Corporate Social Responsibility
- A study on how and why large and micro companies work with CSR.

Bachelor’s thesis within Business administration

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Abstract

Background and purpose: Large and micro companies in the clothing industry are working with CSR in different ways and to different extent. There are clear differences between large and micro clothing companies in regard to how their CSR work looks like. This study is about to find out what the differences are between the large and micro companies and what underlying motives they have for working with CSR.

Method: The method that is used during this study is a qualitative method. The qualitative method involves making a thorough investigation, which also results in in-depth answers and not just answers like yes or no. Results of a qualitative research are often presented as quotations or as a narrative text.

In this study interviews are used in order to fulfill the purpose. Answers of how companies work with CSR cannot be gathered just by asking a few standardized questions. Instead an interview will allow us to come close to the company and understand the whole concept of their CSR work. The companies that have been interviewed are KappAhl, Intersport, Crazy Horse and Alinas.

Conclusion: There is a lack of knowledge in the CSR field between large and micro companies. Micro companies do not have the same knowledge, resources or time as large companies have. A difference that has been shown is that the micro companies do engage in CSR activities, although in a small scale compared to the large companies, even if they do not know it themselves. Large companies engage far more in CSR activities and spend a lot of resources on these kinds of activities.

The large and the micro companies also have different motives for working with CSR questions. There is a difference between newly established micro companies and micro companies that have been around for a while. The new companies do actually think
about CSR and believe that it is important that they are socially responsible, even if they do not have the resources to actually engage in different activities in order to do so. The well established micro company on the other hand does not think that much about CSR and use the same suppliers as they have always done.

A clear motive why large companies as KappAhl and Intersport work with CSR is that they want to give something back to the world. Therefore they engage in activities where they have their operations in order to create a better environment. They take their responsibility even externally and not just internally, as the micro companies do.
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1 Introduction

In this introductory chapter, we will give a background description and a presentation of our subject. We will also present the purpose of the study and the issues that form the basis for the investigation.

1.1 Background

Corporate Social Responsibility (CSR) means that companies are actively involved in community development on its own initiative (Baker, 2004). If companies are working actively with CSR, this will strengthen the company's relationships with employees, customers, shareholders and suppliers. It will also contribute to growth and profitability (CSR SWEDEN, 2012).

The concept of CSR has a rather long history, which can be traced back to the 1950s. In the early stage of CSR it was more common to use the term social responsibility (SR) rather than CSR (Carroll, 1991). In recent years CSR have also been referred to as corporate citizenship. In the US there was a huge spinoff of CSR commitments in 1996 when the former President Clinton gathered a group of business people in order to discuss the subject of CSR, or as they called it; corporate citizenship. They also initiated an award, the Ron Brown Corporate Citizenship Award, in order to inspire companies to engage in activities that will support their workers. In order to be a good corporate citizen the criterias that was of importance all focused on `family-friendly´ policies and included; allowing family leave; good health and pension advancement opportunities; and policies that avoid layoffs. Even though this award only focused on the relationship between the company and their employees the concept also includes the relationship between the company and all their other stakeholders such as, customers, shareholders and the community in which the company is located (Carroll, 2003). This has been shown among companies in the later years since more and more companies are starting to take their social responsibility towards the environment and to the society where they operate.

CSR is generally a vision of the company's sustainability in its business. Companies often work with CSR in close contact with the company's stakeholders (Van Marrewijk, 2002). It is to some extent voluntary for companies to work with CSR and to meet their social responsibilities, but there are also expectations from the society that large and public companies have to meet their social responsibilities (Banerjee, 2008).

The awareness of social and environmental responsibility has increased in recent years among companies. Today people have received better knowledge in the environmental field and consumers are becoming more conscious about the choices they can make environmentally. Consumers begin to increase their demands on products and manufactur-
ers. Manufacturers have to, in turn, investigate their suppliers and these may have their own subcontractors. It is not just the consumer that the manufacturer must take into consideration when considering environmental questions. Large firms have interest groups such as financial analysts, banks, insurance companies and shareholders. Media also play a big role, because of their coverage of companies’ environmental performance (Larsson, 1997).

Today companies may use CSR as a business strategy, because the environmental work will affect their position on the market and future business opportunities. It is therefore important that the companies show that they are willing to take environmental responsibility (Larsson, 1997).

1.2 Problem discussion

“Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.” (Baker, 2004). This is a definition that covers more or less all the areas that are included in the concept of CSR and what the society expects from the companies.

But is it that simple? When describing CSR in a way that is stated above it seems like all companies should contribute to society with their resources in order to create a better world. Especially the words society at large indicates that it is the whole world that is meant. But when talking about CSR, do we actually talk about all companies, no matter of the size and are all companies actually taking their responsibility? If companies do not take their responsibility, what is the reason for that? These are all questions that is of importance in order to find out how and why companies actually work with CSR.

There have been a lot of studies in the area of CSR and the subject has been studied from different angles. Even though the subject is well discovered some questions still remain. This study aim to fill the gap that is in the literature today and combine the question regarding how companies work with CSR, what motives they have and if there are any differences regarding these questions because of size of the company. Many studies treat large companies in relation to CSR but there is a lack of information regarding micro companies and their CSR work. This study aims to fill that gap in order for micro and large companies to learn from each other. As stated earlier, this study does not generalize but mainly shows how specially selected companies work with CSR and how the motives for working with CSR differs between this certain companies. Even though there is no generalisation, companies will be able to take guidance from this study when considering how to work with CSR, especially micro companies who do not take active part in the work with CSR.

Since the interest is increasing for companies to take their social responsibility, we have decided to investigate what those underlying motives are for the companies, and in
which way they implement it in their organization. We have decided to focus our study on the textile industry. We will in this report examine a small number of large and micro clothing companies. This study will answer the question if there are any differences in their work with CSR and if there are any differences in their underlying motives.

### 1.3 Research purpose

The research purpose is to examine if Swedish clothing companies take a different approach to CSR activities depending on if they are a large or a micro company. The study will also examine if micro and large companies have different underlying motives for working with CSR.

With approach we mean if companies work in different ways with CSR activities and in what way they are working with it. With underlying motives we refer to how companies think when deciding to engage in different activities. We will also find out why they decide to engage in just those activities.

### 1.4 Research question

In order to fulfil the purpose of this study the following questions is examined in order to create a better understanding of how micro and large companies works with CSR:

1. How do micro and large companies in the Swedish textile industry work with CSR?

2. Why do micro and large companies in the Swedish textile industry work with CSR and what are their underlying motives for engaging in CSR activities?

3. Are there any differences between micro and large companies and what are the differences?

### 1.5 Delimitation

We have decided to limit our report by just studying companies in the Swedish textile industry in order to make the study more concentrated and reliable. Comparing companies in different industries would not make a good comparison since CSR activities and the way companies work with them may differ a lot between different industries.

We have also decided to limit or study to just focus on micro and large companies. Since the companies have a huge difference in the amount of employees and revenue it will be of most interest to see how huge the contrasts are between the companies in their CSR work, if there are any.
CSR is a broad concept that has become more and more discussed in recent years. Many authors have tried to define the concept of CSR. Today there is not one main definition of CSR and different actors have different views of what CSR is. This study will not try to define what the concept of CSR is but mainly examine how companies work with CSR and what their motives are.

1.6 Definitions

1.6.1 Definition of Corporate social responsibility

CSR has been defined in many different ways throughout the literature and there is no exact definition. The most common definition states that CSR “refers to actions taken by firms with respect to their employees, communities, and the environment that go beyond what is legally required of a firm” (Barnea & Rubin, 2010 p. 71). A slightly different definition is that “social responsibility is the way its managers and employees view their duty or obligation to make decisions that protect, enhance, and promote the welfare and well-being of stakeholders and society as a whole” (Jones & George, 2011 p. 153). Even though the definitions differ, the conclusion to be drawn is that CSR refers to the responsibility management has to its stakeholders, not just to their internal stakeholders but also to external stakeholders and the society as a whole.

CSR is an integral part of companies’ strategies in the way that, how companies deliver their products or their services to the market affect their CSR. CSR is a way of balancing the concern of the stakeholders with the implementation of the model for the business (Werther & Chandler, 2006). CSR also differ between companies depending on which branch they are operating, in what business they are operating in and which goods and services they are offering (Borglund, De Geer, & Hallvarsson, 2009). CSR can be divided into different categories, today the most common ones are: economic, environmental and social responsibility. Economic responsibility means that the company’s strategy is to gain as much profit as possible and in that way show responsibility to the shareholders. Environmental responsibility is a long-term responsibility where the nature is in focus with a goal to protect the earth’s natural resources. The responsibility for the society includes taking care of the people in their surrounding such as their employees, suppliers and customers and act as a corporate citizen (Grankvist, 2009). The different responsibilities are discussed in more detail under section 4.1.

CSR can be a way to gain competitive advantage in the society, if implemented in the right way. To be able to gain a competitive advantage the company need to have a strategy that is acceptable in the environment in which the company operates (Werther & Chandler, 2006). The company also need to have a balance between the different responsibilities. Just focusing on one part of CSR might result in a negative view of the company, for example if the employees feel neglected when the company choose just to
focus on the economic responsibility and gain as much profit as possible and in the meanwhile neglect the employees (Grankvist, 2009).

1.6.2 Definition of micro, small, medium and big-sized businesses

In order to determine the size of a company, three criteria’s need to be taking into account:

- The number of employees
- Annual revenues, and
- Annual balance sheet

There are four kinds of businesses; micro, small, medium and big-sized businesses. Micro enterprises are defined as having less than 10 employees and an annual turnover or balance sheet not exceeding EUR 2 million per year. Small businesses are defined as having fewer than 50 employees and an annual revenue or balance sheet that does not exceed EUR 10 million per year. Medium-sized firms are defined as having less than 250 employees and an annual turnover not exceeding EUR 50 million per year or a balance sheet not exceeding EUR 43 million per year. Companies with a higher number of employees and higher annual sales are big-sized firms (European Commission, 2006). Big-sized companies will hereinafter be referred to as large companies.

In order to see a difference between how companies of different size work with CSR this study focus on micro and large companies. Since there are huge differences in size between micro and large companies our opinion is that the greatest results will be made by choosing two completely different sizes of companies.

1.7 Disposition

This bachelor thesis is structured in the following way: The introduction section will give an overview to the study where background, problem discussion, research purpose, research questions and also the delimitation of the study are presented. The theoretical frame of references will give the reader an overview of the concept of CSR in relation to the size of the firm, stakeholder theory and textile industry and durability. In the method section the different methods for this study is described. In this study a qualitative method is used. Thereafter the empirical findings are presented that are followed by an analysis. Finally, the study ends with conclusions and a discussion section.
2 Theoretical frame of references

In this chapter the theoretical framework for this study is presented. Firstly, the concept of CSR is described in more detail in order for the reader to reach an understanding of what CSR is and what is included in the different responsibilities. Thereafter a short presentation of the development and the history of CSR are presented.

Reasons for participating in CSR and benefits of CSR are presented in order to reach a deeper understanding of why it is important for companies to engage in CSR activities and how they can gain a competitive advantage from these activities. The concept of codes of conduct is presented since that is something that is used by many companies and this study will analyse if there are any differences between micro and large companies.

In order to find out how companies think in their work with CSR the stakeholder theory is used to see what stakeholders that is of most importance for the company. Lastly, CSR is presented in relation to the textile industry in order to get better understanding of how CSR work in the industry which is analysed in this study.

2.1 Corporate Social Responsibility

CSR has a rather long history and existed already before World War II but it started to be of more importance first during the 1960s. During the 1960s the concept of CSR was discussed in the literature in the United States. The topics was mainly about what CSR meant and also its importance in the society (Carroll & Shabana, 2010). The concept of CSR started to be taken into consideration at the same time as pollution risks, employment security and accident prevention began to be a discussed subject in the 1960s (United Nations, 1998). During this period the motivation for CSR was the social consciousness and nothing was expected in return (Carroll & Shabana, 2010). In the 1970s CSR took the form of responsibility, responsiveness and performance meaning that companies also started to notice that it was possible to gain results from CSR activities (Carroll & Shabana, 2010). In the 1970s the concept of CSR was discussed in France but it was first during the 1990s that CSR resurged in Europe (United Nations, 1998).

In the 1980s new concepts was introduced such as business ethics and stakeholder theory (Carroll & Shabana, 2010) In the 1990s and 2000 the concept of CSR became known worldwide and the concept of corporate citizenship was introduced (Frederick 2008: Carroll & Shabana, 2010). The latest concept of CSR that have become very popular is sustainability which was introduced in the beginning 2000. Ever since the 1960s the concept of CSR has become more and more important to companies and also to the society. Almost every day you can read something in the newspaper or watch something
on the television that can be related to CSR. CSR have had many names during the years, such as corporate citizenship, business ethics, stakeholder management and sustainability, but CSR is a concept that has been popular in all centuries. Today CSR is the most widely used concept and people understand it all over the world (Carroll & Shabana 2010: Hassel, Larsson & Nore, 2011).

Working with CSR has become very trendy, especially in recent years. Essentially, CSR is about voluntary corporate social responsibilities and are about so much more than charity work and donations (United Nations, 1998). CSR are normally divided into three areas: economical responsibility, environmental responsibility and social responsibility (Hassel et al., 2011).

It has become important that the companies show that they are willing to take a social responsibility. Their environmental work will affect their position on the market and future business opportunities and they can therefore use CSR as a business strategy (Larsson, 1997).

