Corporate Value Statements: A Common Practice?

A Pilot Study on Swedish listed small and medium-sized Enterprises

Bachelor Thesis in Business Administration

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Thank You,

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Abstract

Purpose
To investigate whether small and medium-sized enterprises (SME) listed in Sweden have publicly communicated written-down corporate value statements and what characteristics these enterprises have in common.

Background/Problem
Prior research has shown that companies more frequently choose to make their internal values public. These studies have mainly been focusing on large corporations, neglecting the importance of SMEs to the economy. In Sweden, SMEs account for 99.8% of all corporations, 45% of the GDP, and 60% of total employment.

Method
In order to fulfil the purpose, the stock exchange listing AktieTorget serves as a sample. It is investigated whether companies have publicly communicated written-down corporate value statements and, if possible, whether a link can be found between the existence of these statements and the contingent characteristics size, industry and ownership structure. Corporate websites and annual reports are the primary source of information. In addition, a phone interview is conducted with those companies that are found to communicate corporate value statements. In doing so, the authors intend to find additional factors that can be linked to the existence of corporate value statements.

Conclusions
The findings suggest that corporate values are not common among Swedish SMEs listed on AktieTorget. It is also found that all three characteristics; size, industry and ownership structure can be linked to the existence of publicly communicated written-down corporate value statements among the companies investigated. Also, stakeholder orientation is identified as an additional factor. Based on these findings, a hypothesis model is presented that visualises the link between three contingent characteristics, one factor, and the existence of publicly communicated written-down corporate value statements. Further, these findings may indicate that studies on similar stock exchange listings in Sweden would yield corresponding results.

Key words
Corporate values, corporate value statements, small and medium-sized enterprises, AktieTorget.
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1. Introduction

1.1. Background

In 1970, the American economist Milton Friedman presented a famous article concerning businesses’ responsibility towards their stakeholders. In his article, “The Social Responsibility of Business is to Increase its Profits”, Friedman (1970) argues that managers are employed to serve the interest of the shareholders and no one else. Furthermore, he states that shareholders’ main interest is to maximise the return on their investment, and that actions not aimed at maximising profits are deemed unethical (Friedman, 1970). But since the 1960s and 70s, corporations’ responsibility towards society (i.e. their Corporate Social Responsibility) has developed, not only in the eyes of researchers, but also among corporate leaders and the society at large (De Bakker, Groenewegen & Den Hond, 2005). Groups that may have an interest in a corporation’s operations (i.e. stakeholders), such as employees, customers, suppliers, and the local community, are today more frequently recognised and proactively dealt with by corporations (McDonald, 2007).

Corporations today not only remain cognisant of a wider set of stakeholders while making corporate decisions, recent research has also shown that they more frequently choose to make their internal values official (Van Lee, Fabish & McGaw, 2005). In a global study on 365 corporations with senior executives as respondents, Van Lee et al. (2005) found that values included in these formal statements tend to address: ethical behaviour, commitment to customers, and commitment to employees. These internal values are clearly concerned with corporations’ relationship with their stakeholders and, according to the authors of this paper, are therefore to be regarded as closely related to corporate social responsibility (CSR).

A statement that incorporates internal values which are reinforced by the corporation’s management is referred to as a corporate value statement (Hammer & Champy, 1993). Research findings have suggested that the use of these statements is becoming increasingly popular among corporations today (Van Lee et al., 2005). According to Wenstop and Myrmel (2006), the media of communication for such corporate value statements is most commonly the corporation’s web page and its annual report, but the degree to which these values are made explicit seem to differ. Another study, by Chun (2005), suggests that publicly communicated values are expressed in statements of different kinds, such as Codes of Ethics, Corporate Citizenship, Codes of Conduct, or Business Principles.

Research conducted in respect to corporations’ practice of making their values public has so far been focused on large international corporations, using sample groups such as; 365 large corporations from 30 countries (Van Lee et al., 2005), the Fortune 1000 (Weaver, Treviño & Cochran, 1999), the 2199 largest companies in Japan (Nakano, 1997), the 800 largest companies in India (KPMG India, 2002), and the 350 largest companies in United Kingdom (London Business School & Andersen, 2000). Taking this into account, we argue that little knowledge exists with regards to the existence of corporate value statements.
among small and medium sized corporations\textsuperscript{1}. Despite being of a smaller size, these corporations represent a great part of the world economy; accounting for approximately 90\% of the corporations in the world and creating above 50\% of all employment in the private sector (United Nations Industrial Development Organization, 2002). Their representation is even greater in Sweden, where SMEs accounts for 99.8\% of all corporations, 45\% of the economy’s total turnover, and 60 \% of employment (Johansson, 2009).

Little research within the field of corporate value statements has so far attempted to link the existence of these statements to corporations’ characteristics. However, in the study by Wenstøp and Myrmel (2006), a relationship between formal value statements and corporations’ characteristics was linked; namely between the size (measured in terms of revenue) of the corporation and the likelihood of having a formal value statement. Also, research conducted within the field of corporate responsibility has attempted to make linkages between social responsibility and certain characteristics: such as ownership structure (e.g. family and non-family business) and industry (i.e. the sector in which a company operates) (Jones, 1999). Research carried out by Beliveau, Cottrill, and O’Neill (1994), Lerner and Fryxell (1988), Moore (2001), and Sweeney and Coughlan (2008) have found that the industry in which a corporation operates could be a factor affecting the level to which it engages in activities related to social responsibility, and also to public affairs (Bhambri & Sonnenfeld, 1988). Similar linkages have also been found in regards to ownership structure (Déniz Déniz and Cabrera Suárez, 2005; Dyer and Whetten, 2006); indicating that being a family-owned corporation could have an impact on the company’s attitude to CSR.

1.2. Motivation of the Study

The study by Van Lee et al. (2005) shows that, corporations more frequently choose to make their internal values official. Research has also shown that this trend includes corporations of various sizes and that it was expected to continue to rise throughout 2009 (Rigby & Bilodeau, 2009). Other findings suggest that these values can for example have a positive impact on businesses by reinforcing change and growth (Humble, Jackson & Thomson, 1994). Further, Osborne (1991) states that written-down fundamental values can guide the company towards a more probable business success in the end. If this would be true for all types of corporations, then they should be universally willing to use value statements. However, in a similar manner as Osborne (1991) describes a difference between privately held companies and publicly listed companies as the first being less likely to have value statements, Wenstøp and Myrmel (2006) find\textsuperscript{2} that the likelihood of a company having a value statement increases with its size. Noticeably, like in most other research (e.g. as Weaver et al., 1999; Nakano, 1997; KPMG India, 2002), the focus has been on relatively large companies. Taking the findings from Van Lee et al. (2005),

\textsuperscript{1} As defined by the European Commission, Small and medium sized enterprises (SMEs) are those corporations that do not have more than 250 employees and a turnover larger than €50 million (or a balance sheet total larger than €43 million) (European Commission, 2003. These recommendations apply, as a common standard, for all EU member states (European Commission, 2003).

\textsuperscript{2} In their study on a sample of Norwegian and American listed companies (on OSE and NYSE respectively).
Osborne (1991), Rigby and Bilodeau (2009), Wenstøp and Myrmel (2006), Weaver et al. (1999), Nakano (1997), and KPMG India (2002) into account, two questions can be raised: whether SMEs also do publish corporate value statements, and if characteristics, such as size, industry, and ownership structure, can be linked to the likelihood of communicating these value statements.

Seeing how SMEs represent a large share of all companies in Sweden, investigating the existence of publicly communicated corporate value statements could be of interest, not only for the research community but also for the Swedish business community. This thesis contributes towards and adds further value to existing research within a Swedish context, and consequently provides other researchers with a foundation to further investigate the link between different characteristics of SMEs and corporate value statements.

1.3. Purpose and Research Questions
This thesis investigates whether small and medium sized enterprises listed in Sweden have publicly communicated written-down corporate value statements and what characteristics these enterprises have in common.

In order to continue with an investigation in this area the following research questions are raised:

RQ 1. Are publicly communicated written-down corporate value statements common among listed SMEs in Sweden?

RQ 2. Is it possible to draw a link between contingent characteristics of corporations (found relevant in previous research) and the existence of publicly communicated written-down corporate value statements among SMEs listed in Sweden?

RQ 2.1. Is there a link between the industry in which these enterprises operate and the existence of publicly communicated written-down corporate value statements?

RQ 2.2. Is there a link between ownership structures in SMEs and the existence of publicly communicated written-down corporate value statements?

RQ 2.3. Is there a link between the size of SMEs and the existence of publicly communicated written-down corporate value statements?

RQ 3. Are there any additional characteristics, or factors, that can be linked to the existence of publicly communicated written-down corporate value statements?

1.4. Contextualisation of Research Project
Large parts of the research conducted for this thesis also serve as part of the groundwork for a larger research project, aimed at investigating “…how Swedish companies work to
develop corporate values.” (Jönköping International Business School, 2010). The research project is titled “Value Management - A study of Corporate Value initiatives” and is supported by the Ragnar Söderberg Foundation. It is conducted by Assistant Professors in Business Administration Anna Blombäck and Olof Brunninge, and Associate Professor in Business Administration Anders Melander at Jönköping International Business School. Further, “[t]he project consists of six in-depth studies of companies in various stages of their valuation work, and one broad study of all Swedish listed companies.” (Jönköping International Business School, 2010). This thesis contributes to their broad study through the research conducted on small and medium sized listed enterprises in Sweden.
1.5. Structure of Thesis

The introduction section provides the reader with a background to the growing trend to engage in CSR and to publicly communicating corporate value statements. Furthermore, the importance of SMEs to the global and the Swedish economy is highlighted. Finally, the purpose and research questions are derived, as well as a contextualisation of this thesis is provided.

This chapter presents previous research within the field of corporate value statements as well as other aspects that are of relevance for this thesis. It is divided into three parts; corporate value statements, company characteristics, and a conceptual framework.

