. The discussion will explain the choice of performing a single case study and literature study. Further, the gathering of empirical data gained through interviews and secondary data will be discussed concerning credibility of the method.

5.3.1   Literature study

The literature study used in the case study is placed in the beginning for creating a base for other methods used in this research. The literature was collected from different authors in order to increase the quality of the research and to get higher validity and reliability. Different databases and search engines were used to get as valid information as possible. Further, the purpose was to collect the most recent information and therefore the collected articles was selected from year 2011-2019. The information collected for the theoretical framework is gathered through scientific articles, textbooks and reports. The credibility and quality of the research is increased through using theories that are considered to be proven.

5.3.2   Case study

A case study was carried out in order to obtain empirical data to compare with the theory gathered from the literature study. The case study was necessary to carry out since it was not possible to only obtain data for the analysis through theoretical framework. The case study is considered to be crucial part for some part of the research, however, for other parts using theory was enough to obtain the same result. The best choice was to perform a single case study due to the circumstances. The processes and structure of the case company is developed and therefore the results obtained can be found as representative and used for similar companies. However, performing multiple case studies could make the research more reliable and it would be possible to make comparisons between the studies.

5.3.3   Secondary data

The secondary has been collected through books, scientific articles, company reports, databases and internet sources in order to increase the validity and reliability as well as improving the overall quality of the research. Secondary data helps to get a holistic overview and understand the current state of case company. Furthermore, by using secondary data it is possible to make primary data collection more specific. It also provides a basis for comparison for the collected data.

5.3.4   Interview

In order to improve the reliability and validity of the research interviews with a base of the literature study were carried out with the manager and employees of the case company. Despite recording the sound, notes were also taken during the interview which eliminated misunderstandings and interpretations by the authors. This made it possible to guarantee the reliability of the research. The interviews with the respondents were carried out separately in order to avoid that respondents influence and impact each other´s answers.

6 Conclusion

This chapter presents the conclusion which includes implications, limitations and further research & recommendations.

The purpose of this research was to investigate how companies are working with social sustainability. Two research questions were formulated to fulfil the purpose of the research. The investigation of this research addressed the challenges and the benefits when companies within the manufacturing industry implement social sustainability.

Social sustainability has been neglected by the research community and the companies which has resulted in difficulties and challenges when implementing the practices of social sustainability. The findings gained by the case company has showed that the challenges are internally rather than externally. Employees are concerned with communication, lack of education and training opportunities as well as high workload. Moreover, the work with implementing social sustainability require full-time work from the case company. This has showed that social sustainability is time-consuming and demand patience. However, implementing social sustainability can be rewarding and the findings revealed that the case company benefited in different ways. Unlike the challenges, the benefits were gained both internally and externally. The importance of social sustainability has increased which has resulted in companies changing the way of working. This has created a good reputation and attractiveness among the company's stakeholders. Implementing social sustainability have benefited the case company in terms of improving the satisfaction amongst employees which in turn has increased the productivity. Furthermore, the findings also revealed the importance of assessing and choosing the right/suitable suppliers to become an attractive business partner. The power of implementing social sustainability can make a difference in many ways by improving societies, businesses and the quality of human's life.

6.1 Implications
This research provided an overview of the challenges and benefits when social sustainability is implemented. The investigation that was carried out at the case company can benefit researchers and other companies.

The findings in this research revealed that the case company operating in the manufacturing industry has experienced challenges related to lack of communication, education and training for the employees. The employees are one of the most important resource for the companies. Therefore, companies need to improve the aspects of education and training as well as communication. Companies need to eliminate the challenges by collaborating with all the stakeholders to meet the need. Nowadays, various stakeholders are aware of the importance of social sustainability and the attitudes are changing which has forced companies to adopt and adjust towards becoming more socially sustainable to remain competitive. The dimension of social

sustainable has been neglected by researchers and companies for many years. However, the trend is changing now, and the findings shows that companies can benefit from implementing social sustainability which prove that is it significant. Social sustainability is time-consuming which requires full-time work and patience.