The three areas, economical responsibility, environmental responsibility and social responsibility, are about an ethical dimension and this is the base of how they are doing and guide the work. It also helps the managers to make decisions when they have to weigh one choice against another. Companies need to balance these areas in an optimal way to create a sustainable business. They cannot choose to only focus on one area. The key concept is to interact the three areas with each other for a long-term sustainability, where they both can make money, take responsibility for the environment and take responsibility for the workplace which include that the employees are satisfied and feels motivated (Hassel et al., 2011).
Carroll (1991) has decided to divide CSR a bit differently than the three categories described above. Instead he argues that there are four steps of CSR which is shown in the figure above. It begins with the basic building block that shows that economic performance is the foundation for everything else. Companies are at the same time expected to follow the law, because these are a society’s acceptable and unacceptable behaviour. The third step in the pyramid is the company’s responsibility to be ethical. The ethical responsibility is about what is right and fair and to avoid harm to stakeholders like employees, consumers, the environment etc. At the fourth and last step it is about that the companies’ expect to be a good citizen. At this step the company should contribute financial and human resources to the community and improve the quality of life. The environmental responsibility is part of both the legal, the ethical and the philanthropic step in the pyramid (Carroll, 1991).

2.1.1 Social responsibility

The social responsibility is the S and the R in CSR and is the generic term for all the different responsibilities. Davis has defined social responsibility as "decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (Davis 1960 p. 70). The social responsibility is about how to run the company in a way that characterizes a good corporate citizen. Companies must take citizens'
health and wellbeing into account and it does not matter whether they are employees, contractors, business partners or consumers (Hassel et al., 2011). If a company has a positive attitude towards social responsibility it is easier to see all the opportunities that are available to earn and save money. Customers prefer to buy products or services by companies perceived as decent, than from companies that only focus on maximizing their own profits. It is important to motivate their employees and make them feel comfortable. Although salary is a major motivation, they need something more to feel that the work is worthwhile. It is important that employees feel that they are allowed to contribute and gain the trust of their employer. The corporate culture of a company is extremely important for the company in order to be successful (Grankvist, 2009).

2.1.2 Economic responsibility

The economical responsibility is about how to run a business so that they earn as much money as possible. The company then take responsibility for the shareholders in order to secure the company's financial position and give shareholders a return on their invested capital (Hassel et al., 2011).

The economical part captures the activities that have either a direct or an indirect positive economic impact. As an example of direct impact are activities that intend to increase sales. An example of indirect economic impact is activities that improve their employees’ morale. Activities that have the ability to increase a company’s profits are considered to be economically motivated. The positive impact that companies have on the economical part is based on the maximization of profits and the maximization of share value (Schwartz & Carroll, 2003).

2.1.3 Legal responsibility

The legal responsibility is that the company should obey by the law. Legality can be divided into three general categories: 1. compliance 2. avoidance of civil litigation and 3. anticipation of the law. The first category compliance, can be divided into three subgroups: passive, restrictive and opportunistic. With passive, the company just does what they want and it just happens to be complying with the law. With restrictive, the company has to do something that they would not do if it had not been required by the law. With opportunistic, the company may seek and take advantage of the legislation to be able to be a part of some certain activities. The second category avoidance, refers to that the company tries to avoid current or future litigations. The third and last category anticipation of the law, is about that legal processes are often slow, and there are some corporations that want to engage in activities that will result in immediate compliance upon the legislation’s eventual enactment. If a new law is expected, the company may want to work with voluntary work, because they want to help to prevent, modify or slow down the pace of the new legislation (Schwartz & Carroll, 2003).
Companies are expected to play the “rules of the game”. From the legal perspective, society expects that companies fulfil their missions within the frame of legal requirements set by the societal legal system (Jamali, 2008). The society and stakeholders also expect ethical behaviour from companies that goes beyond the mandatory legal compliance. Both economic and legal responsibilities are mandatory (Windsor, 2006).

2.1.4 Ethical Responsibility

The ethical responsibility is about the social responsibility that companies have to their stakeholders and involve parties that they work with (Schwarts & Carroll, 2003). The field of ethics relating to CSR is about a number of different sets of ethical and moral matters which may be statutory or pure principles (Schwarts & Carroll, 2003).

Prior literatures have defined the concept of ethics. Ethics are defined as the “...obligation to do what is right, just and fair” (Carroll, 1991, p. 42), “Ethics is a system of value principles or practices and a definition of right and wrong” (Raiborn & Payne, 1990, p. 879).

This definition will be the base for further discussion regarding ethics throughout this paper. The economic part of the pyramid of Carroll (1991) shows that the ethnic majority is included in the economic when it comes to taking responsibility and meets the conditions in terms of the ecological sustainability of the company. The ethical thinking is a responsibility between the mandatory approach as it shows that they want to show the economic and legal sustainability. The ethical responsibility also has another side that companies want to show and that is voluntary activities for companies to comply with, such as charity events. Ethical responsibility is what the community and stakeholders expect the companies to do and not only show the mandatory responsibilities that are statutory but that they also should take a voluntary responsibility. (Windsor, 2006).

Schwartz and Carroll (2003) mentions that ethics can be used as justification for the different activities, both activities made within the company when the companies engage in charity projects. Through the activities the company does, it is important that they treat people as targets and not just as a way to reach the goals of the organization or company.

Business ethics have two aspects. First business ethics is about the individuals that operate in organizations and the society and their behaviour. Second business ethics concern the values of the business, what values the business have and how they integrate values such as honesty, trust, fairness and respect in their work such as their policies, practice and decision-making (Blowfield & Murray, 2008). Examples of business ethics is when individuals in the company are willing to go beyond what the law requires and join generally accepted codes of conduct in different industries or professions. Another
example would be where management of the companies encourage employees to follow the law and not put them in situations where they might be tempted to break the law.

It might also be of importance for companies to initiate codes of ethics in their own companies so that everyone affected knows how to make decisions and what to consider in the decision-making. Codes of ethics can be of crucial importance in the changing environment that companies face when trading globally. Ethics might also be viewed differently in different countries and a globally adapted code of ethics can be of importance for the companies in order to resolve different issues that might arise. (Blowfield & Murray, 2008). According to a survey made by the Conference Board in 1988, where 300 major companies participated, more than 75 % of the companies had introduced a code of ethics (Survey Examines Corporate Ethics Policies, 1988). All though most of the companies had focused their code of ethics on illegal practices, practices such as bribery which had punishment consequences, rather than immoral acts such as product quality and civic responsibility (Raiborn & Payne, 1990).

According to Blowfield & Murray (2008) business ethics should rather be describes as the heart in business guiding management in decision-making and their way of behaving. Today business ethic is more refered to as something that is of importance in order to gain profits and increase shareholder value.

Researchers have shown that “good ethics is good business” (Joyner & Payne, 2002, p. 297). A survey made among customers show that customers prefer companies that have good ethics. It is also important for customers that the company they do business with are socially responsible. According to Joyner & Payn (2002) businesses behave ethical in society of their own free will and they do feel that it is important to take responsibility without pressure from external forces such as governments. There are two ways in which businesses engage in ethics. Firstly they are ethical in nature which is described above. The second reason is the more machiavellian one, meaning that businesses want to convince the stakeholder that they are making ethical decisions and behave in the right way (Joyner & Payne, 2002).

2.1.5 Philanthropic responsibility

The philanthropic responsibility means that companies should be a good citizen and live up to the expectations of the society. The philanthropic responsibility includes that companies that have the resources spend them for the greater good of the society. Activities that companies engage in in order to be responsible are for example to contribute with resources, both financial and human, to the art, education and the community and participate in community program in order to contribute to the welfare of the society. The society expects companies to take their philanthropic responsibility but this responsibility also differs from the ethical responsibility in the way that the society does not think that the company is behaving unethical if they do not contribute in these activities.
A company that is not engaging in these activities is not a `bad´ company, as compared to companies that are not behaving ethical. According to Carroll (1991) the philanthropic step is more a voluntary level that is very desirable to reach but that is not as important as the other steps in the pyramid.

2.1.6 Environmental responsibility

The environmental responsibility does not have any own step in the pyramid. A reason for that could be that the environmental question has been raised in recent years and was not that important when the pyramid was created. Even so, it is one of the responsibilities that is discussed in relation to CSR today. The environmental responsibility is about how to operate in a manner that does not affect the environment in a negative sustainable way (Hassel et al., 2011). Companies often make the mistake by simply look at environmental effects and they then forget the economic benefits that can actually occur. Today it is almost essential to have healthy products on the market to succeed. Companies now have discovered new opportunities. Before they only saw the requirements that they had take care of its customers’ waste as a problem. Now they have realized that customers who want to recycle their clothes will often buy something new. It pays off to think about how the product is used and to think about what happens before and after the product has been manufactured (Grankvist, 2009).

Companies that think about the environment work to minimize their resources, they think of the consequences before and not after, they carry their goods as efficiently as possible and are actively working to minimize their waste. A company that work environmentally should mediate their actions to their customers so that they become aware of that they have made a good purchase (Grankvist, 2009).

2.2 Code of conduct

Many companies have implemented codes of conduct in order to take their social responsibility. Codes of conduct include guidelines, testimonials and regulations put forth by society. The basis of these guidelines is to influence the behaviour of firms and the aim is that the companies should take more responsibility. The code of conduct that is developed not only affects the company but also customers, communities, suppliers, contractors, competitors and shareholders (Sauvant, 1999).

According to Jenkins (2001) there are different types of codes of conduct, they have categorised them into five different types. Firstly there are company codes, which the companies have created themselves for their organization or for their suppliers. The second category is trade association codes of conduct which are adopted within an industry. Companies within the industry choose to adopt these codes of conduct, it is not mandatory. Multi-stakeholder codes are the third category and are negotiated between
stakeholders. In some industries model codes are created which should be regarded as a benchmark. Companies can choose to follow them. The last one is inter-governmental codes such as the OECD’s Guidelines for Multinational Enterprises. These codes are negotiated at an international level and it is the national government that decides if they should be followed in that country.

Codes of conduct are used to influence players to take their social responsibilities. Codes of conduct differ between each other, the structure and careful assembly differ between each other. The better the codes of conduct are designed the better they can be monitored and measured, and thus also monitored so that they are followed (Sauvant, 1999).

2.3 CSR today and the pressure from the media

In today's society it is expected that companies work with CSR. In most cases, companies are also expected to work with CSR together with any optional organization of non-profit nature, such as Greenpeace. Both the non-profit organization and the company itself gains from the co-operation. The non profit organization contributes with knowledge and the company contributes with resources in form of sponsorship and grants. A co-operation like this helps the company to build the company image and be regarded as a corporate citizen (Borglund et al., 2009). In recent years the society has to a certain degree lost their confidence in the companies since the financial crisis. According to Borglund et al., (2009) the companies need to earn that trust back, not just by being good at what they are doing but also by behaving as a good corporate citizen.

One of the reasons why society have lost their confidence in companies such as banks and financial institutions has to do with the media coverage. More people become aware of the problems. Media have in many ways put CSR into the spotlight, which therefore have led to that CSR have been developed in many ways. Media critically examine and present the companies actions into the spotlight. It is also through the media that companies have to defend themselves when they receive criticism. The media have been a tool to guarantee that companies take their responsibility since they do not want negative publicity. Although there is one disadvantage with CSR in the media. Too many companies choose not to go out and talk about their work with CSR because they are afraid of being audited, and this makes their work harder (Borglund et al., 2009).

Today internet makes it possible to reach more people in less time than the traditional media does. Individuals can get the information from the Internet anytime and anywhere. Internet also makes it possible for other groups to see information not intended for them (Snider, Hill & Martin, 2003).
2.4 Reasons for participating in CSR

It has been more and more important in recent years to participate in CSR-activities. There has been a growing awareness from customers which has led to that they have higher expectations on companies. This is why CSR has become a key factor to contribute competitive advantage and a way of differentiating their company and products (Koszewska, 2010).

There are several reasons why companies choose to participate in CSR. Companies may have unselfish reasons, such as that they believe that their CSR work is a part of being a good global citizen. Another reason for participating in CSR is that their engagement activities are considering as ‘window-dressing’ for the company, this is because they want to satisfy their different stakeholders and avoid negative publicity. You can look at CSR as another way of doing business. A third reason are that many companies believe that their CSR work helps motivate their employees, and also recruit and retain them. The employees will then have a stronger commitment to the company. A fourth reason is that they want to attract their customers to purchase their products. CSR activities can for example help companies that have luxury goods which cost a lot, because then the customers perhaps get more understanding of how luxury goods can be better for the environment than ordinary goods. A fifth reason is that if companies have their focus on the environmental area this can lead to reduction in the costs of the production. At last, CSR can be seen as an integrated part of the company’s risk management. CSR can then be good to facilitate legislative and regulatory constraints. For example, CSR can reduce the likelihood of the occurrence of unpleasant incidents, which - in turn - reduce the risk of lawsuits and damage of the company's reputation. It is also possible that companies that are working with CSR are able to attract investors and receive more favourable terms from lenders. Investors are more willing to invest with their moral aims that they have (Sprinkle & Maines, 2010).

There are three major groups that companies turn towards when they are doing CSR-activities and these are: companies, consumers and investors. All of these three are included in the socially responsible management, which defines practices and management standards of the business that enables business to make CSR part of their operations and strategies (Koszewska, 2010).