This section provides a justification of the research approach used as well as discusses the relevant methodology. Further, an appropriate sample is identified and the process of data collection is illustrated. Finally, the chosen methods are critically reviewed.

The empirical data section presents findings from the study conducted on the companies that are listed on AktieTorget. This section logically corresponds to the conceptual framework and the three sections include a presentation of the data, both in tables and text.

In this chapter the empirical data is analysed and discussed with support from theories that are presented in the theoretical framework. The section is logically structured in accordance to the research questions and includes: a discussion of findings, linkage to prior research, and answers to the research questions.

In the conclusion section, the interpretation of findings are summarised and the purpose of the thesis is discussed and reflected upon. Also, based on the discussion, a hypothesis model is presented, followed by contributions and suggestions for further research.
2. Theoretical Framework

This section presents previously conducted research within the field of corporate value statements and other aspects that are of relevance for the purpose of this thesis. In order to understand fully its content, this chapter is logically divided into three sections; thoroughly describing the concept of corporate value statements, providing references to contingent characteristics, and presenting a conceptual framework.

2.1. Corporate Value Statements

2.1.1. A growing Practice

According to Van Lee et al. (2005) formal statements communicating ethical values have existed for some time. As an example, they mention the American pharmaceutical giant Johnson & Johnson as an early pioneer who, already in 1943, published a one-page document; expressing the company’s responsibility towards their stakeholders. Further, Van Lee et al. (2005, p. 1) state that “increasingly, companies around the world have adopted formal statements of corporate values, and senior executives now routinely identify ethical behavior, honesty, integrity, and social concerns as top issues on their companies’ agendas”. In their survey, Van Lee et al. (2005) find that 89 per cent of the respondents (i.e. senior executives from 365 large companies) had written value statements, and that almost 75 per cent believe that both executives and employees are pressured to demonstrate strong corporate values. In 2004, Booz Allen Hamilton and the Aspen Institute conducted a study of large corporations in 30 countries and consequently found that many companies are clearly stating their values, which is a significant change in comparison to 10 years ago (Van Lee et al., 2005). It is also argued that, since these statements have become increasingly popular in today’s business world, many companies cannot even see themselves not having one (Van Lee et al., 2005). Other research also argues that the existence of formulated value statements among corporations is becoming frequent (Osborne, 1991). Indeed, Kaptein (2004) finds, in an investigation of the 200 largest companies in the world, conducted in 2001, that 58% of the companies did have a code of conduct. Also Murphy (2005) presents similar arguments: indicating that value statements are becoming popular among corporations to use.

2.1.2. Values

According to Rokeach (1973), a value is "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable...” (cited in Kamakura & Novak, 1992, p. 119). Corporate values are formulated and communicated by the top management, regardless of being written or orally communicated, and they are held crucial for the success of the organisation (Humble et al., 1994). This is supported by Van Lee et al. (2005) who find that 85 per cent of the respondents (i.e. senior executives) from 365 companies, in their study on corporate values, claim that their corporations rely on the CEO to reinforce values. Almost 80 per cent of the respondents, from all regions, industries and company sizes, also believe that such support is the most effective practice to achieve behaviour in accordance with these values (Van Lee et al., 2005). Further,
Humble et al. (1994) argue that clear and common values provide guidelines for behaviour and that these values can provide a stable framework, which can reinforce change and growth.

2.1.3. Defining Corporate Value Statements
“A number of companies have set out their corporate values in a succinct statement that makes reference to quality, customer safety and employee issues.” (Murphy, 1995, p. 728). According to Hammer and Champy (1993), a statement that articulates internal values reinforced by the corporation’s management systems can be defined as a corporate value statement, serving as a compass for the company (Osborne, 1991), and as a mechanism for achieving cohesion in day-to-day operations (Kaptein & Wempe, 2002). Successfully formulated value statements can serve as guidance in steering actions and shaping the behaviour of organisational members (Osborne, 1991). It is argued that corporate values are communicated through statements of various kinds (or names): examples of such statements are Codes of Ethics, Codes of Conduct, Corporate Philanthropy, Corporate Citizenship, and Ethical Principles (Chun, 2005). This means that the content of a specific statement, rather than its name, determines whether it can be considered a corporate value statement, or not.

2.1.4. Linkage to Performance
According to Osborne (1991), companies formulate their values as an instrument; fostering members’ attitude and approach, which consequently will enhance the possibility of achieving long-term business success. Osborne (1991, p. 32) further argues that “the persuasive reasons for private firms to go public about their values justifies the effort” and that owner-executives should use corporate values as a tool in order to increase chances of organisational success. These beliefs are supported by Donker, Poff and Zahir (2008, p. 530), who state that “[a] code of ethics that articulates corporate values and norms offers employees guidance and support in order to fulfill corporate goals” and that “[c]orporate reputation regarding ethical behavior of management and employees can have an important impact on economic corporate performance.”

2.1.5. How Corporate Value Statements can be found
Statements articulating corporate values can be found in different places but most companies state their values, implicitly or explicitly, on their web site (Wenstøp & Myrmel, 2006). Osborne (1991) argues that core value statements can also be found in annual reports and internal policy manuals. Prior investigations conducted on corporations with respect to corporate value statements, have mainly been using companies’ annual reports and web sites respectively as sources of empirical information (Chun, 2003; Chun, 2005).

2.2. Characteristics of Corporations
Research conducted both in respect to corporate value statements as well as CSR has found linkages to structural characteristics of corporations. Jones (1999) finds, in a study on CSR, linkages between CSR activities and contingent characteristics of corporations: such as industry and ownership structure. Wenstøp and Myrmel (2006) on the other hand found, in a study concerning companies listed on the New York Stock Exchange (NYSE)
and the Oslo Stock Exchange (OSE), a correlation in the size of the corporation (measured in terms of revenue) and the existence of value statements; corporate value statements were more frequently found in larger corporations. This finding is supported by other studies concerning CSR (Udayasankar, 2008; Lepoutre and Heene, 2006; Vives, Corral, and Isusi, 2005). For that reason, this thesis will focus on these three contingent characteristics (i.e. industry, ownership structure, and size) which may be linked to the existence of corporate value statements. The justification and importance of these characteristics is explained in greater detail in section 2.2.1, 2.2.2, and 2.2.3.

2.2.1. Industry

Corporations can be separated into specific industries according to the corporation’s principal business activity. A common industry taxonomy used among stock exchanges worldwide is the Global Industry Classification Standard (GICS) (Aktiespararna, no date.), both implemented by Stockholmsbörsen (NASDAQ OMX Group, no date,) and AktieTorget (AktieTorget, no date,) in Sweden. It has been developed by MSCI and Standards & Poor’s, and classifies companies into ten different sectors: Energy, Materials, Industrials, Consumer Discretionary, Consumer Staples, Health Care, Financials, Information Technology, Telecommunications Service, Utilities (MSCI Barra, no date.). (For further description, please see Appendix). Several studies, using corresponding industry classifications, have found that industries may affect corporations’ attitude towards CSR. Jones (1999) argues that companies’ orientation towards activities related to social responsibility may well be affected by the industry in which they operate. He states that “[t]hese industry effects may themselves emanate from the sector in which a particular industry is located, whether it is a capital goods or consumer oriented industry, the overall profile of the industry in terms of its public visibility and the degree of scrutiny from government and the public it operates under, the competitive structure of the industry, and the overall historically determined culture of the industry” (Jones, 1999, p. 167). Similar conclusions are drawn by Beliveau et al. (1994), Boutin-Dufresne and Savaria (2004), Moore (2001), and Sweeney and Coughlan (2008) which find that the level to which a corporation engages in CSR varies depending on the industry in which it operates.

The level of involvement in such activities also seems to depend on whether the corporation operates in the primary, secondary, or tertiary sector (Beliveau et al., 1994; Lerner and Fryxell, 1988). This categorisation is referred to as the three sector hypothesis (Fourastié, 1949 cited in Hotz-Hart, Schmucki & Dümmler, 2006). Corporations in the primary sector, which deal with raw materials, most generally have the environment as their most important stakeholder (Jones, 1999). Secondary sector corporations, who produce intermediate products, do not only have the environment, but also customers, employees, the value chain, and the wider society as prominent stakeholders (Jones, 1999). The tertiary sector, which entails service corporations (e.g. hospitals and banks), mainly comprises labour and customers, which therefore represent their largest stakeholder group (Jones, 1999; Hamid, 2004). According to Jones (1999) the majority of empirical work on activities related to CSR has so far been focusing on the secondary sector, rather than the other two.
2.2.2. Ownership Structure

The ownership structure is defined by the distribution of equity (i.e. votes and capital) as well as by the identity of the equity owners (Encyclopedia of Corporate Governance, no date). Ownership structures can determine the incentives of managers and as a result the economic efficiency of the company that they manage (Encyclopedia of Corporate Governance, no date). There are different types of ownership, including public and non-public (or private) which furthermore can be divided into structures such as; government-, cooperative-, foundation-, partnership-, and family-ownership, depending on the block of equity ownership (Mathiesen, no date).

Research indicates that there seem to be a difference in the extent to which corporations choose to engage in activities related to corporate responsibility, depending on whether being a family or non-family owned business (Blombäck & Wigren, 2009). In order to evaluate whether a firm can be considered family owned, one must look at the ownership control. A company can be considered family owned if at least one person (or at least two persons “related through marriage or blood”) owns at least 20% of the voting stock and is represented in the board and/or the top management of the company (Nordqvist & Boers, 2007, p. 14). Family owned businesses differ to non-family businesses through the unique influence of a family group on the ownership, governance, management and succession in the company (Chua, Chrisman & Steier, 2003). This consequently affects objectives, strategies, structure, and the way in which these are formulated, designed, and implemented (Chua et al., 2003). Several articles have pointed out similar conclusions; describing how family owned corporations behave more socially responsible than non-family businesses (Whetten & Mackey, 2005; Godfrey, 2005). Godfrey (2005) proposes that family owners may want to appear socially responsible in order to generate “checks” (or “chits”) that later can be used as “insurances” to protect the corporation’s assets. Also, Déniz Déniz and Suárez (2005, p. 27) mention similar arguments: “FFs [i.e. Family Firms] have traditionally been associated to certain positive and negative features in their relationships with employees, owners, clients, society and other stakeholders. This can be linked to different orientations toward corporate social responsibility.”