The findings presented in this research provide the current challenges and benefits the case company is experiencing now. This research is relevant because of companies operating within the manufacturing industry do impact societies and people. Social sustainability has been neglected and the research is very limited. This has created challenges and difficulties for companies; Despite of some progress has been made and guidelines created, there are uncertainties and challenges for companies to implement the practices of social sustainability (Sutherland et al, 2016). Although this research has highlighted the challenges and benefits of the subject, more research is required and needed to eliminate the issues.

6.2   Limitations

The findings gained for this research contains some limitations which could impact the findings. The strategy for this research was to conduct a case study which could possibly limit the generalizability aspect. The initial idea was to conduct a multiple case study to compare two large companies to increase the generalizability for this research. Instead, the focus of this research shifted to investigating the implementation of social sustainability on one large-size manufacturing company operating in Sweden.

Another limitation was the constraints of time and budget. The interviews could have been carried out more thoroughly if more time had been available. Furthermore, the number of interviews could have been more to increase the sample to get more perspectives from the employee's point of view.

6.3   Further Research & Recommendations

This paper has provided a deeper knowledge within the field of social sustainability and CSR. The research helps to obtain knowledge about how social sustainability is implemented into companies and thereby challenges and benefits that appears. However, it is still lack of research regarding these topics and there are many interesting areas to investigate.

This report is based on a single case study approach where the collected data is done by qualitative method. For future researches, it is suggested to do a comparative multiple case study which will contribute with more information and findings. Moreover, qualitative research could be combined with quantitative research with in order to corroborate the findings done in this research as well as findings in prior researches. In this paper a large company is being studied and therefore it is suggested to investigate SMEs. It is also recommended to conduct a broader research of social sustainability and

CSR where different type of companies is investigated. More than one company could be studied in order to distinguish similarities and differences between these companies.

The concept of social sustainability and CSR can be challenging and difficult to maneuver for managers. Therefore, it is recommended that managers seek knowledge. This could be possible to achieve by having the relevant definitions of the concept and right positioning of researches. This could aid developing new models that open up opportunities for managers when acting. Further, in order to distinguish the communication and enhance the commitment among employees at all levels of the organization it is necessity to understand the different attitudes towards social sustainability.

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Appendices

Appendix 1 Summarizing the findings of implementing social sustainability

Appendix 2 Interview questions at the case company for the manager

Appendix 3 Interview questions at the case company for the respondents

The appendix will be numbered according to this outline in the top-left corner on each appendix.

Appendix 1

Implementations	Description	Source	Quotes
Ethical Standards	Working through the whole value chain including the suppliers and UN Global Compact	3	
Product Stewardship Program	The program secures safe chemical for the customer by restricting the availability of dangerous chemicals.	3	
Code of Conduct	Covers the business principles, products & environment, working conditions and human rights.	1,2,3	
Hunger Project	The company has partnered with a non-profit organization to eliminate hunger and poverty	M	
Sustainability Report	Company compiles every activity	M	*"We have a simple method that compiles everything we do. Then we have a consultant who is developing a methodology for how to work from a distance to choosing which projects to support when it comes to social sustainability and what criteria to set up and how to proceed and prioritize. We will use this when we start to set up criteria".*
CARE 365 initiative	The aim with the initiative is to improve occupational health and standards	1,2,3	*"The survey takes places three times during the year and it is a good way of doing it since it shows that the company takes our opinions seriously".*
Guidelines	Trying to develop guidelines for what they can support in the future	M	

UN sustainability goals	Vision and ambition are in line with UN sustainable goal.	M	*"We work a lot with our customers because we are high in the value chain. What we do is to influence our customers and end-product by communicating our visions and what we can offer. We also work with our producers and try to find more renewable raw materials and communicating long-term about what we want to achieve"*
Evaluation of Suppliers	The company has an assessment tool to evaluate social parameters	M	*"It is not that we check in on them because trust and honesty is important. However, they have to tell us that they have different policies in place and make evaluation at regular intervals".*
Policy	Implemented policies regarding working conditions, corruption, trafficking and anti-slavery	M	

Appendix 2

Interview Guide for Manager

Interviewee information

1. Can you please introduce yourself?
2. What is your role in the company?
3. What is your main task and responsibility?
4. In which department are you working in?