2.5 Benefits of CSR

Many of the benefits of CSR reflect the reasons why companies choose to participate in CSR. When companies work with CSR programmes, they can create strategic benefits for the organization. Companies can gain a good reputation by adopting CSR activities and they can also gain benefits from employee morale, productivity and retention by supporting the ethical motivations. By improving morale, productivity or loyalty they can gain economic benefits because these activities makes it easier for the company to
retain and attract the best employees. Companies have to create value for the firm in order to gain the best strategic benefits (Burke & Logsdon, 1996).

It is important that both the company and its stakeholders become more aware of each other’s benefits, because when they do, the managers can create better CSR activities. Another benefit is that they can differentiate themselves from their competitors. Companies can also develop their relationships with customers, suppliers and investors (Burke & Logsdon, 1996).

There are proponents who argue that CSR is a way to create competitive advantage, which in turn increases revenue, which ultimately increases the value of the company. If a company has a well-defined environmental work this can reduce their costs and operating risks (Hassel et. al., 2011).

2.6          Corporate social responsibility in relation to the size of the firm

Companies size is very important for their CSR work; the company’s size may motivate the company to be working with CSR. Larger firms have a greater reason to take their social responsibility, because there will be more extensive consequences for larger companies if they do not take their social responsibility. It is often larger companies that will be held liable for social responsibility, because these companies are watched by the media and therefore small companies will not be held liable in the same way. Although, small businesses have begun to take their responsibility in CSR through small acts that may involve, for example, charitable donations (Udayasankar, 2007).

CSR issues shows how companies can make use of their work with the social responsibility and to ensure a positive work for the company along with the moral which they stand for. There is a suggestion that CSR efforts are driven by different stakeholders for the companies, in return this work can lead to an increase in assets for corporate resources (Udayasankar, 2007).

An important aspect of how companies work with CSR, depends much on their structure and size of the company. Larger companies are also more visible to third parties which result in that they are being more put in the spotlight by the society. Micro companies are not visible in the same way as large companies and therefore they may not have same pressure from, for example, the society to work with CSR. (Udayasankar, 2007).

Larger companies have better and more resources and a well developed administrative department and this makes it easier for them to spend more time and resources on CSR work than for smaller companies, because they do not have the same resources or the time to work with CSR and that makes it unprofitable for them to engage in CSR (Udayasankar, 2007).
2.7 Stakeholder theory

Stakeholder theory is a theory used to see what different views the society has on the stakeholders and how the company integrates with different groups of stakeholders (Deegan & Unerman, 2011). According to Freeman stakeholders are:

“Any group or individual who can affect or is affected by the achievement of an organization’s purpose” (Freeman, 2010, p. 53).

Historically stakeholder included shareholders, employees, suppliers, customers, lenders and society (Freeman, 2010). In the definition that Freeman gave a large amount of people can be included, and in addition to the stakeholders mentioned above it may also include government, media, local communities, employees’ families, local charities and much more. According to some authors, stakeholder can be divided into two groups, primary and secondary stakeholder. Primary stakeholder are the ones that are crucial for the company’s survival while secondary stakeholder are the ones which are not essential for the company’s survival, do not make any transactions with the companies and only affect or are affected by the companies (Deegan & Unerman, 2011).

Deegan & Unerman state that “…stakeholder theory accepts that because different stakeholder groups will have different views about how an organization should conduct its operations, there will be various social contracts ‘negotiated’ with different stakeholder groups, rather than one contract with society in general”(Deegan & Unerman, 2011, p. 348). Stakeholder theory refers to the power of stakeholder and how their power can affect the companies’ choices so that they coerce with the stakeholders expectations (Deegan & Unerman, 2011).

There are two different perspectives of the stakeholder theory; ethical/normative perspective and the positive/analytical perspective. The ethical/normative perspective means that all stakeholders shall be treated the same, or have the same right to be treated fairly. The treatment of the stakeholders shall not depend on their economical value to the company or their influence but rather on the company’s impact on stakeholders life experiences (Deegan & Unerman, 2011). According to the ethical/normative perspective the companies shall not just focus on the shareholders and their economical interest but take all stakeholders into account and balance these interests. They should manage the company so that their strategies favour all stakeholders. According to Hånas (1998) this perspective shows the companies social responsibility and impact. All stakeholders have minimum rights and the right to access information regarding how the companies’ decisions are affecting them, such as decisions regarding initiatives for employment safety, what organizations the company are sponsoring and environmental effects (Deegan & Unerman, 2011).

The positive/analytical perspective focus on the different stakeholders in the society and how the expectations from different stakeholders affect corporate strategies, if it has any effect. This perspective is more organization-centered, where organizations first and
foremost look to its own needs and how the stakeholders can benefit them, instead of the other way around. From this perspective it is important to see what stakeholders that are of most importance for the company and put most effort in to those relationships. Which stakeholders that are of most importance differ from company to company, for the reason that it depends on what the company need and what stakeholder that can satisfy those needs. The companies always need to be flexible in determining the importance of the stakeholders since the companies needs may change over time (Deegan & Unerman, 2011).

When determining which stakeholders that are of most importance, three features needs to be taking into account; power, legitimacy and urgency. Power means the influence that the stakeholders have over the organization. Regarding legitimacy Deegan & Unerman (2011) stated that legitimacy appears when the stakeholders demands conforms to the norms and values of the society. Urgency is the degree to which the stakeholder’s demands needs the firm’s immediate attention. Stakeholders are of more importance to the companies if they have a high level of all these features. Information is an important tool to use to inform stakeholders and also in some cases manipulate them and in that way attract stakeholders. When companies conform to important stakeholders expectations they will most certainly spread this to the stakeholders, for example by public reporting or sustainability reports and annual and interim reports in order to clearly show that they are conforming to their expectations (Deegan & Unerman, 2011).

2.8 Textile industry and durability

At the beginning of the textile industry the competition was about making profits. Even though companies still care a lot of making profits, the competition today is also about having the best quality of their products on the market. Today, many consumers take the social impact and ethics that is available into account. As the consumers get involved and look more to the topic CSR, this has meant that organizations and companies are more interested in CSR and are actively working with it. Social responsibility of business includes consumer expectations, which means that the company takes its social responsibility. Today, these characteristics of CSR are a strong factor in companies' efforts to enhance the products. (Koszewska, 2010).

Companies that take responsibility for their products have a significant role in the market. A socially responsible fabric is still a niche market and is steadily increasing (Koszewska, 2010).

There is consumer interest in green products, which makes it a rapid expansion of green products such as organic cotton. There are many consumers who have CSR as a major purchasing criterion according to a study Koszewska has implemented. Interest in business practices from the public and to the environment has led to the development of
CSR and environmentally friendly textiles have become a growing market (Koszewska, 2010).

Consumers keep getting an appetite for ethical issues in terms of clothes shopping. Because of this, CSR has become a growing topic of many organizations and companies of world textile and clothing industry, who wants to grow and develop in the future. Organizations and companies today integrate the social and environmental issues in their policies more and more. Although the responsibility of both consumers and businesses has grown, so has the market with social responsibility and have more developed into a niche market. Although all clothing companies are not working with it as a niche today (Koszewska, 2010).
3 Method

In this section the different methods used in this study are described. The section describes how the data collection is done and what methodological approach is taken.

3.1 Quantitative versus qualitative method

Broadly there are two different methods to use; qualitative method and quantitative method (Edvardsson, Andersson, Sandén & Waller, 1998). A qualitative research approach is an approach that allow the researcher to meet the situation he or she is in as if it were new. They are also looking for a holistic understanding of the situation so as to obtain a complete picture of the situation (Olsson & Sörensen, 2011).

Olsson & Sörensen (2011) also mention that when using a qualitative method, you use a frame of reference that is qualitatively designed to have as a starting point for the research and study. This reference provides an inductive thinking. Inductive thinking means that you acquiring new knowledge in the field you are studying.

The qualitative method involves making a thorough investigation, which also results in in-depth answers and not just answers like yes or no. By this method you may also get more comprehensive answers. Results of a qualitative research are often presented as quotations or as a narrative text (Edvardsson et al., 1998). Qualitative researches collect data themselves by examining documents, interviewing participants by having a face-to-face interaction with participants in order to observe behaviour. Qualitative researches typically use more than one way to collect information, for example, documents, observations and interviews. The meaning of a participant is that the researcher keeps its focus on learning the meaning about the participants’ issue. Qualitative researches try to report multiple perspectives and identifying the factors that may be involved, because they want to develop a complex picture of the problem of the study (Creswell, 2009).

In this study a qualitative measurement method is used because it provides more in-depth answers. In order to receive those answers interviews with a few numbers of companies are made, which is only possible in the qualitative method. In order to get answers to the questions of how and why companies in the clothing industry work with CSR questions and how the motives differ compared to size, a qualitative method is the best way to receive in-depth and detailed answers.

The qualitative method is considerably more flexible than quantitative because you get an opportunity to have a dialogue with the object and then get a deeper understanding of what he or she thinks. You also get an opportunity to ask supplementary questions or discuss any confusion (Edvardsson et al., 1998).

In a quantitative research, you use a different approach, which is deductive thinking as a reference for the research. With deductive thinking the researchers make use of the im-
lications of what is already known and adds it in to the current study (Olsson & Sörens-

sen, 2011). The quantitative measurement method should be easy to understand and
easy to interpret, therefore, this method often gets answers in form of numbers and fig-
ures. The method is useful when you have a large number of respondents, it is important
to re-member to make a clear investigation, you can then generalize the answers and
implications in a fair manner and present the results in percentages or scales (Edvard-
sson et al., 1998). It is important that the researcher report the selection process of the
participants as either random or non-random. The researcher should also report the in-
formation about how many there was who returned the survey and how many who did
not (Creswell, 2009). A quantitative research method would not give and in-depth over-
view over how companies work with CSR and therefore this method is not used in this
study.

The disadvantage of using the quantitative method is that you only get answers to the
questions in form of yes or no. It is also not possible to know how the respondent thinks
how he or she does (Edvardsson et al., 1998).

3.2 The collection techniques

In order to gather information there are a number of different collection techniques, in-
cluding questionnaires, interviews, focus groups, studies of hard data, observations and
more. The most common techniques are questionnaires and interviews of various kinds.
Questionnaires can either be a list of questions on a paper or a digital questionnaire to
be answered on the internet. Questionnaires are good to use if you want to reach many
respondents, when the questions are standardized or if you have a smaller budget be-
cause this technique does not involve such large costs (Edvardsson et al., 1998).

In this study questionnaires are not used since it is of importance that the questions can
be customized depending on the situation and since it is of importance that follow up
questions can be asked in order to find out how and why companies work with CSR.

Interviews can be conducted both face to face but also over the phone. Usually you use
an interview format which is your basis, this requires some groundwork. You can
choose if you want a structured, or an unstructured interview. An unstructured interview
has no predetermined questions and the interview takes the path it takes (Edvardsson et
al., 1998).

The advantages with conducting interviews is that you can ask more complex questions,
you can ask follow-up questions and analyze the voice and mannerisms of the respon-
dent. The disadvantages are that they are more time consuming than many other tech-
niques and these are also more expensive (Edvardsson et al., 1998).

The purpose of qualitative data collection techniques is to characterize something. Data
collection methods that belong to this part of the techniques is to work with interviews,
focus groups, case studies, observations, and to take advantage of written stories in form of document and texts (Olsson & Sörensen, 2011).

In this study interviews are used in order to fulfil the purpose. Answers of how companies work with CSR cannot be gathered just by asking a few standardized questions. Instead an interview will allow us to come close to the company and understand the whole concept of their CSR work.

The main purpose of this information collection is to see different patterns. Qualitative data collection method is to use a systematic approach for working with their study. The purpose of the quantitative data collection method is that it should be clear what kind of information to be collected and also how often this data is collected (Olsson & Sörensen, 2011).

3.3 Validity and reliability

According to Bryman (2011) reliability and validity are not as important in a qualitative study as it is in a quantitative study. Some authors have therefore tried to modify them in order to be used also in a qualitative study. Bryman (2011) mentions the authors LeCompte & Goetz have tried to modify the concept for a qualitative method. They separate reliability into external reliability and internal reliability. External reliability shows in what range a study can be repeated. Internal reliability on the other hand means that the group members doing the study should agree upon how to interpret what they see and hear. Validity on the other hand means how the researcher observes, identifies and measures what should be measured in the study. In a qualitative study internal validity have come to mean that there should be good correspondences between the observations and the theoretical framework that is created.

External reliability can be difficult to reach since, as LeCompte and Goetz puts it, it is not possible to freeze a social situation in order to be able to repeat the same study. In order to reach an external reliability the researcher needs to create the same social environment as the first researcher had. In our opinion the same study can be done again, even though we are aware of that external reliability is hard to reach. For the theoretical study we have only used public documents that is available for everyone. What might be difficult is to create the same interviews with the same answers but in order to in some way ease this problem we have attached the interview questions to the study. In order to create internal reliability we have agreed upon how to interpret the answers to the interview questions and we have also, as far as it has been possible, made the analysis together. Although we are aware of the possibility that we might interpret some observations differently since we are three different people with different backgrounds.

We are aware of the fact that we have not been able to reach external validity in this study. Since the sampling of companies that have been the focus of this study is restricted to only four companies, two micro companies and two large companies we are not
able to generalize the results to a broader sampling of companies or to other industries. Although, our opinion that this study can be used as guidance for other companies, especially micro companies, in order to create a competitive advantage by engaging in CSR activities and also in order to take their social responsibility one step further. We do not feel that we have any problems with the internal validity since we have been working with the study during a period of four months and therefore have been able to see the connections between our observations and the theoretical framework.