Other research has argued that there seems to be a difference between private and publicly owned corporations in respect to activities related to making their corporate values public (Osborne, 1991). Osborne (1991, p. 28) states that: “Yet in our work with dozens of owner managed businesses, we have observed that the entrepreneur’s values are vaguely articulated, seldom published, and often ambiguously communicated. The pattern is different in publicly held companies⁴. Blombäck and Wigren (2009) mention that, since most small firms are privately owned, with little public visibility, managers of these corporations are less likely to care about their corporation’s impact on society.

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³ A company that has held an initial public offering and whose shares are traded on a stock exchange or in the over-the-counter market. Campbell, H. (2004).
2.2.3. Size

As defined by the European Commission (2003), a corporation’s size is determined by the turnover (or balance sheet total) and the number of employees. Companies with less than 250 employees and a turnover of less or equal to €50 million are considered as small and medium-sized enterprises (SMEs). Within this classification, the European Commission makes a distinction between three different categories: micro, small, and medium-sized enterprises (Table 1).

Table 1. The European Commission’s classification of small and medium sized enterprises.

<table>
<thead>
<tr>
<th>Classification category</th>
<th>Employee Headcount</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>&lt;250</td>
<td>≤€50 million</td>
</tr>
<tr>
<td>Small</td>
<td>&lt;50</td>
<td>≤€10 million</td>
</tr>
<tr>
<td>Micro</td>
<td>&lt;10</td>
<td>≤€2 million</td>
</tr>
</tbody>
</table>

When classifying companies into certain size categories, both determinants (i.e. employee and turnover) must be consulted. However, it is possible that companies may fall in-between two size categories (i.e. not fulfilling both determinants of one single category). An example could be a company with an employee headcount of less than 10 (i.e. micro) and a turnover greater than €2 million but lower or equal to €10 million (i.e. small). In such cases, a company’s classification is determined by the largest size category it corresponds to (European Commission, 2003). In this case, the company would be considered small-sized. Another example could be a company with 130 people employed (i.e. medium) and €8 million in turnover (i.e. Small). This company will be classified as medium-sized. Any company that employs more than 250 people and/or generates more than €50 million in turnover cannot be classified as an SME.

This definition is valid for the entire European Economic Area and has been adopted by Statistics Sweden (Johansson, 2009). Small and medium-sized enterprises account for 99.8% of all corporations, 45% of the economy’s turnover, and 60% of all employment in Sweden (Johansson, 2009).

Wenstøp, and Myrmel (2006) found a positive association between the size of the corporation (measured in terms of revenue) and the existence of published value statements. Based on their investigation on 100 Norwegian and 107 American listed companies, they suggest that the larger the corporation, the more likely it is to have a published value statement. In a prior study concerning SMEs (as defined by the European Commission, 2003), a difference is found in the way smaller corporations in Spain engage in activities related to social responsibility as compared to larger firms (Iturrioz, Aragón, Narbaiza & Ibañez, 2009). The 2009 Survey of Management Tools & Trends (Rigby & Bilodeau, 2009) also finds that, in 2008, larger corporations were more likely to have a Mission & Vision statement (regarding corporate values statements as a related topic) than smaller corporations, and also that this relation is expected to continue.
Researchers have presented different possible reasons for why smaller corporations are less likely to engage in these activities. According to Lepoutre and Heene (2006), most small businesses do not recognise specific social responsibility issues due to cognitive processes, and if an issue is not recognised, the likelihood of any kind of action is very low. Baker (2003) states that small firms are likely to be satisfied in simply surviving, and they are therefore less interested in taking actions that impact on the surrounding. In regards to such actions, some research suggests that small corporations are likely to be less proactive, and guidance from institutions or the government may even be necessary (Tilley, 2000). Nicoll (1993) states that communication systems, including vision, mission and values are costly for companies. They require time to monitor and plan, and since they are non-obligatory, advantages to undertake such activities must outweigh the costs (Nicoll, 1993). According to Iturrioz et al. (2009), these factors, i.e. time and resources, can partly explain the difference between smaller and larger corporations’ engagement in activities. Dex and Scheibl (2001) point out another influencing factor being that smaller corporations are less subject to pressure from stakeholder groups (and therefore are less likely to engage in activities related to social responsibility).

2.3. Conceptual Framework

A corporate value statement is a statement articulating internal values (Hammer & Champy, 1993), it can be used as a corporate compass (Osborne, 1991), and it can create cohesion in day-to-day operations (Kaptein & Wempe, 2002). It is becoming increasingly popular to formulate and communicate internal corporate values (Osborne, 1991; Murphy, 2005; Kaptein, 2004) and evidence suggests that corporations may benefit from doing so (Osborne, 1991). Research also shows linkages between the probability of having a corporate value statement, and other aspects that are related to CSR, to contingent company characteristics. The characteristics that have been expressed in this context are: industry (Jones, 1999), ownership structure (Osborne, 1991; Whetten & Mackey, 2005; Godfrey, 2005; Blombäck & Wigren, 2009; Chua et al., 2003; Déniz Déniz & Suárez, 2005), and firm size (Wenstop & Myrmel, 2006; Udayasankar, 2008; Lepoutre & Heene, 2006; Vives et al., 2005). The Model 1 (see below) presents a framework in which the aforementioned characteristics are shown (i.e. industry, ownership structure, and size), as contingent, in relation to the existence of a corporate value statement. Previous research classifications of these characteristics that are not being used in this thesis are presented in bold, and classifications being used are presented in plain.
Model 1. Framework showing three contingent company characteristics that may be linked to the existence of a corporate value statement.

*Classification used in previous research and also in this thesis.

**Classification used in previous research.
3. Method

This section outlines the research approach and methods applied for data collection that aim to investigate the link between publicly communicated written-down corporate value statements and listed SMEs in Sweden. An appropriate sample is identified that suits the purpose and helps to answer the research questions. Finally, a critical standpoint is taken towards the chosen methods and the implications these choices have on the final results are accounted for.

3.1. Choice of Method

The quantitative research approach is concerned with processing information from a large amount of participants for example by sending out a large-scale survey (Burns & Bush, 2010). Quantitative data can be collected by asking the questions such as ‘how many’ or ‘how much’ (Buglear, 2005). When conducting quantitative data collection the format and sources of data are usually well defined (Burns & Bush, 2010), e.g. information about turnover or number of employees.

Qualitative research on the other side can be defined as the process of collecting, analysing, and interpreting what people do and say (Burns & Bush, 2010). Interviews or focus groups are two examples of how one could obtain qualitative information, which usually limits the size of the sample. The responses do not follow a standardised form but could be quantified if necessary. An example could be that company executives are asked about their opinion regarding a new tax regulation introduced by the government. Although the answers are likely to differ one would be able to translate the responses into ‘more positive’ or ‘more negative’ towards the new regulation.

The differences between both approaches are the questions asked and the form of the collected data. A quantitative study aims to describe phenomena while a qualitative study aims to assign meaning to it.

By taking the purpose and the first two research questions of this thesis into account, a quantitative study is the most suitable approach. Indeed, the form of the data is predetermined and primarily of numerical nature, such as the turnover and the number of employees.

3.2. Methodology

Methodology is the theory of how research should be conducted (Saunders, Lewis & Thornhill, 2007). In order to fulfil the purpose and answer the research questions of this thesis the authors of this thesis make use of both, the deductive and the inductive research approach.

First it is intended to answer the first and the second research question using deductive reasoning. This approach implies to develop a theoretical framework against which the empirical findings are tested (Saunders et al., 2007). Hereby, one moves from the more general theory to specific observations (Lee & Lings, 2008). In the context of this thesis, it
means to develop a theoretical framework based on prior research that investigates the link between CSR, corporate values, its respective statements and contingent company characteristics. Subsequently, the findings from this study on SMEs are tested against the framework to make a statement whether these findings are in line with or differ from previous research focussing on larger corporations (Saunders et al., 2007).

In a second step, the inductive approach is used to answer the third research question. This refers to a process in which research is conducted, resulting in the development of new theories (Saunders et al., 2007; Lee & Lings, 2008). By using inductive reasoning, a study can lead to new findings that other researchers have not found yet (Straus & Corbin, 1998 cited in Saunders et al., 2007). The authors of this thesis intend to find additional factors that can be linked to the existence of publicly communicated written-down corporate value statements and SMEs.

3.3. Choice of Sample

When conducting a study, researchers have to decide upon what kind of sampling method they consider the most suitable to fulfil their purpose. This section describes the differences between representative samples and convenience samples and argues for the choice used in this thesis.

A representative sample is a sample that mirrors the population (Buglear, 2005), allowing the researcher “to generalize to the population from which the sample is drawn” without having to study it in its entirety (Williamson, 2002).

Convenience samples are cheap and easy compared to probability samples, but on the other hand not likely to be representative for the entire population (Buglear, 2005). However, Calder, Phillips, and Tybout (1982) argue that a sample does not necessarily need to be representative in order to enable researchers to make generalisations. They distinguish between two different types: effects generalisation, which refers to applying your findings to a whole population; and theory generalisation, which only aims to support or refute theories and/or prior research. Saunders, Lewis and Thornhill (2009, p.233) support this view by stating that “generalizations [can be] made to theory rather than about a population.”

This thesis aims to test prior research about corporate value statements and the linkage to contingent characteristics, in SMEs in the Swedish context. It is therefore essential to determine whether the chosen sample can be considered a convenience sample or a representative sample; consequently determining the ability to make generalisations.