Company information

5. What is the company working with?
6. In which sector do you operate in?
7. What products do you produce?
8. How many employees do you have?

Definition of Social Sustainability

9. What does social sustainability and corporate social responsibility (CSR) mean for the company?
10. What does the company have for visions and goals regarding social sustainability and corporate social responsibility?
11. Are the visions stated in the strategy or policies?
12. How does the company work to communicate its visions to stakeholders?
13. Does the company have a department that works with social sustainability or CSR? If no, do you want to introduce it into the company?

Implementation of Social Sustainability

14. How long have the company been working with social sustainability?
15. How have the company been implementing social sustainability and CSR? Any tools or method (reports, certificates, audits etc)?
16. For which social issues does your company have a policy in place?
    (human rights, child labour, working conditions, salaries & benefits, discrimination)
17. Have you set any social requirements/demands to your stakeholders?
    If yes,
    a. What was the purpose of making social demands?
    b. What were social requirements?
    c. How did you proceed?
    d. How did it impact your stakeholders, did it give the company any added value?
    e. Will you continue to make social demands in future?

If no,

 f. Is there an interest in making social demands in the future?

 g. What is stopping you currently?

18. Have you considered what kind of social problems exist in the area in which you operate in?

 h. if yes, how do you deal with it?

 i. If no, will you take care of it and how will you do it?

19. How do you feel about the work with social sustainability and CSR?

20. Do you consider the employees are well informed about Social sustainability and CSR?

 If yes,

 j. How do you inform the employees?

 If no,

 k. Have you thought about doing it in the future?

 l. In what way?

Challenges

21. Have you been experiencing any challenges with implementing social sustainability or CSR?

 If yes,

 m. What kind of challenges?

 n. Why do you think you are experiencing these challenges?

 o. How will you overcome it?

Benefits/ Disadvantages

22. Have you seen/noticed any benefits with social sustainability?

 p. Profits

 q. Image

 r. Reputation

 s. Trust

23. Have you seen/noticed any disadvantages?

 t. What kind of disadvantages/difficulties have the company been experiencing?

 u. What will you do about it?

Other

24. How much effort to you put on social sustainability? Is it a priority for you?

25. What is your plan for the future?

26. Any other thoughts or something you want to add?

Appendix 3

Interview guide For Respondent 1, 2 & 3

1. Can you please introduce yourself?
   - o What is your role in the company?
   - o What is your main task and responsibility?
   - o In which department are you working in?

Social sustainability
2. Are you familiar with social sustainability?

3. Have the company informed you about social sustainability?
   If yes,
   - o Could you explain in what way it has been done?
   If no,
   - o Is it something you will discuss with your employer?

4. What are your thoughts about social sustainability?

5. Do you think that the company prioritize social sustainability?
   If yes,
   - o How does it impact you as a worker?

6. Do you feel that the company emphasize social sustainability?
   If yes,
   - o In what way?
   If No,
   - o Do you think they should put a lot of effort?

7. What are the challenges the company are facing in regard to social sustainability?

8. Do you have meeting or other activities where you can express your concerns?

9. Do you think social sustainability has benefited the workers as well as the company?
   If yes,
   - o In what way is it shown?
   If no,
   - o Why do you think it has not benefited the workers or the company?

10. Do you think something needs to be improved in terms of social sustainability?
    If yes,
    - o How could it be improved?
    - o Any final thoughts?