3.4 Data collection

3.4.1 Primary data

In this study both primary and secondary data is used. However, the main focus for this study is on collecting primary data which is done by qualitative interviews with micro and large companies in the textile industry.

The focus in collecting primary data will be in form of interviews. In a qualitative research the most commonly used interview strategy is the non-standardized also called semi-structured and in depth interview. In a semi-structured interview the interviewer directs questions to the party being interviewed where the questions are structured in themes and not all question need to be the same for all persons being interviewed. Although some questions and structure might be the same in order for the interview to follow certain given objectives. The data that is collected from a semi-structured interview is used both to be able to analyze ‘what’ and ‘how’ but also in order to find out ‘why’ things are in a certain way (Saunders, Lewis & Thornhill, 2009).

In this study the semi-structured interview approach is used in order to find out what kind of CSR activities that companies are working with and how they are working with it. To be able to find out why companies are working with CSR and what motives they have for doing so and how they think, which is the basis for this study, the semi-structured approach is used in order to be able to collect as much data as possible to be able to fulfil the purpose with this study. The interviews are structured in different ways depending on how much time the companies are able to set aside for an interview and also depending on the physical distance that is between the interviewers and the company representatives. The interviews with the large companies are conducted via telephone and e-mail since the physical distance to these representatives are far. Face to face interviews are conducted with the micro companies since there is no physical distance and since it might be of importance that the questions are further explained with regard to the difference in knowledge regarding CSR between the micro and the large companies. Both of the large companies that are being interviewed are represented by employees that work solely with CSR questions and are therefore very familiar with the subject. In the micro companies interviews are conducted with the store managers since they are the ones that are most familiar with the work in the company. We have visit the
companies’ webpages and has also taken a look at their annual reports, their code of conduct and CSR policies to gather information.

Table 1. Table of interviews

<table>
<thead>
<tr>
<th>Company</th>
<th>Date</th>
<th>Interview form</th>
<th>Duration</th>
<th>Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>KappAhl</td>
<td>2012-03-30</td>
<td>Telephone</td>
<td>50 minutes</td>
<td>Notes</td>
</tr>
<tr>
<td>Intersport</td>
<td>2012-04-10</td>
<td>E-mail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alinas</td>
<td>2012-03-30</td>
<td>Face-to-Face</td>
<td>45 minutes</td>
<td>Notes</td>
</tr>
<tr>
<td>Crazy Horse</td>
<td>2012-04-16</td>
<td>Face-to-Face</td>
<td>35 minutes</td>
<td>Recorded</td>
</tr>
</tbody>
</table>

Three of the interviews were conducted face-to-face and one of the interviews was conducted through e-mail. The reason for not conducting the interviews in the same way was that Intersport had an overload of work at the time and it was therefore more preferable for them to conduct the interview via e-mail. The same questions where used in all of the interviews and we also conducted follow up questions, via e-mail, with Intersport. We therefore believe that the different interview techniques have not affected our ability to gather the answers.

3.4.2 Secondary data

Secondary data is data that is collected for another purpose and then reanalyzed by another party than the one collecting it. Both raw data and compiled data are regarded as secondary data (Saunders, et. al., 2009). In this study secondary data is used in order to reach a better understanding of the scope of CSR and the connected areas. Documentary secondary data is the primary form of secondary data for this study. Secondary data is found in books in the library and also in articles available in electronic journals. The books are found through the library’s search engine and articles is essentially found on Google Scholar where most of the articles have been published in Journal of Accountancy, Journal of Business Ethics, Business Ethics Quarterly, and Business Horizons.

Secondary data is also used in order to find out how companies work with CSR. The large companies have a lot of information on their homepages regarding their CSR work. In order to choose which companies to use in the study we started by searching on their homepages to find out if they worked with CSR questions. We also used secondary data from their homepages in order to find out which companies that classified as large companies. In order to find micro companies we had to use primary data inform of questions to the companies in order to find out which companies that qualified as micro
companies since they do not have any homepages with information regarding the companies.

### 3.5 Selection method

In order to decide what companies to use in the study we used a purposive sampling. According to Bryman (2011) a purposive sampling subjects are not randomly collected but instead you choose subjects in a strategic way. The subject needs to be relevant for the questions that are the focus for the study.

When choosing the micro companies we started by making a selection sample over companies located in Jönköping. Since many micro companies do not have any homepage where you can find information of relating to size we had to contact a number of companies in order to find out if they fit the profile of being a micro company. One of the criteria that we had when choosing the companies was that we wanted to find a rather new established company and also a company that was well established and had a good reputation, so that we could compare if size but also age matters. Large companies do not grow over one night, so we could not do a comparison of a new large company, because they do not exists, only on micro companies.

We decided to turn to micro companies that we thought worked with CSR questions and therefore had good knowledge in the area. None of these companies wanted to participate in this study. Some of them said that they did not have the time for it since they worked night and day and some of them felt that they did not have enough knowledge about the subject or that they did not work with CSR questions. Therefore we expanded the search for micro companies. We contacted more companies in the region Jönköping both by e-mail and personal contact. Something that we noticed was that companies were more willing to participate when contacted in person, even if we also have been declined in that way too. After a long search process we found Alinas and Crazy Horse who were willing to participate. Alinas is a new company that was opened in December 2011 and has not been located anywhere else before. Crazy Horse on the other hand is a well established company. It turned out to be very hard to find micro companies that were willing to participate and that fit the profile. Therefore we, in the end, used the selection method called convenience sample, when choosing the micro companies. According to Bryman (2011) a convenience sample means that the researcher chooses the subjects that are available to him. We thereby choose the companies that were able to participate in the study but also made sure that the companies that were willing to participate also fitted the profile.

Compared to finding micro companies it was easier to choose large companies. Here we were able to fully use the purposive sampling. Many large companies in the textile industry are dedicated to CSR activities and many of the large companies were willing to participate in the study and here we were able to select the companies that we thought
were most suitable for the study. KappAhl was an obvious choice due to their marketing of their CSR work. They have a very detailed CSR report and they are in the textile industry. We also choose to work with Intersport since they also promote their CSR work at their homepage and it was of interest for us to have a broad selection of companies since KappAhl more or less only sells cloths while Intersport has focused on sporting wear but also sell other sporting goods. At the large companies we have chosen to interview their employees in charge for their CSR work since they are the ones most skilled in the area. At the micro companies we have chosen to interview the store managers since they are the ones that are involved in most of the decisions affecting CSR.

3.6 Inductive, deductive and abductive approach

A weakness with using a qualitative method is that you are not able to generalize. In a quantitative method on the other hand you can be able to generalize. According to Alvesson & Sköldberg (2009) generalization in a qualitative study is only possible when a statistical study is made and the study shows that there is a high probability that the connections that have been made is not just a coincidence.

Through an inductive approach it is possible to generalize. The approach takes a certain amount of cases into account and through these cases the researcher will found a connection that he will state is true for all similar cases. An example would be to say that I have woken up every morning and therefore I will do that tomorrow again (Alvesson & Sköldberg, 2009). In this study an inductive approach will not be used. A comparison between two large companies and two micro companies will never be able to show a general approach in how large and micro companies work with CSR since it depend on the companies’ structure and also the managers that make the decisions. The human factor will most certainly have an impact on the decision-making and it is therefore very difficult to generalize in this case.

A deductive approach differs from an inductive approach by doing the opposite. Instead of generalizing from a number of cases, the deductive approach takes the position that there is a general rule and that the rule can be applied in a certain case. The risk with this approach is not as high as with a inductive approach. The deductive approach does not explain anything; rather state that something is like that because that is the general rule (Alvesson & Sköldberg 2009).

An abductive approach on the other hand include understanding. The abductive approach has some similarities both with the inductive and the deductive approach, but it is important to clarify that it is not a mix of the two. In an abductive approach it is possible to use earlier theories as a source of inspiration in the analysis part in order to see patterns and gain understanding (Alvesson & Sköldberg 2009). This study will use the abductive approach in order to gain an understanding of how companies think when working with CSR and what motives they have. This study will use earlier theories in
order to find out what different approaches the companies takes in CSR activities and also in order to be able to see if the size of the company matter in determining the different approaches.
4 Empirical findings

Our case study is to conduct a qualitative survey and interview two major fashion companies and two smaller clothing companies. The survey aims to find out the motives behind their CSR work, how they work with it and what drives the work forward. In this study interviews are conducted with two large clothing companies, KappAhl and Intersport and with two micro local clothing companies in Jönköping, Alinas and Crazy Horse.

4.1 KappAhl

4.1.1 General facts about KappAhl

KappAhl have 1 649 employees working in their different stores in Sweden and 8 employees in their parent company. In 2010/2011, that reaches from September 2010 until August 2011, KappAhl Sweden had an annual revenue at approximately 2.6 billion SEK. The entire KappAhl group had an annual balance sheet at 222 million SEK the same year (KappAhl 4, 2011). Since KappAhl has more than 250 employees and annual revenue exceeding 50 million EUR per year they are regarded as a large company.

KappAhl's business concept is "affordable fashion for many people." KappAhl see it as their duty to give people an opportunity to be well dressed and feel well dressed. They are a growing fashion chain and opens 20-25 stores per year across Europe (KappAhl 1, 2012).

KappAhl's fashion is not just about offering affordable fashion but also very much about that the customer should be confident with their fashion. They want the customers to be involved and satisfied with KappAhl as a company and with the entire flow within the company, from design, production, transportation and warehouse to the stores. It is important that the entire flow is characterized by a holistic sustainability (KappAhl 2, 2010).

KappAhl has for a long time worked on issues related to environmental and social responsibility. They are proud of their work. As they grow, the more important is their work on environmental issues and social responsibility. They are always looking for new ways to make progress in these issues in order to improve their work. KappAhl was the first fashion chain in the world to be environmentally certified (See further under insights from KappAhl) (KappAhl 2, 2010). KappAhl's sustainability efforts are about making thorough investigations of the opportunities and threats abroad. By this, they see what areas they need to put most emphasis on and work towards achieving a good result (KappAhl 3, 2012).
KappAhl has created a CSR report describing how they work with CSR and the issues surrounding the environment, ethics, social responsibility and human rights. Sustainability initiatives are found in all parts of the chain, which also is represented in the group management. They want to work with CSR and have a long term sustainable development to society. They take responsibility for both the environment and their employees (KappAhl 3, 2012).

KappAhl uses three guiding principles that are central for their work with CSR; the code of conduct, environmental policy, and health & safety policy. These catchwords show how they act. This is something that all employees find useful in their daily work. KappAhl listen much to their customers and they base their design on their customers’ needs. (KappAhl 3, 2012).

KappAhl cooperates with other organizations in their work to improve society, the sponsors include educational efforts. This dedication makes it beyond their CSR work. From a personnel standpoint, KappAhl want to be the most attractive workplace among fashion chains in Europe (KappAhl 3, 2012).

4.1.2 KappAhl’s code of conduct

A code of conduct is an important tool for KappAhl in their work with CSR and is directed to their suppliers. The code of conduct is a part of KappAhl’s supplier agreement and by signing the agreement the suppliers are verifying that they will follow KappAhl’s code of conduct and take steps in order to fulfill their demands (KappAhl 2, 2010).

KappAhl introduced their first code of conduct in 1997 and during 1998 they made controls in order to make sure that the suppliers followed the agreements. The main areas that KappAhl is trying to control are that the laws are followed, workplace safety, salary’s, working hours, environment, management systems and union freedom. KappAhl also demand, in addition to the complement with the code of conduct, that the suppliers also abide by the laws in their home country (KappAhl 2, 2010).

It is not enough that the suppliers sign the code of conduct. KappAhl also have a pre-investigation before they sign any agreements with a new supplier. It is of importance that the suppliers fulfil certain basic conditions in order to be regarded as a suitable supplier. The basic conditions are: no child labour, minimum wages, no discrimination, no forced labour and basic fire safety. When the suppliers have been approved they still need to go through regular checks every year in form of a meeting between KappAhl and the supplier (KappAhl 2, 2010).

KappAhl have no general action plan for situations where the code of conduct is not followed by the suppliers. Instead they have a communication with their suppliers in order to come up with an action plan together. KappAhl also engage in concealing in order to gain long time commitment and a sustainable development. A major part of the moni-
Monitoring is made in form of visits at the suppliers’ plantations. KappAhls social compliance managers, a group that has as their main purpose to work with the company’s code of conduct, carried out 563 inspections and follow up visits during 2011 and for the larger suppliers more than one visit can be made per week (KappAhl 2, 2010).

4.1.3 Insights from KappAhl

Eva Kindgren is responsible for CSR-questions regarding products and production at KappAhl. KappAhl also have one other person who works with CSR-questions about the environment and management system (Kindgren, E, Personal communication, 2012-03-30).

Eva Kindgren has worked on KappAhl for fourteen years. She started as a purchaser and for about six years ago she started to work in Bangladesh for KappAhl and it was during that time she began her work with CSR. In Bangladesh Eva started to work with social responsibility. She thinks that it is very important to talk about questions in the area of social responsibility (Kindgren, E, Personal communication, 2012-03-30).