The sample chosen is AktieTorget, a Multilateral Trading Facility (MTF) (Finansinspektionen, no date) that targets Swedish SMEs. As of 22nd of March 2010, AktieTorget contains 119 Swedish companies, whereof a great majority are Swedish SMEs, according to Peter Gönæzi, Vice President of AktieTorget (P. Gönæzi, personal communication, 2010-05-10). MTFs are similar to traditional stock exchanges, bringing together multiple third-party buying and selling interests (Financial Services Authority, no
date), but have lower requirements on the companies whose shares are traded (Unga Aktiesparare, no date).

Whether AktieTorget can be considered a representative for all Swedish listed SMEs, or a convenience sample, depends on whether the same listing requirements apply to all stock markets and MTFs that contain Swedish SMEs. To the authors’ of this thesis knowledge, there are three other Swedish stock exchanges (or MTFs) that contain small and medium-sized enterprises; NGM Equity, NGM Nordic MTF, and First North (Nordic Growth Market, no date; Nordic Growth Market, no date; NASDAQ OMX, no date). One requirement that the authors have found to differ between the aforementioned stock exchanges (or MTFs) is the shareholder threshold. Companies that seek to be listed on one of the traditional regulated stock exchanges such as NGM Equity are required to have at least 300 shareholders (Nordic Growth Market, no date). In contrast to that, AktieTorget requires companies to have a minimum of 200 shareholders in order to be listed (AktieTorget, no date), while Nordic MTF and First North have no such requirement (Nordic Growth Market, no date; NASDAQ OMX Group, no date). The fewer shareholders required, the easier it is for smaller firms to get listed (Nordic Growth Market, no date). Another requirement that the authors find as differing between these stock exchanges is the percentage of shares that must be held in public hands. In this respect, NGM Equity requires 25 per cent of all shares (Nordic Growth Market, no date), while AktieTorget, Nordic MTF, and First North only have a 10 per cent requirement (AktieTorget, no date; Nordic Growth Market, no date; NASDAQ OMX Group, no date). In addition to these two requirements, companies listed on NGM Equity are subject to a few further rules that do not apply for those listed on AktieTorget, NGM Nordic MTF, and First North (aktiespararna, no date). Altogether, the listing requirements for AktieTorget can be considered different as compared to other Swedish stock exchanges (and MTFs) containing SMEs, meaning that AktieTorget is not a representative sample for all listed Swedish SMEs. This consequently makes AktieTorget a convenience sample. Our findings do therefore not enable us to draw generalising conclusions upon all Swedish listed SMEs, but allow us, according to Calder et al. (1982) and Saunders et al. (2009), to test our research on AktieTorget in respect to prior research. However, due to the fact that there are, to the authors’ knowledge, two listing requirements and a few rules that differ, the SMEs listed on AktieTorget, NGM Equity, Nordic MTF, and First North are assumed to be relatively similar. Consequently, their resemblance allows the authors to make assumptions about other listed Swedish SMEs, not listed on AktieTorget.

3.4. Data Collection

The data is gathered through consulting the respective SMEs annual report for 2008, due to the fact that a large part of corporations in Sweden (as of 22 March 2010) have not yet published their annual reports for the financial year of 2009. If it is encountered that one or more companies use a broken calendar year, the annual report for 2008/2009 is consulted, since it is the latest report concerning the financial year of 2008. The reports are retrieved from AktieTorgets website and, when not retrievable, complemented from the respective company’s website. The study required 36 days of consulting and was conducted between
the 22\textsuperscript{nd} of March and 27\textsuperscript{th} of April 2010. Each company listed on AktieTorget (as of 22\textsuperscript{nd} March 2010) is included in this study, in order to present as reliable and unbiased data as possible.

3.4.1. Primary Data vs. Secondary Data

Primary data can be defined as information that is collected by researchers for a specific purpose (Burns & Bush, 2010), primarily obtained through surveys, experiments and observations (Buglear, 2005). The advantage of using primary data is that questions can be designed to meet the specific requirements and that the results are up to date (Buglear, 2005). On the other hand, the collection of primary data is time consuming and expensive (Buglear, 2005).

In contrast to primary data, secondary data has already been gathered by other researchers or organisations for another purpose (Burns & Bush, 2010). Secondary data is less costly and less time consuming to collect but might not meet the requirements of the study as sufficient, as compared to primary data.

Since the majority of the data used in this thesis is gathered from corporate websites and annual reports, this information has already been summarised by the companies in form of written records for their own purpose and is therefore considered secondary data in the context of this thesis. However, whether a corporate value statement exists or not is subject to interpretation and can therefore be considered primary data.

3.4.2. Primary Data Collection: Identifying Corporate Value Statements

Information about the existence of corporate value statements is obtained through annual reports and corporate websites. According to Wenstøp and Myrmel (2006), these are the common instruments used by companies to communicate their values. Evidence suggests that corporations vary in their way of naming their corporate value statements (Chun, 2005). For this reason, the authors of this thesis make a judgement whether a certain statement can be considered a corporate value statement or not, based on the previously mentioned definition on corporate value statements; a statement articulating a corporation’s internal values (Hammer & Champy, 1993). Thus, the statement does not have to be named “Corporate Value Statement”, as underlined by Chun (2005), but the content of the statement must contain and express core values of the organisation. In order to determine a corporate value, Rokeach’s (1973) definition on values is applied, i.e. "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable..." (cited in Kamakura & Novak, 1992, p. 119). Encountered statements that communicate such beliefs, in the context of the corporation, are thereby considered as corporate value statements in this thesis. A corporate value statement that would serve as a suitable example is Johnson & Johnson’s “Our Credo” (Johnson & Johnson, no date), which clearly states the company’s responsibility, beliefs and values towards the stakeholders. Since corporate value statements can be found in different places (Wenstop & Myrmel, 2006), the authors of this thesis argue that a thorough study is required. Therefore, in the search for corporate value statements, all sections in respective company’s annual report and website containing statements (or text) communicated to the
public are identified. These sections are thoroughly examined before a final judgement, upon whether a certain statement can be considered a corporate value statement, is made by the authors of this thesis.

3.4.3. Secondary Data Collection: Assessing contingent Characteristics

The data related to the contingent characteristics has already been summarised by the companies and published in their annual reports, on their corporate websites, AktieTorget’s website, as well as the database Affärsdata.

All companies investigated in this study are categorised according to two different standards, the GICS industry classification (MSCI Barra, no date) and the three sector hypothesis (Fourastié, 1949 cited in Hotz-Hart, Schmucki & Dümmler, 2006). Information on what GICS industry classification each individual company belongs to is obtained through AktieTorget’s stock list (AktieTorget, no date). The decision on whether a company belongs to the primary, secondary, or tertiary sector is based on the primary business activity of each company. Information on a company’s primary business activity is expressed in its corporate charter (investopedia.com, no date). Affärsdata is a database that contains corporate information (such as the corporate charter) for all Swedish limited companies, and is therefore used as the source of information. Thereafter, the authors of this thesis make an interpretation of respective company’s corporate charter, and a decision on which industry sector each company belongs to, i.e. the primary, secondary, or tertiary sector.

In terms of ownership structure, the focus of this thesis is on the distinction between family and non-family owned businesses, when it comes to publishing corporate value statements. Since AktieTorget exclusively consists of publicly owned corporations, any theories concerning a difference between public and private ownership are not taken into account. The information about ownership structure (i.e. family or non-family owned) is obtained from each corporation’s annual report for the financial year 2008. These financial reports contain sections listing their majority shareholders allowing the authors of this thesis to assess the distribution of shares. In a second step, the authors determine whether these shareholders are represented in the board and/or top management of the respective company. According to Nordqvist and Boers (2007), in order to be considered a family owned business, one individual or a group of individuals combined, that are related to each other through either marriage or blood, need to own at least 20% of the voting shares, as well as be represented in the board or top management.

The variables that are necessary to determine a company’s size are the turnover and the number of employees, which are collected from respective company’s annual report. These variables, allow the authors of this thesis to determine whether a company can be considered micro, small, or medium-sized, based on the SME definition by the European Commission (2003). Since Swedish companies report their annual turnover figures in
Swedish crowns, and the SME classification from the European Commission is stated in Euros, the authors of this thesis convert all companies’ turnover for 2008 into Euro⁴.

While conducting the aforementioned research, on corporate websites and annual reports, the authors also attempt to use an inductive approach. In doing so, we are open towards any additional characteristics or factors that can be linked to the existence of publicly communicated written-down corporate value statements.

3.4.4. Literature Review

“[…] the work that you do is not done in a vacuum, but builds on the ideas of other people who have studied the field before you” (Jankowicz, 2005 p. 161)

Conducting a literature review is not only essential to broaden one’s own horizon in the field of study, but also provides a starting point that assists in formulating and refining the purpose and research questions of a study (Saunders et al., 2007). Pre-existing knowledge is the basis on which the theoretical framework of this thesis is build upon.

When searching for prior research on the topic of corporate values, corporate value statements, and CSR, external databases and the Jönköping University library catalogue are primarily used. Databases proven to be helpful are ABI/Inform, Academic Search Elite, Business Search Premier, Emerald, JStor, and SpringerLink. These are primarily accessed through the search engine of the Jönköping University Library as well as Google Scholar.

Articles published in the following journals are predominantly used: The Journal of Business Ethics, Academy of Management Journal, Consumer Research Journal and Entrepreneurship Theory & Practice. With thirteen articles referred to in this thesis, the Journal of Business Ethics is the most consulted publication. In 2007, all four journals were listed among the Top 40 academic journals in Business, as published by the Financial Times (Journal Ranking, 2008). This fact underlines the quality as well as the credibility of their publications.

3.5. Choice of Tools

When presenting and analysing the findings of this study, the authors of this thesis have to make a decision upon which tools to use. According to Saunders et al. (2007) there are a number of software solutions available on the market. The tools that are available to us are Excel and SPSS, whereof SPSS offers more complex statistical analysis (Saunders et. al, 2007). However, more complex statistical analysis, such as significance testing or regression analysis, requires an adequate sample size in order to provide significant results (Saunders et. al, 2007).