KappAhls employees are aware of and engaged in CSR, but to different extent. In 1999 KappAhl became ISO-certified, ISO 14001, which means that their work complies with international standards and this is something that permeates the entire KappAhl (Kindgren, E, Personal communication, 2012-03-30). The ISO certificate is intended to “provide a framework for a holistic, strategic approach to the organization’s environmental policy, plans and actions” and gives “the generic requirements for an environmental management system” (International Organization for Standardization). The certification is renewed once a year (Kindgren, E, Personal communication, 2012-03-30).

The store employees are aware of the environmental work, but they are not always able to answer all questions about CSR, and when they do not know the answer they contact the head office, to be able to give an answer to the customer and give them the best service possible. According to Eva Kindgren it is difficult to know which areas within CSR that are most prioritized. It depends on where the decisions are made. The areas which are prioritized can be shown with this model, where KappAhl is in the middle and the priority areas are around (Kindgren, E, Personal communication, 2012-03-30).
Each one of these areas is of important for KappAhl. It is important for these groups to know that they are working with a good company. The requirements that the groups have on KappAhl is that they follow what they stand for, such as the government has requirements that KappAhl follow the chemical requirements. The government does random checks on their garments, to show that the garments have an approved chemical level (Kindgren, E, Personal communication, 2012-03-30).

To become a supplier to KappAhl, they check first the garments, price and delivery time. When this is done they inspect the factory. KappAhl have a department that only works to make inspections of the factories, so they keep their promises. This department has the final mandate to shut down a factory. The demands are regulated in KappAhl Code of Conduct (Kindgren, E, Personal communication, 2012-03-30).

The suppliers they work with must meet the guidelines and requirements KappAhl have. This is done through regular checks conducted by KappAhl. Examples of guidelines are salary, overtime, child labor and trade union. KappAhl believe that they work with CSR to a level higher than required by law, because this is such a major issue (Kindgren, E, Personal communication, 2012-03-30).
There are more and more customers who question their work. Customers are becoming increasingly aware of the environment, for example more and more customers want their children to wear good clothes which are good for the environment and are made of good materials without too much chemicals (Kindgren, E, Personal communication, 2012-03-30).

It is obvious to KappAhl that they want to be a good company. Since the majority of their clothes are made of cotton, they work a lot with a project that ensures that cotton fields remains (Kindgren, E, Personal communication, 2012-03-30).

KappAhl want to take responsibility in the countries they operate in. 20 % of their goods come from Bangladesh and here they take their responsibility in the way that they have a training center for girls who have no education. Here the girls get food, money and they are being trained as seamstresses in seven months. They also have started up an orphanage in Bangladesh. In India, they work with a project where they provide education about chemicals, fertilizers and water. The reasons for why KappAhl takes there responsibility in the countries they operate in is because they want to help these countries to develop better conditions (Kindgren, E, Personal communication, 2012-03-30).

KappAhl has made major changes in the two last years. They have among other things begun to collaborate with IKEA and Lindex, and this in order to take more responsibility in the countries they are active in. They are becoming more and more transparent and they are showing more of their collaboration (Kindgren, E, Personal communication, 2012-03-30).

A good and clear example that include how the three companies work together is that they contacted the government of Bangladesh and demanded that the minimum wage should be raised, which they did. If companies work together, they are becoming stronger. Eva Kindgren believes that KappAhl have a competitive advantage, even if they cooperate with other companies on the market. The more you work with CSR, the greater competitive advantage you get, and since KappAhl work incredibly much with CSR, they get a great advantage of it (Kindgren, E, Personal communication, 2012-03-30).

From a long term perspective Eva Kindgren believes that the work with CSR will change a lot in the future. For example, she believes that businesses located in the stock market will have to make an environmental report, companies will begin to cooperate more with each other and environmental agreements will become more stringent. Another thing she believes will change is that when countries do not get along with each other, the work will be on manufacturers instead (Kindgren, E, Personal communication, 2012-03-30).

Eva Kindgren believes that water and chemicals will be the most important areas to work with in the future. There is a lot to do and more knowledge is needed in these areas. Eva mentions that the changes they are doing in the current situation is to create a
new CSR report that is showing how they work (Kindgren, E, Personal communication, 2012-03-30).

KappAhl has set up many policies that show what is to be followed and what they stand for. All policies are compiled in a report. It includes, for example, that there is zero tolerance for bribery. This report is circulated to suppliers and they must meet the requirements (Kindgren, E, Personal communication, 2012-03-30).

The code of conduct is very important for KappAhl. When a new employee start to work at the company he or she signs the employment contract, and he or she also sign that they will follow their code of conduct. This also applies to their suppliers (Kindgren, E, Personal communication, 2012-03-30).

KappAhl is trying to be a good and attractive company. They want to have a safe and secure environment for their employees and they care a lot about human rights. It is worth mentioning that they have many female executive posts. 93% of the employees in the company are women, and this because it is a company designed for women and children (Kindgren, E, Personal communication, 2012-03-30).

When it comes to sponsorship and charity, their main purpose is to help women and children and also to help the countries they are active in. Examples of charity they work with are BRIS, Majblomman, orphanages and schools in Bangladesh, Doctors without borders and Hjärt & lungfonden (Kindgren, E, Personal communication, 2012-03-30).

Eva Kindgren says that they have noticed a growing commitment from their customers when it comes to charity. 87% of their customers choose to add an extra penny to the needy (Kindgren, E, personal communication, 2012-03-30).

4.2 INTERSPORT

4.2.1 General facts about INTERSPORT

The Intersport Group had 417 employees in 2010. The same year Intersport had an annual revenue at approximately 1.4 billion SEK and an annual balancesheet at approximately 705.4 million SEK (Largest companies). Since Intersport has more than 250 employees an annual revenue not exceeding 50 million EUR per year they are regarded as a large company.

Intersport was started in 1968, when ten successful organizations got together and created Intersport. Their goal was to create an international sporting goods store that would give customers the best in sports line-up. The first countries Intersport established in was Austria, Belgium, Denmark, France, Germany, Italy, Netherlands, Norway, Sweden and Switzerland (Intersport 1, 2012).
Intersport has been successful since it began in 1968 and today they have stores worldwide and continues to expand. Intersport works in order to strengthen their market position, work to improve their image, the brand’s appearance, store layout and expands their products. Intersport is working according to their philosophy of "Sports for the people" (Intersport 1, 2012).

Intersport is a voluntary retail chain where each store is owned and operated by individual merchants who work together under the common brand Intersport. Intersport is a limited company jointly owned by Sportsam Ekonomisk Förening and Intersport stores. Members of the association are Intersport retailers in Sweden. Intersport Sverige AB’s head office is located in Gothenburg (Intersport 2, 2012).

Intersport looks not only at the quality when they develop and bring in new products in their range but also at the social and labor standards, which is important to look at in terms of production facilities in developing and third world countries (Intersport 3, 2012). Intersport has binding documents, codes of conduct, for their suppliers to sign. By signing this document the suppliers are obligated to observe social and labour standards. (Intersport 3, 2012).

In order for Intersport to be able to meet its goal they have to make sure that their suppliers comply with the standards. To enable them to fulfil their Corporate Social Responsibility they are members of the FTA, Foreign Trade Association and the BSCI, Business Social Compliance Initiative (Intersport 3, 2012).

4.2.2 INTERSPORT’s code of conduct

All countries that Intersport are established in have a common code that prescribes the requirements on working conditions and the working environment of their suppliers. Intersport has a code that is based on BSCIs code of conduct. BSCIs code of conduct is based on conventions such as the ILO (International Labour Organization) Convention, other important declarations from the United Nations and OECD´s guidelines for multinational enterprises (BSCI). All suppliers have to agree to follow it (Intersport 3, 2012).

In order to control if their suppliers works after the code, Intersport makes regular visits at their suppliers and Intersport International Corporation – ICC, do the same and they ensure that the code is followed. If Intersport would find any flaws, they try to primarily ensure that suppliers corrects these deficiencies. At Intersport International Corporation there is one person who has a special responsibility for the code of conduct. At the national level, there are also people who work on the issues about the code of conduct. Intersport requires that all suppliers follow their ethical policies (Intersport 3, 2012).
4.2.3 Insights from INTERSPORT

Catherine Nasser is the CSR and quality coordinator at Intersport Sverige AB. She has been working at the head office at Intersport for just over one year. Even though she has been working at Intersport for a short period of time she has been aware of CSR questions since 2006. Through her earlier employments she has indirectly come into contact with CSR questions and is therefore well informed in the area. Intersport’s head office in Gothenburg employs 100 people; 53 women and 47 men (Nassar, C, personal communication, 2012-04-06).

Intersport has an ongoing engagement regarding CSR questions. They work with all three areas; economic responsibility, social responsibility and environmental responsibility. Intersport takes their economic responsibility by working for an economic development. Regarding the social responsibility they look to international norms and rules in relation to their employees, both in Sweden and in other countries in order to improve the quality of life for their employees and their families in countries where their products are produced (Nassar, C, personal communication, 2012-04-06).

Intersport takes their environmental responsibility by conducting evaluations of how their operation affect the environment. The evaluations regard chemicals used in the production, the management of chemicals, their transports, and recycling (Nassar, C, personal communication, 2012-04-06).

According to Catherine Nasser CSR is an important question in decision making at Intersport. Most of all it is the customers´ interests that are prioritized in decision making (Nassar, C, personal communication, 2012-04-06).

Intersport always conduct inspections of new suppliers. The suppliers need to go through an internal inspection conducted by Intersport. After a while the supplier need to go through a new inspection conducted by a third independent part, a BSCI inspector (Nassar, C, personal communication, 2012-04-06).

Intersport does not have any self created guidelines for how suppliers shall work in order to fulfill Intersport’s demands. Instead Intersport is members of BSCI, Business Social Compliance Initiative, since 2008 through Intersport International. Their supplier are compelled to follow the common code that are implemented for all BSCI members. The code is based on the ILO convention, the United Nations Universal Declaration of Human Rights, United Nations International Convention on the Rights of the Child, United Nations Convention on the Elimination of All Forms of Discrimination against Women, United Nations Global Compact and OECD’s Guidelines for Multinational Enterprises and other relevant international accepted agreements (Nassar, C, personal communication, 2012-04-06).

In order to make sure that the code is followed Intersport uses an independent third party. A CAP, correction action plan, is set up for the supplier and after that a dialogue is conducted with the supplier. After the dialogue a follow up is conducted in order to
make sure that the improvements are made. During the time the improvements are made regular visits are conducted by Intersport’s purchasing manager, purchasers, CSR employees and quality controllers in order to help the suppliers and support them in their work towards improvements. The visits are also conducted in order to see that the improvements are made. If the supplier is not willing to make the improvements Intersport will revoke the contract (Nassar, C, personal communication, 2012-04-06).

Catherine Nasser states that Intersport is a company that feels that CSR questions are of importance and therefore they goes beyond what the law requires and work actively with CSR. She also state that Intersport have some engaged customers that feel that CSR questions are of importance. Some customer send email and calls the head office in order to find out how the working conditions are at Intersport and their suppliers. The questions regard child labor, wages, chemicals that are used in the production and much more. The customers want to make sure that there are no children producing the products that are sold in the stores and also that the employees have a good work environment and that the products do not contain any dangerous chemicals (Nassar, C, personal communication, 2012-04-06).

She continues by saying that there are many reactions from customers regarding their CSR work. A lot of customers contact Intersport and ask about articles they have read, most regarding the content of the articles. This includes both articles that regards CSR but also articles that is written about the company. There are also a lot of students from different universities contacting Intersport in order to get an interview for their thesis regarding CSR questions (Nassar, C, personal communication, 2012-04-06).

Intersport also work internally with CSR. Intersport conducts various internal training for the employees regarding CSR. They also give internal information regarding improvements that the suppliers have made and at what levels the suppliers are concerning the service conditions. The information is given two to four times per year. They also have a dialogue with their suppliers and give support and help in order to create an understanding of how improvements in the factories are to be made and why it is important (Nassar, C, personal communication, 2012-04-06).

Intersport also has regular updates to their purchasers four times per year. In addition they also have further reviews with their purchasers before their purchase journeys and visits at suppliers in order to create an understanding and provide an insight of their service conditions. They also make follow-ups towards the suppliers during their visits. These follow-ups have led to that the suppliers understand that improvements and standards of social compliance are of importance for Intersport (Nassar, C, personal communication, 2012-04-06).

Intersport also informs their employees about their CSR work through an intranet to the stores. Another way to inform their employees is through information delivered when new employees are hired. In order to inform their external stakeholders Intersport puts a
lot of information regarding their CSR work on their homepage. They are also thinking about creating a sustainability report (Nassar, C, personal communication, 2012-04-06).

Intersport also takes their responsibility regarding the environment. The company is a member of SWEREA IVFs chemical group, a group owned by the government and the commercial and industrial life. The group turns to the textile and electronic companies. Members of the group are offered access to chemical databases, support in dealing with legislation in the area and also meeting with other colleges in the industry. The group’s main focus is to spread new information regarding chemical and environmental related questions. Intersport also hires ISO certified transporters, transporters that use environment friendly diesel, a system for return of pallets and they are also eager to make sure that everything that can be recycled are being so (Nassar, C, personal communication, 2012-04-06).

Intersport feels that it is of importance to work with CSR questions since they care about their customers. They believe that it is important that they keep their promises to their customers and also that it is of importance to have an insight in how their products are produced and also that the products are produced under good human circumstances for the employees in the production chain (Nassar, C, personal communication, 2012-04-06).

According to Catherine Nassar Intersport are not sure if their CSR work has led to any competitive advantage compared to their competition. They have not made any market research in order to find out if they have gained any competitive advantage. She continues by saying that a competitive advantage is definitely not their main motive for working with CSR. Instead, Intersport feel that it is of more importance to have an environmental and social thinking, not only at home in Sweden but also in developing countries such as China and Bangladesh where they have their production (Nassar, C, personal communication, 2012-04-06).

Catherine Nasser feels that Intersport have changed their way of working with CSR questions. Today they have better insight in their suppliers work. They also have better communication and understanding by working on a long-term basis and involve their suppliers more. Today they also support and help their suppliers through training and information in order to create understanding of how important it is to work in order to improve the service conditions for the employees and also take care of the environment (Nassar, C, personal communication, 2012-04-06).

Catherine Nasser believes that environmental and social questions will be of even more importance in the future. She states that regarding environment questions there have been a lot of discussions regarding the resources of water around the world in recent years and that it will continue to be a current topic in the future. Regarding the social questions she believe that the standard of living for workers in developing countries, such as minimum wages for workers in factories will become an important question (Nassar, C, personal communication, 2012-04-06).
According to Catherine Nasser Intersport’s future work with CSR questions will mainly include working towards ensuring that they have a sustainable production all the way from the manufacturing of the raw materials to the finished product. She also believes that Intersport will try to lower the water consumption in their production. In the future she also believes and has a wish that Intersport will develop their work with CSR, both internally and externally. She hopes that they will have more employees that work together with CSR questions. A wish is also that Intersport will have more collaboration with others that work with CSR questions (Nassar, C, personal communication, 2012-04-06).

For Intersport ethics and moral is of great importance in decision making. They believe that business ethics and moral standards for a good behavior are used to create good long-term business relations which in turn are one of many requirements for a company’s profitability. Intersport has a corporate code of ethics, even if they do not use that specific term for it. They have five “customer promises” that describe how they will create long-term and trustworthy relations with their customers. The purpose with these promises is first of all to create a trust with their customers but also to create a long-term brand loyalty. The five different promises are; “We guarantee satisfied customers – all over the world” meaning that the customers always get a safe purchase since Intersport have an international network and the customer therefore always get help and advice no matter which Intersport store they are in, “We guarantee the best price” meaning that if the customer find the product in another chain for a lower price, Intersport will pay the difference, “We guarantee the money back” meaning that if the customers are not satisfied with the product they will get the money back, “We guarantee competence, personal advice and service” meaning that the customers will meet engaged staff at Intersport with expertise in different areas and “We guarantee the world’s best selection of leading sports brands” since Intersport have world leading products, equipment and brands as a result of their experience of meeting 150 000 customers world wild every day. (Nassar, C, personal communication, 2012-04-06)

4.3 Alinas

4.3.1 General facts about Alinas

Alinas is a newly established company in the center of Jönköping. The company has their only store in Jönköping and is owned by one person. The store has three employees (Bååth, A, personal communication, 2012-03-30). Since Alinas have less than ten employees and is a new company that do not have any annual turnover yet they are regarded as a micro company.
4.3.2 Insights from Alinas

The owner of the company has a long experience in the clothing industry. The store only has three employees, the store manager Agneta Bååth and the owners two daughters that work in the store Saturdays and Mondays when the store manager have her days off. Since the store is in a start-up phase they do not know at the moment if they will have any more employees in the future. The owner does not work in the store (Bååth, A, personal communication, 2012-03-30).

What Agnetha Bååth at Alinas believe differ their company from many other companies is their way of doing their purchases. Many other companies travel to different exhibitions such in Stockholm and Copenhagen in order to make their purchases for the upcoming year. The owner to Alinas travel to London and Paris before every season, or when the cloths in the store start to run out, in order to make purchases for the nearest future. In London and Paris, and also other cities in Europe, he meets with the wholesaler at their location and sign agreements on the purchases. After the agreements are signed the cloths will be delivered to the store within one to one and a half week. The store does therefore not have any huge stock but instead have most of the goods in the store. In addition to the purchases that are made from other countries they have some sellers that come to the store but they are very few (Bååth, A, personal communication, 2012-03-30).

Agneta Bååth continues and says that the prices on the cloths are not expensive and they do not trade with expensive brands. Their business idea is instead to have a good selection of items with good prices. Agneta Bååth believes that it is important that the store is neat and that everything is according to colour, which she has with her since her background as a decorator (Bååth, A, personal communication, 2012-03-30).

Agnetha Bååth states that she has no knowledge in the area of CSR. After some explanation she knows what the concept includes and starts talking about the environment. The company as such are not that environmentally conscious in their choices of goods. Since they travel to the wholesalers their goods do not pass through a lot of chains before it reaches the stores and therefore they do not go through the process of being environmentally certified as some cloths do. Although, she stresses that people in general have become more environmentally friendly and that she believes that the wholesalers will have to become more environmentally friendly in the future due to the pressure from the public (Bååth, A, personal communication, 2012-03-30).

She feels that the company is very keen of their employees, especially the employees themselves. She states that they always consider each other and she feel that she is fond of her job and enjoys working there. Since there is just one employee working in the store at a time they make sure to communicate with each other through long letters and phone calls in order to keep the store neat and inform each other of what is going on in the store (Bååth, A, personal communication, 2012-03-30).
The company does not donate money to charity. First and foremost Agneta Bååths point out that they are a new company and that have not been a prioritized question so far but that it might be a question for the future. Regarding what stakeholders that are of most importance for the company in their decision making she says that the employees are of importance and that they have a good relation with each other. They also believe that it is of importance to treat the customers in a good way. A way of doing so is to have a store that is adjusted to people with disabilities. The store is adapted to people with disabilities in order for them to be able to move freely within the store. It is of importance that there is space in the store between the shelves in order for people with wheelchairs to move around as they wish. The store does not have any stairs which make it easy for people with wheelchairs and walkers to get into the store and also parents with strollers. The fitting rooms are also spacious and are therefore adjusted to people with different needs (Bååth, A, personal communication, 2012-03-30).

Both Agnetha Bååth and the owner have been in the textile industry for many years and therefore they know from experience which suppliers to turn too and therefore they do not have any certain way of testing the suppliers. There are also a lot of rumours in the industry and if someone is behaving unethical, are not able to deliver in time or break the contract in any other way they will find out about it. The only times when they actually check the suppliers are when they are in a position where they are going to sign an agreement with a new supplier. Although, they have no certain way of checking the suppliers but rather listens to rumours in the business (Bååth, A, personal communication, 2012-03-30).

In the agreements with the suppliers they have no certain guidelines that they should follow. What is of most importance for them is rather that the suppliers can deliver in a short amount of time. They want a supplier that can deliver in time and where there are no hassles. It should also be easy to make complaints regarding the goods. Normally the owner makes complaints and then takes the damaged goods with him the next time he travels and makes deals with the wholesaler (Bååth, A, personal communication, 2012-03-30).

Regarding the questions on how they check their suppliers Agnetha Bååth immediately starts talking about child labour. She states that it is impossible to guarantee that their suppliers do not use child labour since the cloths may be made of silk which might be from a factory using child labour. She continues by saying that no one can guarantee that the goods have not been made by child labour since there is a lot of processes before the goods reaches the store and a small bottom or something else can have a connection to child labour. She does not believe that it is possible to get a product that is 100 percent free from child labour; that would be a utopia. What Alinas is doing is instead to make connections with suppliers that have a high degree of seriousness and want to minimize child labour (Bååth, A, personal communication, 2012-03-30).

Even though the company is a small business and have more difficulties than a large company to check the suppliers, Agnetha Bååth states that she believe that it is good
that companies and the society have started to take more responsibility. As an example she mentions the question regarding the merino wool that was in the news a couple of years ago. It is good that the companies are starting to make demands in order to make a society where people take responsibility. Regarding the question on what level their company take responsibility she states that she is unable to answer that question. They are a micro company but they are trying as hard as they can to be responsible but that is not the most important question in decision making (Bååth, A, personal communication, 2012-03-30).

They are not communicating their CSR work in any way to their customers. Instead they believe that it is important that they can answer the customer’s questions regarding the origin of the goods. CSR questions are not discussed in the company in that way. She states that they are aware of the demands that the society have on the companies and that Alinas cannot imagine to buy clothes from suppliers using child labour, but once again points out that it is impossible to get the cloths 100 percent free from child labour (Bååth, A, personal communication, 2012-03-30).

Agnetha Bååth continues by saying that it would be false advertising to state that cloths are 100 percent free from child labour and therefore it is not a competitive advantage. Eventhough she also states that it is good for the companies to show that they are working with CSR questions and care about the society (Bååth, A, personal communication, 2012-03-30).

Alinas are at the moment in their start-up phase and therefore they have not started to talk about CSR questions since that is not the most important subject at the moment but Agnetha Bååth believes that they will have some of the questions in mind in their future work but she do not believe that they will think different in the future compared to now. She does believe that the CSR questions will be more global in general (Bååth, A, personal communication, 2012-03-30).

She believes that ethic and moral is of huge importance in all decision making. She also refers back to her own childhood where ethic and moral was of great importance and were something that was taught. Therefore she believes that she has it with her today. The company have not thought about implementing a code of conduct and she do not know it they will implement one in the future. The future will tell. She believes that it is important that the employees in the store are sincere and honest towards the customers (Bååth, A, personal communication, 2012-03-30).

4.4  Crazy Horse

4.4.1  General facts about Crazy Horse

Crazy Horse was started in 1975 and has always been located on the west side of Jönköping, but has over the years moved around between six different facilities. Crazy
Horse is only located in Jönköping and has only one owner. Crazy Horse only has two full-time workers and one part-time employee. In 2010 Crazy Horse had an annual turnover at approximately 2.8 million SEK (Sterndahlen, M, personal communication, 2012-04-16). Since the company has less than ten employees and an annual turnover not exceeding EUR 2 million per year they are regarded as a micro company.

4.4.2 Insights from Crazy Horse

Margareta is store manager at Crazy Horse. She has worked in the store for about 20 years (Sterndahlen, M, personal communication, 2012-04-16).

No one in the company have any knowledge about CSR and were not familiar with the concept. Margareta said that they did not work active with CSR and it was nothing that they thought of in their daily work. The only thing she could relate to CSR work was that they pre-separated at source and they take good care of their employees to make sure that they are satisfied and that they have good working conditions. Margareta also said that the employees, of course, have their legal rights (Sterndahlen, M, personal communication, 2012-04-16).

The lack of knowledge about CSR is much about time constraints and lack of resources. There is no time and they have no possibility to check the suppliers that they follow legal guidelines. Margareta said that when you are a small company it is very important that you can trust your suppliers. Crazy Horse have worked with the same suppliers for many years and this has led to a long-term relationship between the two parties. When they are selecting their suppliers, it is the price that determines which suppliers they will choose. If it appears that one of their suppliers misconduct, for example with their working conditions, they would of course change suppliers since they have no ability to require them to fix the problems (Sterndahlen, M, personal communication, 2012-04-16).

Crazy Horse current customers have no expectations on their CSR work today and Margareta thinks that this can be one of the reasons why they do not work active with CSR, because no one requires them to do it. Margareta believes that their work with CSR is going to change in a couple of years. She believes that they will create a greater awareness of the work with CSR. In the current situation Crazy Horse customers are not willing to pay more for a "clean" product, today they are not willing to pay that much for clothes. Although, she believes that customers are becoming more and more aware of buying clothes made of good materials and the customers will develop greater demands on the stores’ suppliers (Sterndahlen, M, personal communication, 2012-04-16).

Margareta also mentioned that she believes that everybody have to contribute to the society with the resources they have. Large companies can contribute with lot more than micro companies, but if everybody participate to the work they will create a better society (Sterndahlen, M, personal communication, 2012-04-16).
5 Analysis

In this section we will combine the theoretical part with the empirical part in order to find out how micro and large companies work with CSR. We will also in the analysis find out what motives companies have for engaging in CSR activities; why they do so. Lastly we will analyze what differs between micro and large companies in these two questions.

In our study we have investigated how the clothing companies we have studied work with CSR. We will start by analyzing how the companies comply to the different responsibilities presented in the “The pyramid of corporate social responsibility” created by Carroll (1991). We will also discuss how high the four different companies, that are subject for this study, have “climbed” in the pyramid.

We have also investigated why companies work with CSR and if there are any differences between micro and large clothing companies. The reasons for and benefits with CSR is discussed in relation to the different companies under section 5.2.

5.1 How clothing companies works with CSR

5.1.1 Economic responsibility in relation to size

As we have mentioned in the theoretical part, the economic responsibility is about how to run a business and take responsibility for the shareholders (Hassel et al., 2011). Both KappAhl and Intersport takes their economic responsibility towards their shareholders by making sure that shareholders get return on their investments. Even though they take their economic responsibility this is not their main focus when it comes to CSR questions which became evident during the interviews. The large companies also take their external economic responsibility by working for an economic development. The micro companies Alinas and Crazy Horse do not have much financial resources, they just work to make the companies profitable so that the companies can exist and that they are able to give wages to their employees. The smaller companies do not have many shareholders since they are not quoted at the stock market. Since they do not have many shareholders they are not obligated to take economic responsibility towards their shareholders, but instead their economic responsibility is more focused towards surviving among their competition.