The authors of this thesis have made the decision to focus on those companies that have published their corporate value statements, rather than to look into those who did not, when answering the research questions. Since there are only very few companies that publish their corporate value statements, and this is what the study shows later, the

⁴ On December 31 2008: SEK1.00=€0.09 (valuta.se, no date)
authors of this thesis decided to use Excel spreadsheets to present and analyse the data, instead of SPSS.

3.6. Ethical Consideration

The data that is collected as part of the quantitative study is available to the general public, since it has been published on corporate websites, annual reports and databases such as Affärsdata. Therefore the authors of this thesis do not have the responsibility to treat this information confidentially.

However, the information collected through the additional qualitative study has to be treated confidentially. The study is based on phone interviews conducted with management representatives of those companies who are found to have published corporate value statements. In order to ensure a high response rate, the promise was made that all responses obtained through the phone interviews are not linked to respective company’s name.

Since the focus of this study is to find links between contingent characteristics and the existence of corporate value statements, it is not necessary to identify individual companies. Therefore, in order to be able to relate the responses from the qualitative study with the data from the quantitative study, the authors make a decision to not identify any company throughout the thesis. Instead pseudonyms (i.e. Company 1, Company 2, Company 3, etc.) are assigned to each company when describing and analysing the findings.

3.7. Criticism to Choice of Method

In the search for corporate value statements, all sections containing statements (or text) are consulted. However, since this is conducted by the authors, there is an inevitable risk of the human error. This risk can be argued as being greater in respect to corporate websites, whose structure and level of complexity can vary a lot. The risk of human error also applies to the judgment of companies’ principal business activities (as retrieved from Affärsdata in order to classify companies into three different industry sectors) since an interpretation of the information is made by the authors.

When using information published in 2009 (i.e. a company’s annual report for the financial year of 2008) and also information published in 2010 (i.e. company websites, AktieTorget’s stock list, and Affärsdata) there is a time-span in which changes may have occurred. Information on whether companies do publicly communicate a written-down corporate value statement is partly based on information regarding the financial year of 2008 (i.e. communicated in the annual report), and partly based on information regarding 2010 (i.e. communicated on their website). Information that determines a company’s ownership structure is solely based on respective company’s owner condition as of the financial year of 2008 (i.e. retrieved from their annual report). It is thereby a possibility that the ownership structures have changed in these companies between 2008 and 2010, meaning that a company considered as family owned (based on the information for 2008) can as of 2010 be a non-family owned business, and vice versa. This criticism also applies to the determination of companies’ size, which is based on figures of turnover and employee
headcount for the financial year of 2008. There is a possibility that either one, or both, of these determinants have changed between the years 2008 and 2010. This means that a company which is determined to be of a specific size, based on information for the year 2008, could be of a different size, based on information from the year 2010. However, the information that determines in which industry respective company operates is based on information for 2010 (i.e. retrieved from AktieTorget and Affärsdata) and is therefore not subject to any time-span. Consequently, this means that there is a possibility that the existence of a publicly communicated written-down corporate value statement as linked to a company’s ownership structure and size may no longer correspond.

The inductive approach that is utilised to answer the third research question allows being open to any kind of additional characteristics or factors, which could be linked to the existence of corporate value statements. However, this openness involves the risk that additional characteristics or factors are missed, or not identified.
4. Empirical Data

This section presents the data gathered through the empirical study conducted on the companies listed on AktieTorget (as of 22\textsuperscript{nd} of March 2010). Further, it includes a brief discussion concerning the study followed by three separate parts, presenting the gathered data in respect to the three contingent company characteristics (i.e. industry, ownership structure, and size). Each of the three sections includes a presentation of the data (as presented in relation to respective characteristic) displayed in a table and a summary which offers the reader an overall understanding of the data.

4.1. Corporate Value Statements on AktieTorget

The empirical data presented in this section is gathered from all 119 companies listed on AktieTorget as of 22\textsuperscript{nd} of March 2010, whereof six are excluded because they do not qualify as SMEs (in accordance with the European Commission’s definition). Companies that have been excluded prior to, or added after this date are thereby not included in this study. As presented in Table 2, there are 113 companies listed on AktieTorget that qualify as SMEs. Among these SMEs, it was found that 10 companies do publicly communicate written-down corporate value statements (see Table 2), either on their website or in their annual report. This existence equates to a corporate value statement frequency of 8.8 per cent (see CVS frequency in Table 2).

Table 2. The distribution of publicly communicated corporate value statements among SMEs listed on AktieTorget.

<table>
<thead>
<tr>
<th>No. of companies</th>
<th>No. of CVS\textsuperscript{5}</th>
<th>CVS frequency\textsuperscript{6}</th>
</tr>
</thead>
<tbody>
<tr>
<td>All SMEs</td>
<td>113</td>
<td>10</td>
</tr>
</tbody>
</table>

The ten companies that do publicly communicate corporate value statements do so in the following way:

Table 3. The distribution of publicly communicated corporate value statements in respect to where they are found, for each SME listed on AktieTorget.

<table>
<thead>
<tr>
<th>Company</th>
<th>CVS on website</th>
<th>CVS in annual report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company 1</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Company 2</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Company 3</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Company 4</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

\textsuperscript{5} In Table 2-7, the term CVS represents an abbreviation of the term corporate value statement.

\textsuperscript{6} In Table 2, 4, 5, 6 & 7, the CVS frequency (K) is calculated by dividing the number of corporate value statements (X) by the number of companies (Y): \(X/Y=K\).
The findings show that corporate value statements more frequently appear on websites than in annual reports. According to this study, nine SMEs (out of the ten that do publicly communicate corporate value statements) communicate their corporate value statement publicly via their website, exclusively. Further, one SME communicates its statement only via the annual report.

4.2. Industry

The 113 SMEs listed on AktieTorget (as of 22nd of March 2010) are clustered (as described in 3.4.3) into both ten different industries using GICS industry classification (see 4.2.1), and three different industry sectors according to the three sector hypothesis (see 4.2.2). The ten GICS industries are: Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Telecommunication Service, and Utilities, and the three industry sectors are: Primary, Secondary, and Tertiary.

4.2.1. The GICS Industry Classification

Table 4. The distribution of SMEs listed on AktieTorget (as clustered into 10 sectors) and the respective distribution of corporate value statements.

<table>
<thead>
<tr>
<th>Industry</th>
<th>No. of companies</th>
<th>% of tot.</th>
<th>No. of CVS</th>
<th>CVS frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Discretionary</td>
<td>17</td>
<td>15.0</td>
<td>2</td>
<td>11.8%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>2</td>
<td>1.8</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Energy</td>
<td>4</td>
<td>3.5</td>
<td>1</td>
<td>25.0%</td>
</tr>
<tr>
<td>Financials</td>
<td>11</td>
<td>9.7</td>
<td>1</td>
<td>9.1%</td>
</tr>
<tr>
<td>Health Care</td>
<td>21</td>
<td>18.6</td>
<td>1</td>
<td>4.8%</td>
</tr>
<tr>
<td>Industrials</td>
<td>15</td>
<td>13.3</td>
<td>1</td>
<td>6.7%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>28</td>
<td>24.8</td>
<td>2</td>
<td>7.1%</td>
</tr>
<tr>
<td>Materials</td>
<td>11</td>
<td>9.7</td>
<td>2</td>
<td>18.2%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>3</td>
<td>2.7</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>1</td>
<td>0.9</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>113</strong></td>
<td><strong>100.0</strong></td>
<td><strong>10</strong></td>
<td><strong>8.8%</strong></td>
</tr>
</tbody>
</table>

Looking at all industries (see Table 4), the number of SMEs in each industry communicating a value statement ranges between 0.0-25.0 per cent (see CVS frequency).

\[\text{CVS frequency} = \frac{\text{No. of CVS}}{\text{No. of companies}}\]

\[\text{The CVS frequency describes the occurrence of corporate value statements in each industry, in respect to the number of companies. This implies that the fewer companies represented in an industry, the greater the change in frequency resulting from an additional corporate value statement.}\]
The Industry with the highest frequency is the Energy industry, in which 25.0 per cent are found to publicly communicate corporate value statements. Second to that is the Materials industry, in which corporate values statements are found in 18.2 per cent of the cases. The findings also show that the distribution of companies in the two aforementioned industries is relatively low, i.e. four respective eleven companies. Further, in three of the industries no corporate value statements are found, i.e. in Consumer Staples, Telecommunication Service, and Utilities. The distribution of SMEs in some industries differs greatly from some others. The six industries with least representation (i.e. Consumer Staples, Energy, Telecommunication Service, Utilities, Financials, and Materials) together contain 32 companies, which accumulated represent 28.3 per cent of all companies being listed. Further, the four most represented industries (i.e. Information Technology, Health Care, Consumer Discretionary, and Industrials) together account for 81 companies, i.e. 71.7 per cent of all listed companies. The majority of industries (7 out of 10) do include at least one company which publicly communicate a written-down corporate value statement (see Table 4). Further, the data shows that no industry contains more than two companies that publicly communicate a written-down value statement.

4.2.2. The Industry Sector Classification

Table 5. The distribution of corporate value statements among SMEs in the Primary, Secondary, and Tertiary sector.

<table>
<thead>
<tr>
<th>Industry</th>
<th>No. of companies</th>
<th>% of tot.</th>
<th>No. of CVS</th>
<th>CVS frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>8</td>
<td>7.1</td>
<td>1</td>
<td>12.5%</td>
</tr>
<tr>
<td>Secondary</td>
<td>58</td>
<td>51.3</td>
<td>2</td>
<td>3.4%</td>
</tr>
<tr>
<td>Tertiary</td>
<td>47</td>
<td>41.6</td>
<td>7</td>
<td>14.9%</td>
</tr>
<tr>
<td>Total</td>
<td>113</td>
<td>100.0</td>
<td>10</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

Examining all three industry sectors, corporate value statements most frequently appear in SMEs belonging to the tertiary sector (i.e. 14.9 per cent), followed by the SMEs in the primary sector (i.e. 12.5 per cent), and the SMEs from the secondary sector (i.e. 3.4 per cent). A majority of corporate value statements (i.e. 7 out of 10) are found in the SMEs from the tertiary sector, while 2 out of 10 are found in SMEs from the secondary sector, and 1 out of 10 in SMEs from the primary sector. The distribution of SMEs differs greatly between the three industry sectors, as depicted in Table 5. The primary sector contains the smallest amount of SMEs, i.e. eight, and the secondary sector contains the largest amount, i.e. 58 SMEs, while the tertiary sector includes 47 SMEs. These sectors respectively represent 7.1 per cent, 51.3 per cent, 41.6 per cent, of the total amount of SMEs. Further, as seen in Table 5, at least one publicly communicated written-down corporate value statement is found in each sector.