5.1.2 Legal responsibility in relation to size

The legal responsibility is about that the company should obey by the law. The company can either do more than is required by the law or just do the things that are required
by the law (Schwarts & Carroll, 2003). KappAhl has taken a leading position and they are doing more than is required by the law. Schwartz and Carroll (2003) have reasoned that legality can be divided into three general categories. KappAhl can be placed in the anticipation of the law category. Since KappAhl have cooperated with other organizations in order to change the legislation in Bangladesh they have engaged in activities that have lead to implementations of the law. Intersport also goes beyond what the law requires and they work very actively with CSR. Neither Alinas or Crazy Horse is doing more than is required by the law, they just do the things that they are obligated to do. Here it is obvious that larger companies think it is important to work active and do more than is required by the law. They are also the ones who have the resources to go beyond what the law requires. Both the micro and the large companies are playing the “rules of the game” as stated by Jamali (2008). But according to Windsor (2006), both the society and the stakeholders expect the companies to go beyond what the law requires. This should mostly comply with the large companies since these are the ones that are the most watched by the society. They are also the ones that are scrutinized by the media and these are the ones who will receive negative publicity if they do not follow the law. Even though it is the large companies that can receive negative publicity they are also the ones that are able to receive positive publicity in those cases where they go beyond what the law requires.

5.1.3 Ethical responsibility in relation to size

The ethical responsibility has been defined as the obligation to do what is right just and fair (Carroll 1991). KappAhl has a very ethical thinking in their work. They do very much for the countries that they are operating in. In Bangladesh, they have started several organizations like schools for girls and orphanage. The ethical responsibility is also very important for Intersport. It is of great importance in decision making. Intersport has even created a corporate code of ethics. This consists of five “customer promises” that describe how they will create long-term brand loyalty and trustworthy relations with their customers. This corporate code of ethics is very important for them. For Alinas, the ethical responsibility is important in decision making, it is always there in the working atmosphere, because Agneta Bååth thinks that this is an important area. Crazy Horse do not mention anything about ethics and therefore they are not included in the comparison. In larger companies they are working more active with ethical responsibility and in the smaller companies the ethical responsibility is more in the working environment and in their thoughts all the time. It can be reasoned that it is easier to behave ethical in a smaller company since there is not that many people involved in the decision making that it is in larger companies. But on the other hand, it is of greater importance for the larger companies that all decision making within the organization is ethical, since if they make a decision somewhere in the organization that is not ethical that decision may be viewed by the whole society since it might be published in the media.
5.1.4 Philanthropic responsibility in relation to size

The philanthropic responsibility is about being a good citizen (Hassel et al., 2011). A company needs to be a good citizen both to employees, contractors, business partners and consumers. For example, customers are more willing to buy clothes from a company that seems decent and the employees want to feel that their work is worthwhile and that they actually contribute with something (Grankvist, 2009). KappAhl is especially taking their philanthropic responsibility in the countries they are operating in. For example, in Bangladesh they required that the workers minimum wages should be raised. Intersport thinks that it is important to educate their employees in the field of CSR. They also look to international norms and rules in relations to their employees, in order to improve the quality of life for their employees but also for their families, and this is particularly in countries that their products are produced in.

Alinas thinks it is very important that they can give their customers good service and they have made the store adapted to the disabled to make sure that all customers have access to enter the store. They are also working to make sure that their employees are satisfied with their work and feel motivated to go to work. Crazy Horse does not work that much with social responsibility. They mostly care about their employees. No matter if the company is a micro or a large company, they do believe that it is of importance to take their social responsibility but in different ways. The micro companies work more with social questions that regard their local environment, such as their employees and their customers. Something that have been very noticeable both during the interviews and in the search for micro companies is that small employers do not have the time or resources to engage in activities that not have a direct impact on their business. The large companies on the other hand, both have the time, expertise and resources to be able to make a difference both internally and externally. The large companies think that it is important to contribute to the society at large even if it is not sure that they gain from it themselves.

5.1.5 Environmental responsibility in relation to size

The environmental responsibility is about how the companies are working in a manner that does not affect the environment in a negative way (Hassel et al., 2011). KappAhl is a company that really takes its environmental responsibility. KappAhl is a large company and this leads to that their production has a great effect on the environment. They constantly make inspections on their factories and they have requirements on the material of the garments. Intersport is taking their environmental responsibility by doing an evaluation of the chemicals in order to make sure that they are not using any chemicals that can be of harm to the environment. Alinas thinks that the work with the environment is very important, but they think that they are not capable contributing to a better environment. Crazy Horse also finds it difficult to work for a good environment. The only thing that they are doing is that they pre-separate at source. Micro companies do
not have the same opportunities as larger companies have to work responsibly for the environment. On the other hand, the micro companies do not have the same negative effect on the environment as the large companies do and they do also not have the same resources to make huge differences in the environmental work and therefore they try to think about the environment to the extent that is possible for them. Larger companies feel more obligated to create a better society than smaller ones, which is not strange, since they are the ones who have a greater impact on the environment.

5.1.6 The Pyramid of Corporate Social Responsibility

All companies in this study have fulfilled the first step in the pyramid, the economic responsibility. This is a foundation that has to be fulfilled in order to reach the other levels in the pyramid. It is also reasonable to argue that all companies have reached the second step in the pyramid meaning that they all take their legal responsibility. Even though, the larger companies are the ones that go one step further and do more than is required by the law. But both the micro and the large companies are playing by the rules of the game, as Carroll (1991) puts it. Both the large companies and the micro companies in this study reach the third step in the pyramid, the ethical responsibility. All of them believe that it in some way is important to be ethical. The larger companies have made it as a requirement that all actors within the organization should think ethically in decision makings, and therefore they have implemented a code of ethics. The smaller companies on the other hand do not have an expressed requirement in the organization but instead it is something that the people that makes the decisions always have with them in decision makings since it is so obvious for them to behave ethically. The fourth and final step in the pyramid is the philanthropic responsibility which includes that the companies should contribute resources to the society and also improves the quality of life. We have found that it is only the large companies, KappAhl and Intersport that makes the cut for this step. Even if the micro companies are taking their social responsibility by focusing on their employees and their customers they cannot be regarded as a ‘good corporate citizen’ since they are not engaging in any project that does not directly affect their business.

5.1.7 Code of conduct – difference of use between micro and large companies

A code of conduct is much more important for larger companies than for smaller ones. It is many companies that have implemented some kind of codes of conduct that includes guidelines, testimonials and regulations put forth by society. Large companies have very explicit codes of conduct and they can often be found published on their homepages. This is a good way to show how the company takes its responsibility and how it not only affects the company internally, but also customers, communities, suppliers, competitors and shareholders. Smaller companies do not have the same re-
sources, so they are not able to construct a code of conduct, even if the smaller companies that have been interviewed believe that this is important. Smaller companies do not have enough bargaining power where they can make demands on, for example their suppliers. The reason is that if the smaller companies start to makes demands on the supplier then the supplier can choose to not deliver to that company. The effects on the suppliers will not be that comprehensive. On the other hand, if a large company make demands on the suppliers it is of great importance for the supplier to comply with their demands since it will have a great economic impact if they lose a customer such as KappAhl or Intersport. If companies have a code of conduct they can influence other actors on the market to take their social responsibility. Both Intersport and KappAhl have very explicit codes of conduct and their suppliers must follow the guidelines in order to become and remain a supplier of each company.

The large companies also differ in what kind of code of conduct they are using. As described above there are different types of codes of conduct. As far as known, KappAhl is using a company code that they have created themselves. Intersport on the other hand uses a code of conduct that could be seen as an association code since the code is not mandatory. On the other hand the code is based on inter-governmental guidelines and conventions, although, in this case they are not mandatory.

5.1.8 Difference in age

Furthermore we have noticed during our interviews with the companies that there are not only differences between the companies depending on their size but also depending on the age of the company. Since there is such differences between the micro and the large companies when it comes to how they are engaging in different CSR activities and what CSR activities that they are engaging in it will be hard to compare the large and the micro companies when it comes to age. Therefore we have decided to compare the two micro companies since one of them is a newly opened company and the other one is a well established company.

What have been shown is that age actually does matter when it comes to how companies work with CSR. The newly established company Alinas is much more informed in the area of CSR than the well-established company Crazy Horse and knows that it is of importance that all companies take their responsibility. The well-established company on the other hand does not have any knowledge of CSR questions and does things more like they always have done. One reason for why the new established company is thinking more about CSR could be that they have employees that have worked in other places before and have received the knowledge from those organizations. It could also be because when you establish a new company there is so much that you have to consider and engaging in CSR activities is one of them and therefore they are engaging in employees questions and how to attract customer.
When making a comparison between the newly established company Alinas and the established company Crazy horse we noticed that it was of importance for Alinas that the store was accessible also for people with disabilities. This could be because the law today requires that new stores needs to adapt their stores to people with disabilities but the store manager seemed to have a great passion for this question so we do not believe that that is the case. The well-established store, Crazy Horse, on the other hand was not accessible by people with wheelchairs since it was very crowded in the store and they did not seem to have the same passion for these issues. To conclude there is a difference in how well established and new established companies work with CSR questions but the differences are not as huge as the differences that are in relation to size. Although, it should be stated that this is a comparison between two micro companies and it is therefore not possible to generalize these results. This is just a conclusion that is drawn from the two different companies that are studied and the reasons why the two companies differ can also depend on other reasons than age, which will not be discussed in this paper.

5.1.9 Concluding comments
To sum up, both micro and large companies take their social responsibility but in different ways. There is a huge difference in how the micro and the large companies work with CSR where the micro companies only focus on activities that have direct effect on their business while the large companies work both internally and externally and contributes resources to the society. Because of the larger companies commitment to the society they are the only ones that reaches the top of The Pyramid of Corporate Social Responsibility created by Carroll (1991).

5.2 Why clothing companies work with CSR
5.2.1 Competitive advantage
During our study we have seen different motives that companies have for working with CSR. One of the reasons and benefits of working with CSR is, according to Koszewksa (2010) and Hassel et al. (2011), that the companies can gain a competitive advantage. We have noticed that for the large companies it has in some cases become a competitive advantage to work with CSR. Even if they have other reasons for working with CSR it shows that in the end it becomes a competitive advantage. KappAhl mentioned in the interview that, when they work with CSR and the social and environmental areas, for example in Bangladesh, they work together with the companies that are their competitors at home. Our opinion is that if companies collaborate with each other they can make a difference in a poor country, and this is becoming a clear motive for their CSR work. Collaboration with other companies will create a competitive advantage in relation to the companies they are not collaborating with. Since the micro companies are not working actively with CSR they are not gaining a competitive advantage and therefore
it is also not a motive for them. Thereby not said that the companies cannot gain a competitive advantage from working with CSR. Also the small companies can gain this competitive advantage but today they do not seem to be aware of that fact and therefore this is not a motive for them.

5.2.2 **Selfish or unselfish reasons**

Reasons for participating in CSR can be both selfish and unselfish (Sprinkle & Maines, 2010). Larger companies believe that it is important to be a good citizen. When we compared KappAhl and Intersport with the micro companies, Crazy Horse and Alinas, we saw a clear picture of that the larger companies actually have more unselfish reasons. From the answers received in the interviews KappAhl and Intersport are unselfish on the market where they want to create a better environment for everybody and not only for their own image. That may be because they have the time, the knowledge and the resources to work active with this issues. Both Crazy Horse and Alinas want to work more with CSR, but they do not have any knowledge or any resources to do so. They only do what is required by law. There reasons therefore are more selfish and they only engage in CSR activities that have a direct impact on their business.

5.2.3 **CSR as a form of window-dressing**

Another reason for participating in CSR is that the companies can show the society that they are taking their responsibility; this becomes a good marketing strategy for the company, a so called ‘window-dressing’ (Sprinkle & Maines, 2010). Both Intersport and KappAhl works a lot with CSR questions and they are also good at showing, especially by publishing documents on their webpage’s, that they have taken their responsibility. This also shows that even if the large companies have many unselfish reasons for engaging in CSR activities they also have some selfish reasons for engaging in those activities. The micro clothing companies such as Crazy Horse and Alinas are not likely to follow. As long as their customers do not demand of them that they should have, for example eco-labeled cotton, they do not need to do anything more than what is required of them by the law. However there could be a great benefit for Crazy Horse and Alinas if they work with CSR, because it would be a huge competitive advantage for them. After all they are competing with all the companies in the clothing industry. ‘Window-dressing’ and avoidance of negative publicity is therefore a motive for the large companies for engaging in CSR activities but not for the micro companies.

5.2.4 **Motivate employees and attract customers**

Research has shown that companies also participate in CSR activities in order to motivate their employees and also to attract new employees (Sprinkle & Maines, 2010). Our
view is that as an employee for a company, which works constantly with CSR, it should be very inspiring and motivating to be able to communicate their CSR work to customers and other stakeholders. Intersport is very good at motivating their employees, they have regularly training with the personnel so that they can answer the customers’ questions and then spread the message that Intersport works for a better world. The larger companies are therefore the ones that use CSR in order to motivate their employees. The micro companies also use CSR as a way to motivate their employees, not because they engage in a lot of activities that is shown in the media but rater in a way that they want the employees to feel satisfied with their work.

A reason for working with CSR that have also been discussed in the literature, and that could be seen as one of the main reasons for participating in CSR activities is to attract customers (Sprinkle & Maines, 2010). Many of the reasons that are stated above that the companies are having for participating in CSR activities leads to the benefits that they attract customers. Both KappAhl and Intersport show the world how they work and also show how important it is with CSR, it is not only important for the company itself, but also for others. They thereby uses window-dressing in order to attract customers to buy their products and in order for customers to get a more positive view of the company. The micro companies on the other hand attract customers in a different way than the larger companies. Instead of showing that they are working in order to create a better world they attract customers by taking care of their employees so that they feel happy at work. Happy employees will in turn attract customers since it is much more fun to shop in a store with friendly employees.