4.3. Ownership Structure

In this study, a distinction is made in respect to companies’ ownership structures, separating the companies into two groups; family owned businesses and non-family owned businesses. By consulting the owner condition (as described in 3.4.3) within the 113 listed SMEs on AktieTorget (as of 22nd of March 2010) the authors of this paper find that 98
companies present their respective owner conditions. Out of the 113 companies consulted, 15 companies do not present their owner condition (see N/A).

Table 6. The distribution of family owned and non-family owned SMEs listed on AktieTorget and the respective distribution of corporate value statements.

<table>
<thead>
<tr>
<th>Ownership structure</th>
<th>No. of companies</th>
<th>% of tot.</th>
<th>No. of CVS</th>
<th>CVS frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>25</td>
<td>22.1</td>
<td>1</td>
<td>4.0%</td>
</tr>
<tr>
<td>Non-family</td>
<td>73</td>
<td>64.6</td>
<td>8</td>
<td>11.0%</td>
</tr>
<tr>
<td>N/A</td>
<td>15</td>
<td>13.3</td>
<td>1</td>
<td>6.7%</td>
</tr>
<tr>
<td>Total</td>
<td>113</td>
<td>100.0</td>
<td>10</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

Table 6 shows that the frequency of corporate value statements (see CVS frequency), is higher among non-family businesses compared to family businesses. Among non-family businesses, corporate value statements appear in 11.0 per cent of the companies, and in 4.0 per cent of the family owned businesses. According to this study (of the 98 companies that can be consulted in respect to owner condition), non-family businesses listed on AktieTorget contain the majority of corporate value statements (i.e. 8 out of 10). The data also show that 25 out of these 113 companies are categorised as family owned businesses (i.e. equal to 22.1 per cent) and 73 companies (i.e. equal to 64.6 per cent) are considered being non-family owned businesses. Thus, out of the 98 companies consulted, non-family businesses represent a majority of the listed companies on AktieTorget (as of 22nd of March 2010).

4.4. Size

The 113 SMEs listed on AktieTorget are categorised into micro, small and medium-sized enterprises (see Table 7 below), according to the standards set by the European Commission (2003), as described in section 3.4.3.

Table 7. The distribution of SMEs listed on AktieTorget as clustered into 3 size categories and the respective distribution of corporate value statements.

<table>
<thead>
<tr>
<th>Size of SME</th>
<th>No. of companies</th>
<th>% of tot.</th>
<th>No. of CVS</th>
<th>CVS frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>18</td>
<td>15.9</td>
<td>3</td>
<td>16.7%</td>
</tr>
<tr>
<td>Small</td>
<td>36</td>
<td>31.9</td>
<td>5</td>
<td>13.9%</td>
</tr>
<tr>
<td>Micro</td>
<td>59</td>
<td>52.2</td>
<td>2</td>
<td>3.4%</td>
</tr>
<tr>
<td>Total</td>
<td>113</td>
<td>100.0</td>
<td>10</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

Table 7 conveys that corporate value statements were found more frequently in the medium-sized-SMEs as opposed to the other two categories. Although containing one statement less than the small-category, the data implies that 16.7 per cent of the companies that are of medium size publicly communicate their written-down corporate value statements. Among small-sized companies, the frequency is 13.9 per cent, and among micro-sized it is 3.4 per cent. According to this study, a little more than half of the SMEs
listed on AktieTorget (i.e. 52.2 per cent) are of micro-size, about one third is of small-size, and the rest (i.e. 15.9 per cent) are medium-sized SMEs. Among the 18 medium-sized SMEs, 3 publish a corporate value statement publicly. Out of the 36 companies categorised as small-SMEs, 5 companies communicated a corporate value statements publicly. Finally, 2 out of the 59 micro-SMEs listed on AktieTorget did also publish a corporate value statement.
5. Discussion
In this section, the empirical data (presented in section 4) is discussed, in respect to the theoretical framework (presented in section 2), with a specific focus on the conceptual framework (presented in section 2.3). Further, this section presents answers to the research questions (presented in section 1.3), based on the study on AktieTorget. Therefore, it is structured in respect to the questions raised; including a discussion about the data, linkage to prior research, and an answering of the research questions.

5.1. The Existence of Corporate Value Statements among SMEs
The study (see Table 2) shows that 8.8 per cent of the SMEs listed on AktieTorget publicly communicate written-down corporate value statements. Previous studies indicate that corporate value statements are common among corporations (Van Lee et al., 2005) and also that companies more frequently choose to make their corporate values public (Osborne, 1991). Taking this into account, the existence of publicly communicated written-down corporate value statements among listed Swedish SMEs on AktieTorget can be considered uncommon, based on the data from this study.

The data from this study also suggests that, among those SMEs that publicly communicate their written-down corporate value statements, both websites and annual reports are used as tools of communication. This is in line with previous research on corporate values (focusing on large corporations), which has mainly been using these two sources in order to find publicly communicated corporate values (Chun, 2003; Chun, 2005). In addition, our findings suggest that, among the SMEs on AktieTorget, most choose to publish their values on their websites (i.e. 9 out of 10 SMEs), while only one SME do so in the annual report (see Table 3).

5.2. The Link between Company Characteristics and Corporate Value Statements

5.2.1. The Link between Industry of SMEs and Corporate Value Statements
Based on the findings of this study (see Table 4 & 5), it can be argued, that the existence of publicly communicated written-down corporate value statements varies depending on the industry or industry sector a company operates in. When classifying the listed SMEs on AktieTorget into ten different industries, according to the GICS classification, the distribution of communicated value statements varies between the different industries. However, since six industries have a relatively low distribution of companies, which accumulates to only 28.3 per cent of all companies being listed, the authors argue that the four remaining industries (that accumulates to 71.7 per cent) are of greater interest to compare. In doing so, the frequency of corporate value statements does not seem to differ significantly between the industries, ranging between 4.8-11.8 per cent. In summary, when disregarding the six industries with the least distribution of companies, there is no significant difference in the frequency of corporate value statements between the industries.
When classifying the listed SMEs on AktieTorget into industry sectors, the frequency of corporate value statements differs among the primary, secondary, and tertiary industry sector. Also, the study shows that the number of companies belonging to the primary sector is relatively low, accounting for only 7.1 per cent of all companies. Therefore, the authors suggest that attention should be addressed to the two industries representing the great majority of companies, accumulating to 92.9 per cent of the listed companies. In comparing these two aforementioned industries (i.e. secondary and tertiary), there is a noticeable difference in the frequency of corporate value statements. This is line with previous research on large companies that also suggests that the level of engagement in activities related to CSR might vary depending on the industry a company operates in. (Jones, 1999; Beliveau et al., 1994; Boutin-Dufresne & Sacaris, 2004; Moore, 2001; Sweeney & Coughlan, 2008). Jones (1999) further states, that the majority of this research has mainly focussed on the secondary sector, but it is not explicitly mentioned whether the secondary sector engages more in activities related to CSR than the primary or tertiary sector. Therefore it is not possible to make a comparison in this respect. However, given the importance that is given to the secondary sector, it is interesting to see that the secondary sector, in this study on AktieTorget, is identified as the sector where companies are least likely to publish corporate value statements. In the secondary sector only 3.4 per cent (2 out of 58) communicate publicly a corporate value statement. The tertiary sector, on the other hand has a CVS frequency of 14.9 per cent, making the service sector the sector within AktieTorget, where companies are most likely to publish corporate value statements.

5.2.2. The Link between Ownership Structure of SMEs and Corporate Value Statements

In respect to companies’ ownership structure, this study (see Table 6) shows that, among listed Swedish SMEs on AktieTorget, the non-family owned companies more frequently communicate their corporate value statements externally, as compared to the family owned businesses. On the one hand, a difference in this respect can be supported by previous research (Chua et al., 2003) saying that being a family firm (due to the special family influence on the ownership) affects the way objectives, strategies, and structures are formulated, designed, and implemented. Considering this, one can therefore expect that such aspects of corporate governance can differ between family owned and non-family owned Swedish SMEs listed on AktieTorget. Since this study shows that non-family owned companies more frequently publish corporate value statements (as opposed to family owned companies), it could be argued to contradict CSR-research, which states that family owned firms behave more socially responsible than non-family businesses (Whetten & Mackey, 2005; Godfrey, 2005). Although, findings do not correspond with prior research, a link between the ownership structure and the existence of publicly communicated written-down corporate value statements is found.

5.2.3. The Link between Size of SMEs and Corporate Value Statements

Looking at the frequency of corporate value statements among companies of different size (see Table 7), one can observe a trend that, the larger the company, the more likely they are to have corporate value statements. Companies that are classified micro-size, barely communicate their values, corresponding only to 3.4 per cent. Within the group of small-
size companies, this number increases to 13.9 per cent, whereas 16.7 per cent of the medium-sized enterprises are publishing value statements. This finding can be supported by prior research on large corporations, which finds that relatively larger companies are more likely to publish corporate value statements (Wenstop & Myrmel, 2006; Rigby & Bilodeau, 2009).