Another way of attracting more customers is to use fair trade materials in their products, which the large companies also show, by window-dressing, that they do. Although, here there is a gap. The micro companies do not have the same resources to use CSR as a way to attract customers, not when it comes to using fair trade materials anyway. Companies such as Crazy Horse often use the same suppliers that they have always used. As long as their suppliers are not willing to start to use organic cotton, the micro companies will not be able to sell clothes made of this material. At Alinas they have noticed a big difference in that the customers are more interested in knowing where the clothes and material are coming from, but they still do not have the resources or the time to put down any effort of finding out exactly where the clothes and the materials are coming from or make any demands on the suppliers.

KappAhl and Intersport on the other hand have a great advantage when it comes to meeting their customers’ needs. Both companies have sections that are only working with CSR and they also have the resources to educate their employees in the field and to buy more expensive materials such as organic cotton. So even if both types of companies use CSR work in order to attract customers they do it in different ways.
5.2.5 Charity work as a way of contributing to the society

In order to contribute to a better world companies can also engage in charity work as a part of their CSR work. As mentioned in the frame of reference CSR has become increasingly important in recent years and customers have started to become more aware of the questions (Hassel et al., 2011). Although it is only the large companies that are contributing to charity work. In the interview with KappAhl we were told that they have experienced that customers have become more aware of the clothes and about the environment, they also want to help to contribute to a better world and to help other people to get a better living. KappAhl works a lot with charity and the customers want to contribute by participating in their charity work. By engaging the customers in their charity work they can gain a competitive advantage with customers that feel it is of importance to contribute. This is not a reason why micro companies engage in CSR activities.

5.2.6 Ethical vs. analytical perspective

From the theoretical point of view there are three main stakeholder groups that is of importance when choosing what CSR activities to engage in; companies, consumers and investors (Koszewska, 2010). During our study we have noticed that the companies turn more to the customers than to any other group. KappAhl have a lot of stakeholder, as shown in the figure under section 4.1.3. According to KappAhl they are taking all of these stakeholders into account in decision making but it is mostly the customers that they have in mind when deciding what CSR activities to engage in. The minor companies on the other hand do not have as many stakeholders as the large companies and it is not surprising that their primary concern is the customers and how they can attract them when they make decisions. Although, the employees are also a stakeholder group that the micro companies are taking into account in decision making.

The ethical/normative perspective in the stakeholder theory means that the businesses focus on the whole organization and takes all interests into account. According to this perspective they treat all the stakeholders in the same way no matter what the companies can gain from the different stakeholders (Hasnas, 1998). We noticed during our interviews that the larger companies are definitely seeing their organization from the ethical/normative perspective. When deciding what CSR activities to engage they do not make their decision based on which stakeholder groups that they can gain the most from. Instead they are taking their philanthropic responsibility, they are being a good citizen, by engaging in projects that do not have any direct economic benefits for their business. KappAhl for example helps out in less developed countries where they are operating. This is not something that they have to do but something that the company feel passionate about. The micro companies on the other hand see it more from a positive/analytical perspective since they first and foremost look to their own needs in order to survive. They mostly focus on the stakeholder group consumers in order to make a profit. Even though they mostly see it from this perspective it can also be argued that
they in some way see to different stakeholders and not just the one that can benefit them the most since they are very eager to make sure that their employees are satisfied with their work. The large companies’ motives for engaging in CSR activities are therefore to satisfy the needs of all their stakeholders while the micro companies mostly engage in CSR activities in order to attract customers and satisfy their employees. Something that could be argued is that the large companies will gain a lot from using the perspective that they are using today since they are constantly watched by the media and if they would focus only on the stakeholders that will benefit them the most they will gain negative publicity. The micro companies are not watched by the media in the same way as the large ones and they can therefore afford to see from the positive/analytical perspective.

5.2.7 Code of conduct as a way of chairing a message

Some companies make use of codes of conduct in order to show what requirements they have on their stakeholder, such as their suppliers (Sauvant, 1999). We discovered that this was something that only exists in the larger companies, KappAhl and Intersport, and not in the smaller companies Crazy Horse and Alinas. The larger companies believe that it is very important to work with the code of conduct and use that as an agreement with their suppliers. During the interviews with the smaller companies, we did not get any really good answers to why they did not work with it. Our view is that larger companies use their codes of conduct in order to pressure their suppliers, for example, to use fair trade materials. By doing so the companies takes their social responsibility by not only making sure that they are taking their social responsibility but also makes sure that the actors in their surrounding are also takes their responsibility. To sum up the motive for using codes of conduct is because the companies want to create a better world. The smaller companies do not have the resources to ensure that a code of conduct is followed. Although, both Crazy Horse and Alinas would be willing to have a code of conduct if they were able to construct one.

5.2.8 Concluding comment

Our opinion is that customers do not choose to make high demands on the micro clothing stores, because if the customers never get to see the work they do, this can lead to that customers do not dare or want to ask questions about the clothes and background about materials of the clothes. As long as no micro companies, such as Crazy Horse and Alinas, have any demands from their customers, they will not put any more emphasis on expanding their work with CSR, and they just do what is required by law. If customers starts to make demands even on the micro companies this would be a good motive for the micro companies to start to work actively with CSR questions and show their responsibility open to the society.
To sum up there is a difference between why micro and large companies work with CSR. The common factor is that both sizes of companies want to attract customers. The main point that differentiates them is that the large companies also does it for the greater good of the society while the micro companies do it because they want to satisfy their customers and in that way gain profits and survive.
6 Conclusions

The first conclusion to be drawn is that micro and large companies work very differently with CSR question. Large companies engage far more in CSR activities and spend a lot of resources on these kinds of activities. The large companies believe that CSR is so important that they even have certain sections in the company that only works with CSR questions. The micro companies on the other hand do not have the resources to engage in CSR activities, and even if they would they do not have the time to actually consider what activities to engage in. The large companies both have the resources, time and knowledge to spend on CSR activities and making sure that they contribute to a better society.

A difference that have been shown is that the micro companies do engage in CSR activities, although in a small scale compared to the large companies, even if they do not know it themselves. The first reaction that we faced when asking micro companies of their CSR work was that they did not work with CSR questions. What we found out was that micro companies actually do work with CSR questions but mainly questions that was closely connected to their business. They take their responsibility by making sure that their suppliers are ethical and try to buy from suppliers that do not use child labor. The micro companies are not able to check all steps in the chain in order to make sure that there is no child labor in any step, since they do not have the resources for it but they have, just as the large companies, the will to prevent child labor.

The micro companies do also take their social responsibility by making sure that their employees are happy at their workplace and feel that they are doing a good job. Regarding the environmental responsibility the micro companies make sure to pre-separate at source. The large companies on the other hand take responsibility both internally and externally. By working internally they make sure that their employees have a good work environment, that they have chemical testing of their cloths and makes sure that chemicals are not spread in the nature and they also have textiles that are environmentally friendly. Internally the micro and the large companies work in a similar way with CSR questions. What differentiates them from each other is that the large companies do everything in a more extensive way than the micro companies. The large companies also work externally meaning that they look to the whole society and feel that it is important that they make contributions to secure the future for the coming generations. The large companies work together in order to make a difference for people in other countries such as Bangladesh. KappAhl, for example, have factories in Bangladesh and feels that it is their responsibility to help the people in this country in order to make sure that they have a good working environment and they also make sure that the women in the families receive education. The micro companies do not work externally. Even if the willingness is there even in the micro companies they do not have the resources to actually make a difference, or the time for it.
The large companies are the only ones that reach the step of philanthropic responsibility. The reason for this is that they are the ones that have the resources to spend a lot of money and time on the social responsibility to contribute to a better society.

The large and the micro companies also have different motives for working with CSR questions. Something that we have noticed during our interviews is that a micro company see the company as a family. They invest in the things that they have resources for. Many times it is difficult just to make the companies survive and then it is hard to actually think about spending the money to others that need them. They do not think of CSR as a term that they actively work with but instead they make decisions that is good for the company.

There is also a difference between newly established micro companies and micro companies that have been around for a while. The new companies do actually think about CSR and believe that it is important that they are socially responsible, even if they do not have the resources to actually engage in different activities in order to do so. The well established micro company on the other hand does not think that much about CSR and use the same suppliers as they have always done. A reason for this could be that the new established company has workers that have worked in other places and are more up to date with the concept of CSR and how important it have become while the well established company do everything as they always have done, since it has worked out for them in the past. Everything has become more of a routine.

To sum up, the size of the company really matters. All companies have responsibilities to take, but all companies cannot contribute in the same way. It all depends on resources, knowledge and time.
Discussion

During our study we have received a deeper insight in the area of CSR and what it really means. We have realized how important it actually is that companies engage in CSR questions and activities. It is important for companies that they take their responsibilities in all areas; economical, legal, environmental, ethical and philanthropic. All companies take their responsibilities to different extents depending on which resources they have available, their knowledge and how much time they have. Very much is also depending how large the companies actually are. Large companies can contribute a lot more to the society and to a better living for a lot of people.

We have concluded that if we would do this study over again, we would change the way we contacted the micro companies. We would not only have visited the stores we knew or had heard about, we could also have expanded the search to a broader area covering more stores in Jönköping. We would also have extended our search of micro companies to other cities than Jönköping. When we visited the micro companies we could also have explained more what CSR is really about since they did not have much knowledge in the area. We only handed out a paper about CSR and we realized first after the meetings with the micro companies that this might not have been enough. The reason for why many companies did not want to participate in our study was that they did not have enough knowledge about CSR. Maybe if we had explained more what CSR really is about, then maybe more micro companies had change their mind about their participation. Something that we also would have made different is that we could have, after a meeting with them, called the micro companies that was uncertain about if they did want to participate or not, instead of sending them an email, which we did.

We thought that the micro companies would be more willing to participate in our study than the large companies. It turned out that this was not the case. The reason for this is probably that most large companies have a separate department that works with CSR and they might then have felt that they had much to contribute to our study than micro companies felt. We also did not realize that the micro companies was so swamped with work and did therefore not have the time to set aside 30 minutes up to an hour for an interview.

What we want to pass on to others who want to write about this subject is that it might perhaps be better if they choose to focus on one part of the CSR, for example on the philanthropic side. Since CSR is a very broad area and there is much to study in all different parts, this can lead to that the work can easily leave the purpose of the study. Another subject that could be good to study within area of CSR is how micro companies can be better on working with CSR questions and activities. We have noticed that there is a need for micro companies to work with CSR. Since large companies gains a lot of benefits by working with CSR activities so could the micro companies do, but on a different level. Another idea of future studies can be to study how other industries works with CSR.
8 Reflections on the writing process

Working in a group has not been any problem at all. This has been a good opportunity in order to once again learn how to work with new people. We have been able to take advantage of each other’s knowledge during our work with the study, since we all have different backgrounds and skills to contribute with. This has also been an opportunity to learn from each other in the group. When working together with others we have become even more cooperative.

We have divided the work between us, but we have most of the time of the thesis writing process worked together in a group room in the school’s library. This has made it possible to receive help from each other and discuss different questions.

Something that can be considered as both positive and negative is that we during the whole process have had very similar thoughts and this has lead to that no big discussions have been raised. This might have lead to that we have not got a different perspective on our study, which sometimes would have been preferable.

All in the group have improved their knowledge of the English language and especially in writing. This is something that we will have a great use of in our future careers.
List of references


Appendix

Interview questions

General questions

- What is your position in the company?
- How long have you been working in the company?
- How long have you been working with CSR?
- How many people are employed in the company?

CSR

- How much do you know about CSR?
- How do your company work with CSR?
- How long have you been working with CSR?
- How much do you prioritize CSR issues?
- Is CSR something that you feel that you take into consideration in decision-making?
- When you are making decisions, which stakeholders interests are of most importance – if there are any difference between them?
- When choosing suppliers, are there any investigations made about how they are working?
  - If yes, how do you investigate the suppliers?
- Do you have any guidelines for how your suppliers should work?
  - If yes, how do you control that your suppliers follow your guidelines?
- On what kind of level would you say that you work with CSR
  - Not at all
  - Do what is legally obligated
  - Go a bit further than the law require – because there is a need for support
  - Actively engage in CSR activities and have a leading position?
- Do you see a change regarding your CSR activities? Are there any areas that has become more or less important than in the past, such as environmental or social issues?
- Do your customers have any expectations on your work with CSR?
  - If yes, what do they expect?
- What reactions do you get from your customers and other stakeholder regarding your CSR work?
- How do you work with CSR internally?
- In what way do you show, internally and externally, your work with CSR?
- What are your underlying motives for the work with CSR?
- Do you see that your work with CSR is a competitive advantage compared to your competition?
- How would your future work with CSR look like? Will you make any changes in the future compared with your current work?

Ethics

- Is ethic and moral of importance in decision-making?
Appendix

- Do your company have a corporate code of ethics?
  - If yes, what is included?
  - If yes, how do you use them – for what purpose?
  - What do you want to accomplish with it?
  - Do you have any remedies if it is not used?
  - If you don’t have any code of ethics – are you planning to implement one in the future?

Is there anything you would like to add that have not been brought up during this interview?