5.2.4. The Link between contingent Characteristics and Corporate Value Statements
As highlighted above, there seems to be a difference in the distribution of value statements in regards to the three contingent characteristics investigated in this study. Our empirical findings suggest that a link can be made between three characteristics, i.e. industry, ownership structure, and size, and the existence of publicly communicated corporate value statements among listed Swedish SMEs on AktieTorget.

5.3. The Link between additional Characteristics, or Factors, and Corporate Value Statements
The existing data is sufficient to answer the first and the second research question, but does not provide us with information that could help to answer the third question and hence fulfil the purpose. Therefore, an additional study is carried out as a complement.

5.3.1. Justification of Further Study
In order to find any additional characteristics, or factors, that can be linked to the existence of publicly communicated written-down corporate value statements in SMEs, corporate websites and annual reports were consulted. During this process, the authors came across several characteristics and/or factors, i.e. age, geographical location, and the gender structure of the top management, that may show a link to the existence of publicly communicated corporate value statements. However, a more thorough study on all companies concluded that no such link could be identified. Therefore, the authors argue that a different inductive approach is required in order to answer the third research question. The authors choose to conduct a concise qualitative study on all ten companies that are found to publicly communicate their values. In doing so, the authors intend to find
the reason for why certain SMEs choose to publicly communicate their written-down corporate values. Thus, the purpose of this additional study is to facilitate the finding of possible additional characteristics, or factors, which can be linked to the existence of publicly communicated written-down corporate value statements.

5.3.2. Further Study on the ten SMEs that Publicly Communicate Corporate Value Statements

Humble et al. (1994) argue that corporate values are formulated and communicated by the top management. For that reason, the authors of this thesis intend to contact one member of the top management about the reasons for why their company publicly communicates written-down corporate values. Since there is a limited amount of companies that needs to be contacted, and since the authors intend to ask one specific question, a brief phone interview is conducted. By asking an open question, the respondents are encouraged to provide an extensive answer (Grummit, 1980 cited in Saunders et al., 2007). The question raised is: “For what reasons does your company communicate its corporate values externally?” The answer provided, upon the question, should give the authors sufficient information which can lead to an answering of the third research question (i.e. are there additional characteristics, or any factors, that can be linked to the existence of publicly communicated corporate value statements?)

The authors of this thesis interview one representative from the top management team of each listed SME on AktieTorget (that do publicly communicate corporate value statements), via telephone. Firstly, in order to reach a representative from the top management team of each company, phone numbers to either individuals of the management group (if obtainable) or to the headquarters’ switchboard are gathered from respective company’s web site. Secondly, (when calling a company) the authors ask for the CEO’s attention, and if not available, any other representative from the top management team is asked for. Also, to ensure that each answer is fully documented, all interviews are recorded (with permission from all interviewees). The interviews are conducted between the 3rd and 4th of May 2010 and the question raised during each interview is as follows:

“For what reasons does your company communicate its corporate values externally?”

The key points that have been raised during the interviews are presented in the following table (Table 8). Due to the reasons mentioned in section 3.6, all information is presented anonymously, using pseudonyms that correspond to table 3 (see section 4.1).

Table 8. Summary of the key points from the interviews.

<table>
<thead>
<tr>
<th>Company</th>
<th>Title of interviewee</th>
<th>Key points raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CEO</td>
<td>“... since we do business within the Third World, where corruption is a common phenomenon, we thereby state that we do not engage in any such business transactions. [...] if one is to make business investments together with a specific country, it is a pre-requisite to</td>
</tr>
</tbody>
</table>

---

8 In one SME, none of the representatives from the top management team agreed to be interviewed. Therefore, representatives from nine (out of the ten) SMEs were interviewed in this study.
have a code of conduct and to administer it.”

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 2 | CEO | “Well, partly since we are a public company and partly due to the nature of our business. Therefore, it is important towards our cooperation partners and towards our audience that we communicate what the company stands for.”
| 3 | CEO | “Well, we are a public company,… therefore we publish our corporate values and our policies etc. It is for the sake of our current shareholders and contemplated shareholders, so that the surrounding world can make a judgment upon our company.”
| 4 | Vice President | “… in the stage that we are now, were we recently have received a subsidiary company that accounts for 40% of the turnover, it is clear that we have not had time to ‘get them all in’, although there is a formulated idea. So the reason to why we communicate it is that we want to clearly state what we stand for.”
| 5 | CEO | ”The answer to that question is: it has become somewhat of a standard [within the industry], and we follow that standard, and have nothing against it.”
| 6 | Chairman of the Board & CEO | ”I think it is very important to have an open, transparent, information to the shareholders, so they understand what the company stands for, our discipline, our orientation, and future developments.”
| 7 | Vice President | “In reality, we do this for our customers and others, within our industry. [...] and authorities, and potential employees.”
| 8 | Director & Consultant of the Board | ”We consider it is a service that we provide to our stakeholders, shareholders, and those who visit our website. [...] in order to be informative towards the market.”
| 9 | CEO | ”Well, we believe it should be brought up, […] it shows that we have a sense of flexibility to help our clients to move forward. It is intended for customers.”

5.3.3. Discussion of Further Study

By looking at the responses, some companies intend to communicate what they stand for (i.e. Company 2, 4, and 6) and that they conduct business in an ethical way (i.e. Company 1). Some also do this to inform and allow the external environment to form an opinion about their business (i.e. Company 3, 7, 8, and 9), or simply communicate their values because it has become a standard, rather than something they deeply believe in (i.e. Company 5).

It seems that transparency and openness towards their stakeholders is one factor that most of these SMEs have in common. A stakeholder in general can be defined as "[anyone] who can affect the achievement of an organization's objectives or who is affected by the achievement of an organization's objectives" (Freeman & Reed, 1983, p. 91). Further, they can be divided into internal and external stakeholders. Internal stakeholders are members of the organisation (e.g. employees and managers), while external stakeholders are those outside the organisation (e.g. customers and suppliers) (Freeman, 1984, cited in Brickson,
Both of these stakeholder groups seem to be the reason for why the studied SMEs do publicly communicate their corporate values. However, the extent to which these two groups are targeted, when publicly communicating the corporate values, seems to differ. By interpreting the answers provided, and labelling them in respect to the definitions of internal and external stakeholders, the following data can be presented:

Table 9. A summary of the interpretation of the answers provided from the interviews.

<table>
<thead>
<tr>
<th>Company</th>
<th>Stakeholders addressed</th>
<th>External/Internal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Any external stakeholder</td>
<td>External</td>
</tr>
<tr>
<td>2</td>
<td>Society, Partners, &amp; Customers</td>
<td>External</td>
</tr>
<tr>
<td>3</td>
<td>Shareholders &amp; Society</td>
<td>External</td>
</tr>
<tr>
<td>4</td>
<td>Management, Personnel, &amp; Customers</td>
<td>Internal/External</td>
</tr>
<tr>
<td>5</td>
<td>Any external stakeholder</td>
<td>External</td>
</tr>
<tr>
<td>6</td>
<td>Shareholders</td>
<td>External</td>
</tr>
<tr>
<td>7</td>
<td>Customers, competitors, authorities, &amp; potential employees</td>
<td>External</td>
</tr>
<tr>
<td>8</td>
<td>Shareholders &amp; any external stakeholder</td>
<td>External</td>
</tr>
<tr>
<td>9</td>
<td>Customers</td>
<td>External</td>
</tr>
</tbody>
</table>

As summarised in Table 9, the authors interpret that all companies seem to target their external stakeholders when communicating their corporate value statement publicly. In addition, one company also targets internal stakeholders. The authors also interpret that, within these two stakeholder groups (i.e. internal and external), a majority of SMEs are addressing one, or more, specific stakeholders in their communication. As presented in the column “Stakeholders addressed”, it seems that customers are the most cited target in mind when justifying why corporate values are made public. Moreover, it is apparent that shareholders are also an interest group which some of these companies wish to inform about their values. Another external stakeholder that is mentioned more than once is the society. It is also evident that two companies did not have any specific stakeholder in mind when publishing their corporate value statement: addressing any external stakeholder. However, one company not only intend to address external stakeholders when communicating their corporate values but also managers and personnel (i.e. internal stakeholders). Although these companies do not address a common stakeholder, one factor that can be linked to all of them is the orientation towards their external stakeholders. Therefore, the authors argue that a factor that can be linked to the existence of a publicly communicated written-down corporate value statement is the stakeholder orientation, specifically directed towards the external stakeholders, with a focus on customers and shareholders.

5.4. Conceptual Discussion

According to this study, conducted on AktieTorget, it seems that a link can be made between the existence of corporate value statements and corporations’ characteristics, in respect to Swedish listed SMEs on AktieTorget. Findings suggest that industry, ownership structure, and size of Swedish listed SMEs are characteristics that all can be linked to the existence of corporate value statements. From the additional study, carried out on the ten
SMEs that do publicly communicate a written-down corporate value statement, an additional factor that can be linked was identified, namely the stakeholder orientation (see Table 9). Further, when summarising and comparing the findings from the two studies conducted (see Table 10), it suggests that nine out of ten companies that publicly communicate written-down corporate value statements, intend to communicate their corporate values to their external stakeholders (see column ‘External/Internal’ in table 10). Also, eight out of these nine companies choose to do that through their websites, while only one (out of nine) does so via the annual report (see table 10). Taking into account that most companies intend to address a variety of external stakeholders of the organisation (see column ‘Stakeholders addressed’ in table 10), this can explain the reason for why most of them choose to publish this information on their website, and not in their annual report. Annual reports can be described as business and financial performance statements, which companies publish yearly and are primarily distributed to its shareholders (Harvey, 2000), while websites can be used when attempting to reach a large number of external stakeholders (Guimarães-Costa & Cunha, 2008). Although previous research has argued that corporate values are generally communicated through both corporations’ annual reports and websites (Chun, 2003; Chun, 2005), the authors of this thesis argue that corporate value statements are more likely to be publicly communicated via corporate websites as compared to annual reports, among Swedish listed SMEs on AktieTorget.
<table>
<thead>
<tr>
<th>Company</th>
<th>CVS found in</th>
<th>Industry (GICS)</th>
<th>Industry sector</th>
<th>Ownership structure</th>
<th>Size</th>
<th>Key points raised by interviewee</th>
<th>Stakeholders addressed</th>
<th>External/Internal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Website</td>
<td>Healthcare</td>
<td>Secondary</td>
<td>Non-family</td>
<td>Small</td>
<td>“… since we do business within the Third World, where corruption is a common phenomenon, we thereby state that we do not engage in any such business transactions. […] if one is to make business investments together with a specific country, it is a pre-requisite to have a code of conduct and to administer it.”</td>
<td>Any external stakeholder</td>
<td>External</td>
</tr>
<tr>
<td>2</td>
<td>Website</td>
<td>Consumer</td>
<td>Tertiary</td>
<td>Non-family</td>
<td>Small</td>
<td>”Well, partly since we are a public company and partly due to the nature of our business. Therefore, it is important towards our cooperation partners and towards our audience that we communicate what the company stands for.”</td>
<td>Society, Partners, &amp; Customers</td>
<td>External</td>
</tr>
<tr>
<td>3</td>
<td>Website</td>
<td>Industrials</td>
<td>Tertiary</td>
<td>Family</td>
<td>Medium</td>
<td>”Well, we are a public company,… therefore we publish our corporate values and our policies etc. It is for the sake of our current shareholders and contemplated shareholders, so that the surrounding world can make a judgment upon our company.”</td>
<td>Shareholders &amp; Society</td>
<td>External</td>
</tr>
<tr>
<td>4</td>
<td>Website</td>
<td>Information</td>
<td>Tertiary</td>
<td>Non-family</td>
<td>Medium</td>
<td>“… in the stage that we are now, were we recently have received a subsidiary company that accounts for 40% of the turnover, it is clear that we have not had time to 'get them all in', although there is a formulated idea. So the reason to why we communicate it is that we want to clearly state what we stand for.”</td>
<td>Management, Personnel, &amp; Customers</td>
<td>Internal/External</td>
</tr>
<tr>
<td>5</td>
<td>Annual report</td>
<td>Materials</td>
<td>Primary</td>
<td>Non-family</td>
<td>Micro</td>
<td>”The answer to that question is: it has become somewhat of a standard [within the industry], and we follow that standard, and have nothing against it.”</td>
<td>Any external stakeholder</td>
<td>External</td>
</tr>
<tr>
<td>6</td>
<td>Website</td>
<td>Energy</td>
<td>Secondary</td>
<td>Non-family</td>
<td>Small</td>
<td>”I think it is very important to have an open, transparent, information to the shareholders, so they understand what the company stands for, our discipline, our orientation, and future developments.”</td>
<td>Shareholders</td>
<td>External</td>
</tr>
<tr>
<td>7</td>
<td>Website</td>
<td>Consumer</td>
<td>Tertiary</td>
<td>Non-family</td>
<td>Medium</td>
<td>”In reality, we do this for our customers and others, within our industry. […] and authorities, and potential employees.”</td>
<td>Customers, competitors, authorities, &amp; potential employees</td>
<td>External</td>
</tr>
<tr>
<td>8</td>
<td>Website</td>
<td>Materials</td>
<td>Tertiary</td>
<td>Non-family</td>
<td>Micro</td>
<td>”We consider it is a service that we provide to our stakeholders, shareholders, and those who visit our website. […] in order to be informative towards the market.”</td>
<td>Shareholders &amp; any external stakeholder</td>
<td>External</td>
</tr>
<tr>
<td>9</td>
<td>Website</td>
<td>Financials</td>
<td>Tertiary</td>
<td>n/a</td>
<td>Small</td>
<td>”Well, we believe it should be brought up, […] it shows that we have a sense of flexibility to help our clients to move forward. It is intended for customers.”</td>
<td>Customers</td>
<td>External</td>
</tr>
<tr>
<td>10</td>
<td>Website</td>
<td>Information</td>
<td>Tertiary</td>
<td>Non-family</td>
<td>Small</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

This categorisation is based on an interpretation of information retrieved from Affärsdata, in respect to companies’ primary business activity.
6. Conclusions

6.1. The Big Picture
The purpose of this thesis is to investigate whether small and medium sized enterprises listed in Sweden have publicly communicated written-down corporate value statements and the characteristics these enterprises have in common. In contrast to the global trend set by large corporations, this thesis suggests that small and medium-sized enterprises listed on AktieTorget do not seem to publicly communicate written-down corporate value statements.

The authors of this thesis are aware that AktieTorget does not serve the purpose of a representative sample for all Swedish listed SMEs. However, this thesis suggests that the findings might be comparable to other SMEs listed in Sweden, given the similarity between the SMEs listed on AktieTorget and those listen on other Swedish stock exchanges. Therefore, this may indicate that publicly communicated written-down corporate value statements are not common among small and medium-sized enterprises listed in Sweden.

Linkages found in previous research between CSR activities and large corporations, which include the publishing of corporate values statements, and the contingent characteristics: industry, ownership structure, and size, are also found in this study. However, the findings are not fully coherent with previous research findings. This study suggests that, among those SMEs listed on AktieTorget, non-family businesses are more likely to have publicly communicated corporate value statements as compared to family-owned enterprises. This could be argued to contradict prior studies, which have stated that family-owned companies tend to be more oriented towards CSR activities than non-family firms.

In contrast, coherence between prior studies and this study can be found when it comes to size and the likelihood of publishing corporate value statements. Not only do large corporation seem to be more likely to publish their value statements compared to SMEs, it is also evident that relatively larger companies (within the threshold of SMEs) more frequently do so, as compared to the smaller ones.

In respect to the industry sector, according to this study, companies operating in the tertiary sector are most likely to publish corporate value statements, followed by companies in the primary sector. Companies out of the secondary sector have by far the lowest frequency when it comes to publishing corporate value statements. This can be seen as surprising, since a majority of prior related studies focus their investigations on this sector.

The relatively few companies that are found to publish corporate value statements state several reasons for why they do so. From interviews with representatives of the top management in these companies, the authors find that the reasons span from for example attracting potential shareholders to simply following a trend. However, given the responses from the interviews, one common factor can be found. The authors of this thesis propose that the additional factor that can be linked with the existence of corporate value statements is companies’ stakeholder orientation (See Model 3). Specifically, the majority of
the companies that publish corporate value statements, direct their focus towards external, rather than internal stakeholders. This is supported by the fact that the majority of companies publish their corporate value statements on their websites, which is likely to be aimed at reaching as many external stakeholders as possible. Annual reports on the other hand, are hardly used by the SMEs investigated to communicate their corporate value statements. This might be due to the fact that annual reports are primarily directed towards the company’s shareholders.

Model 3. Hypothesis model - characteristics and additional factor linked to the existence of corporate value statements.

Finally, the authors of this thesis express that industry belongingness, ownership structure, size, as well as stakeholder orientation of the companies investigated, can be linked to the existence of publicly communicated corporate value statements, as seen in Model 3. Not all findings correspond with prior research; however, links between these characteristics and factors are evident.

Following the earlier reasoning, this may indicate that studies on other Swedish listed SMEs could yield similar results.

6.2. Contributions

This thesis serves as groundwork for another research project that specifically investigates how “...how Swedish companies work to develop corporate values” (Jönköping International Business School, 2010). Due to the fact that prior studies on Swedish listed SMEs and corporate value statements do not exist, this thesis can also be regarded as a pilot study. Also, this thesis contributes with a confirmation of three characteristics found in prior studies, which can be linked to the existence of corporate value statements, as well
as an additional factor that can be linked (i.e. stakeholder orientation). This allows companies listed on AktieTorget, and others, to gain an understanding about corporate values, corporate value statements, and to what extent listed Swedish small and medium-sized enterprises seem to publicly communicate these. Also, it provides the research community with further insight to the field of corporate value statements, especially in the context of Swedish listed SMEs.

6.3. Future Research
This thesis lays the foundation for future studies on Swedish listed SMEs and their activities related to the publishing of corporate value statements as well as CSR in general. Since a relatively small number of companies investigated in this study publish their value statements, the question can be raised whether these findings would yield the same results in studies conducted on other Swedish stock exchange listings that target SMEs. This thesis shows that Swedish listed SMEs seem to seldom publicly communicate written-down corporate values publicly, and therefore it would be interesting to discover the underlying reasons for this. It might further be interesting to study whether potential investors take corporate value statements into consideration before investing into a business, in the context of Swedish SMEs. If the answer is yes, then more SMEs might be willing to allocate resources and time to publicly communicate their corporate value statements.
References


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## Appendix

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>Main business activities are concerned with the exploration, refining and distributing of consumable fuel products or related services</td>
</tr>
<tr>
<td>Materials</td>
<td>Companies that are concerned with the production of a wide range of commodities, e.g. glass, paper, steel, chemicals as well as mineral and mining companies.</td>
</tr>
<tr>
<td>Industrials</td>
<td>Companies that focus on the production of capital goods, the provision of services and supplies (e.g. Printing) as well as the provision of transportation (e.g. airlines, postal services)</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>Production of goods that are most sensitive to economic cycles including car manufacturing, household durable goods, apparel and products and services related to leisure activities</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>Companies that are concerned with the production and distribution of non-durable goods such as food, beverages, drugs and personal products</td>
</tr>
<tr>
<td>Health Care</td>
<td>These include companies concerned with the production of pharmaceuticals as well as the provision of health care and related services</td>
</tr>
<tr>
<td>Financial</td>
<td>Companies that provide services such as banking, investments, insurance, brokerage and real estate</td>
</tr>
<tr>
<td>Information Technology</td>
<td>Companies producing hard- and software for home and business use; Services related data processing and IT consulting</td>
</tr>
<tr>
<td>Telecommunications Service</td>
<td>Companies that provide communication services such as phone and internet</td>
</tr>
<tr>
<td>Utilities</td>
<td>Companies that provide gas, water and electricity</td>
</tr>
</tbody>
</table>